



**DRAFT MINUTES
Regular Meeting
of the Board of Directors of the
Connecticut Lottery Corporation**

Held on
Thursday, June 11, 2026 at 12:00 p.m.
at the
Connecticut Lottery Corporation
15 Sterling Drive
Wallingford, Connecticut 06492

Board Members Present: Robert Simmelkjaer, Board Chair; Michael Cicchetti; Douglas Dalena; Matthew Daskal (joined the meeting at 12:04 p.m.; left the meeting at 1:00 p.m.); Steven Ezzes; James Heckman; Jerald Lentini; Andrew Meehan; and Margaret Morton (all via teleconference).

Staff Members Present: Frank Suarez, President & CEO; Lauren Perrotti; Catherine Martorella; Matthew Pezzulich; Jeevan Vittal; Jodi Ganzer; Frank Rinaldi; Steve Wagner; Brianna Timbro (via teleconference); Annmarie Daigle and Olga de la Cruz (via teleconference).

I. Welcome:

Chair Simmelkjaer welcomed the Board Members and called the meeting to order at 12:01 p.m.

II. Annual AML Training Presentation

Matthew Pezzulich, Director of Compliance, Audit & Security provided the Anti-Money Laundering (AML) Training noting that the Bank Secrecy Act (BSA) establishes requirements to protect and prevent money laundering, terrorist financing and other financial crimes promoting transparency and integrity in the financial system. Sports Betting is cash intensive so CLC needs to adhere to the requirements to mitigate elevated money laundering and financial crime risks. The AML program must contain and maintain and meet all regulatory expectations – supported by risk management to avoid legal, financial and reputational harm. Penalties for noncompliance: civil monetary penalties, regulatory enforcement, licensing consequences, individual accountability and criminal penalties and fines.

CLC maintains an AML compliance program through our internal controls and AML monitoring of patron Sports Betting, submit suspicious activity report to FinCEN when needed. CLC also informs our regulator of suspicious instant reports.

III. Approval of April 9, 2026 Board Meeting Minutes:

On a motion by Mr. Lentini and seconded by Ms. Morton, the minutes of the April 9, 2026 Board Meeting were approved with Mr. Cicchetti, Mr. Ezzes and Mr. Heckman all abstaining as they were not in attendance.

IV. Lottery Reports:

a. Financial Report:

Catherine Martorella, CFO, provided a financial update for the first eleven months of the fiscal year noting that Total Lottery Sales, including iLottery, through May are \$1.25 billion, which is \$2 million ahead of budget and \$26.5 million over the same period last fiscal year. iLottery continues to grow nicely, contributing \$15.8 million, \$6 million ahead of last year. Prize expense was \$784 million, or 62.6% of total sales. This is below budget, mainly due to \$5.5 million received back from MUSL after the ending of the Lucky for Life game in February. Those funds were essentially a prepayment for potential top prizes, and the return shows as an offset to prize expense. Total cost of sales was \$884 million, \$20 million under budget, but \$12 million, or 1.4%, higher than last year.

Contributions to the state's General Fund reached \$336 million, \$21 million above budget and nearly \$10 million higher than last year.

Through the first 11 months of FY26, total sports betting handle reached nearly \$565 million. As expected, the majority of activity continues to be online, about 85% of all wagers, compared to 15% in retail locations. Handle is performing very well, coming in about 18.6% above budget and more than 33% higher than last fiscal year. Hold through May was 9.3%, stronger than the 8.2% budgeted and slightly above last year's performance of 9%. Retail and online commissions were each right around \$3.3 million. Marketing costs and player bonuses totaled \$32 million through May, and retail operating costs came in at \$559,000. We expect to see a bump in sportsbook activity with the FIFA World Cup kicking off today as early reports suggest this tournament could become the biggest gambling event in history with 48 teams, and 104 matches.

Overall, we have transferred a combined \$342 million to the general fund through May, which is more than \$22 million over budget and \$11 million ahead of the same time last year.

b. Marketing Report:

Frank Rinaldi, Senior Director of Marketing, provided the Marketing report. He noted that fourth quarter instant tickets are down from third quarter, \$146.1 million vs \$180.4 million, with approximately three weeks until year end. First Tuesday tickets launched in June were 3x The Cash (\$3) and 20x (\$20). Launching in July will be Hot 7s (\$1), Fireball 7s (\$5), and Red Hot 10s (\$10) which will be promoted through several media channels; broadcast/streaming tv, audio, online video, social media, POS at retail locations. Also in July, to celebrate America's 250th anniversary, CLC is launching a \$5 America 250 Connecticut scratch ticket which was conceived in house within the Marketing Department and being produced by one of CLC's vendors.

There will be a new Fast Play game launching on July 7; the Smokin' Hot Cash Progressive; selling at \$1, \$2 and \$5; starting jackpot at \$5,000.

