

MINUTES
ARKANSAS LOTTERY COMMISSION
Wednesday, May 19, 2010
8:30 a.m.
ALC Conference Room
Third Floor
124 West Capitol Avenue
Little Rock, Arkansas

The meeting was called to order by Interim Chair Lamberth. Commissioners Smith, Campbell, Hammons, Malone, Pickard, Shipp, Ward-Jones and White were present in person. Director Ernie Passailaigue represented the staff, along with David Barden, Ernestine Middleton, Julie Baldrige, Bishop Woosley, Lance Huey, and Patricia Vick. Internal Auditor Michael Hyde and Auditor Whitney Hall also were present.

The minutes from the April 7, 2010, meeting were reviewed and by motion of Commissioner White, seconded by Commissioner Malone, unanimously approved.

Commissioner Lamberth announced the resignation of Commissioner Ray Thornton, the ALC's Inaugural Chair, effective May 15. She noted that several of the Commissioners had met with him the previous evening and presented him with a token of their esteem. She then recognized Commissioner Malone, who read a formal Resolution signed by all Commissioners recognizing his service and paying tribute to him. It was directed that the Resolution be made a part of the Minutes.

Commissioner Lamberth then recognized the newest Arkansas Lottery Commissioner, John C. (Smokey) Campbell of Hot Springs, by way of Helena. She noted that Commissioner Campbell, whose term extends into 2015 and who was appointed by Senator Bob Johnson, President Pro Tempore, has been completely credentialed and is a full voting member of the Commission.

Director Passailaigue was recognized to present a report on the state of the Lottery. He reviewed the printed outline before the Commissioners. Questions and discussion followed. Commissioner Smith asked about the Random Number Generator system. Commissioner Lamberth expressed support for promoting greater awareness of the Cash 3 and Cash 4 games. Director Passailaigue gave an overview of ASL Ticket Vending Machines, including praise for the hard work and responsibility shown by Lottery retailers.

Commissioner Malone, reporting for the Administrative, Finance, Audit and Administration Committee, recognized Internal Auditor Hyde and Ms. Hall, as well as the Legislative Audit. Mr. Hyde presented status reports on eleven completed audits and six in process and reported no findings. Commissioner Malone expressed that it was important to audit functions such as gaming systems, financial reports, retailer sales, and prizes claimed. As part of the initial RFP, Intralot will be financially responsible for two SAS 70 audits and any other SAS 70 audits will be conducted and paid for by the ALC. Discussion followed.

The Commission next took up the matter of the election of officers. The Commissioners with one year remaining in their terms were asked by Commissioner White to come forward should they desire to serve as Chair in their remaining year. There being no response, Commissioner White nominated Commissioner Lamberth for the position of Chair, seconded by Commissioner Smith. Commissioner Hammons moved that nominations be closed, seconded by Commissioner Smith. Commissioner Lamberth was selected as Chair unanimously. Commissioner Hammons nominated Commissioner Smith for Vice Chair, seconded by Commissioner Malone. Commissioner Smith was elected Vice Chair unanimously. Commissioner Shipp nominated Commissioner Pickard for Secretary/ Treasurer, seconded by Commissioner White. Commissioner Pickard was elected unanimously to serve as Secretary/Treasurer.

Commissioner Lamberth thanked her fellow Commissioners for the vote of confidence, noting the sense of anticipation as the first scholarships are awarded. She looked forward to a great working relationship with employees, retailers, vendors and legislators to keep lines of communication open. She pledged to work diligently to maximize revenues for Arkansas students.

The Chair asked all members to look over the six standing Committees (Finance, Audit, and Administration; Higher Education, Personnel; Retail; Vendor and Technical; and Legal) and, by agreement by all, the Commission agreed to add no new Committees and to delete the Vendor Committee. She noted that all nine Commissioners are voting members of all Committees, although each Committee has two to four sitting members. She asked them to offer their service on the Committee or Committees of most interest to them. She said that she would resign her Committee appointments and serve ex-officio on all Committees.

She noted that Mr. Carl James of MurphyUSA has resigned from the Retailer Advisory Board and asked the Retail Committee to provide replacement nominations. She also asked the Commissioners to consider the frequency of meetings. Commissioner Malone requested a multi-faceted report on the scholarships from the Department of Higher Education, to be arranged by Commissioner Pickard and provided to the Higher Education Committee and to the Commission as a whole. The Commissioners then watched two television advertisements, one on the Academic Challenge Scholarship and one on the problem gambling program funded by the ASL.

Commissioner White then moved that the Commission go into Executive Session for the purpose of discussing personnel. The motion was seconded by Commissioner Campbell, and approved. The Commission convened in Executive Session.

Some time later, the Commission emerged from Executive Session, reconvened in regular session, announced that no action had been taken, and adjourned.