Millionaire for Life results through June 8 (4 months from game start) are \$10.1 million in retail \$735,460 in iLottery for total sales of over \$10.8 million.

iLottery Performance for April 2026 vs 2025 was up 51%; May 2026 vs 2025 was up 44%.

c. President's Report:

Mr. Suarez began his report noting that the Powerball draw game is expanding to the United Kingdom. Allwyn UK, operator of the UK National Lottery will start selling Powerball tickets and contributing to the jackpot this summer, likely in August. Jackpots are expected to grow more quickly due to a larger population base; price point will remain at \$2, prize structure and jackpot odds will remain the same.

He also highlighted a new Powerball game, Powerball Xs and Os; sales begin September 8, 2026 and the first drawing will be Sunday, September 13, 2026. This is a partnership with the NFL and designed different from choosing numbers as players choose NFL team logos. Winners who select all 8 team logos correctly win the jackpot. CLC will make sure to make players know they will not be wagering on actual games. Promotions for this new game are still being discussed; the game will have its own mobile app and players will get a chance to win NFL merchandise or experiences.

Lastly, Mr. Suarez noted that CLC conducted a live drawing earlier today at headquarters on behalf of the CT Conference of Municipalities (CCM) for the Connecticut Citizens' Assembly on Property Taxes. CLC partnered with DCP to conduct the drawing which attended by the State Comptroller; members of CCM; the University of Connecticut; the Mayor of Wallingford; and members of the press.

V. Committee Reports:

a. Finance Committee Report:

Mr. Ezzes stated that the Finance Committee met a couple of times in May to receive a draft of the fiscal 2027 budget which will be presented to the full Board later in today's meeting. The Committee voted to recommend the budget as presented at the May 28th meeting.

b. Legislative & Games Committee Report:

Ms. Morton noted that the Legislative & Games Committee met earlier in the week to approve the Powerball Xs and Os game rules which will be presented to the full Board at today's meeting.

VI. Review and Possible Action: Draft FY2027 Budget:

Ms. Martorella presented the Draft FY2027 Budget noting that FY2026 revenues exceeded the budget expectations due to strong jackpot runs that were not present in the prior year. CLC is taking a more conservative approach on the FY2027 budget with projected growth of 2% for lottery sales. This increase will come from the new Powerball Xs and Os game, iLottery and incremental games from the portfolio game optimization. In FY2026 the Lucky for Life game ended and was replaced with Millionaire for Life. MUSL returned \$5.5 million back to CLC as discussed earlier; that will not be repeated in FY2027.

CLC continues to advance its strategic plan, focusing on modernization operations and strengthening core infrastructure. The Plan includes investments in the future with a new ERP system; new Advertising partners to support a CLC rebranding; and a Loyalty Program to reward players for their engagement. Game production and delivery increase spend due to additional games to be added to our Second Chance platform. Although CLC is maintaining the same headcount, salaries and benefits will increase as the Governor approved union increases, merit and cost of living, that are retroactive. This results in the General Fund transfer for FY2027 projected to be 4.2% lower than the anticipated FY2026 transfer.

VII. Executive Session:

On a motion by Mr. Lentini and seconded by Ms. Morton, the Board moved to Executive Session at 1:00 p.m. to discuss:

- a. Review of Draft FY2027 Budget
- b. Review of 2026 AML Program
- c. Personnel Update

Mr. Suarez, Ms. Ganzer, Ms. Martorella, Mr. Pezzulich, and Ms. Daigle remained present remained for Executive Session. Mr. Pezzulich left Executive Session after item b.

VII. New Business:

- a. Discussion and Action, if any, on items discussed during Executive Session:

Upon returning to public session at 1:36 p.m., Chair Simmelkjaer noted that no votes or actions were taken while in Executive Session.

On a motion by Mr. Meehan, seconded by Mr. Lentini and unanimously approved, it was:

Resolved, that after review and due consideration and based upon the recommendation of the Finance Committee, the Connecticut Lottery Corporation's Board of Directors hereby adopts the Lottery Budget for Fiscal Year 2027 as presented, and authorizes the CLC team to make conforming adjustments, if required, to reflect the regulatory assessment amount determined by the Office of Policy and Management.

- b. Review and Possible Action: Powerball Xs and Os Game Rules:

On a motion by Mr. Ezzes, seconded by Ms. Morton and unanimously approved, it was:

Resolved, that after review and due consideration and upon recommendation of the Legislative and Games Committee, the Connecticut Lottery Board of Directors hereby approves the Powerball Xs & Os national game rules as presented, and authorizes CLC's staff to make any subsequent minor edits, changes, or amendments to the national game rules or the CT Amendment, without the need for further approval or vote by the Board.

- c. Resolution to Approve AML Program:

On a motion by Mr. Lentini, seconded by Mr. Meehan and unanimously approved, it was:

Resolved, that after review and due consideration and to comply with the Bank Secrecy Act, the Connecticut Lottery Corporation's Board of Directors hereby approves the Connecticut Lottery Corporation's Anti-Money Laundering Program, as presented.

VIII. Adjournment:

Chair Simmelkjaer thanked everyone for attending the meeting and noted that the next regular meeting is scheduled for August 13, 2026.

On a motion by Mr. Meehan, seconded by Ms. Morton, and unanimously approved, the meeting adjourned at 1:39 p.m.

Respectfully Submitted,

Annmarie Daigle
Acting Secretary
CT Lottery Corporation