

Audit Committee

Minutes
Of Special Meeting

Held on
June 7, 2012 at 12:30 p.m.

at
Connecticut Lottery Corporation
777 Brook Street
Rocky Hill, Connecticut

Board Members: Martin Stauffer, Chairman of the Audit Committee; Patrick Birney; Robert Dakers; and Michael Thompson

CLC Staff Members: Anne M. Noble, President & CEO; Chelsea Turner; Diane Patterson; Paul Granato; and Lana Glovach

Call to Order: Mr. Stauffer called the meeting to order at 12:30 p.m.

I. Approval of Minutes:

On motion made by Mr. Birney, seconded by Mr. Thompson, and unanimously approved, it was:

“Resolved, That the minutes of the April 27, 2012 Audit Committee meeting are approved.”

II. Online Gaming System Contract Negotiations:

Mr. Birney stated that he will recuse himself from discussions and actions whenever the Audit Committee and the Board of Directors consider the online gaming system contract.

Ms. Noble reported that there was a meeting with the vendor earlier this week. Certain issues would be discussed in Executive Session.

III. Executive Session:

At 12:34 p.m., Mr. Stauffer proposed a motion to enter into Executive Session to discuss Attorney/Client Communications concerning the following:

- Freedom of Information Claims
- Department of Consumer Protection Audit
- Alumni Road Leases
- Claims Related to Online Gaming System Contract and Issues

On motion made by Mr. Birney, seconded by Mr. Thompson, and unanimously approved, the Audit Committee entered into Executive Session. Ms. Noble, Ms. Turner, Ms. Patterson, Mr. Granato and Ms. Glovach were invited to attend the Executive Session.

Mr. Birney left the meeting at 1:44 p.m. for the discussion on the online gaming system contract. Mr. Birney returned to the meeting at 1:53 p.m. when those discussions were concluded.

At 1:54 p.m., the Audit Committee reconvened in regular session. Mr. Stauffer stated that no actions or votes had taken place during the Executive Session.

IV. Old Business:

None.

V. New Business:

- A. Alumni Road Leases: Mr. Stauffer stated that he would entertain a motion for the following resolution:

“Resolved, that the Audit Committee has reviewed the proposed amendments to the leases of office and warehouse space at 81 Alumni Road in Newington, and the State Properties Review Board’s letter related to them, and recommends that the Board of Directors authorize the President to execute those amendments on the Corporation’s behalf.”

On motion made by Mr. Birney, seconded by Mr. Thompson, and unanimously approved, the resolution passed.

- B. Retention and Legal Fees re: Freedom of Information Claim: Mr. Stauffer made the following statement:

“Given the importance to the Corporation of a vigorous and consistent defense to the Freedom of Information complaints brought by Adam Osmond against the Corporation and its employees, the Audit Committee supports the President’s determination that the retention and continued use, without open or competitive bidding, of the law firm of Horton, Shields & Knox in the defense of those complaints, and any additional Freedom of Information complaints Mr. Osmond may file, is in the Corporation’s best interests. Such action is consistent with the Corporation’s purchasing policy and enabling legislation, and enables expertise and efficiency in the defense and management of these claims.”

Mr. Birney urged that this statement be read as a part of the Audit Committee’s report during the next Board of Directors meeting.

- C. Department of Consumer Protection Audits: Mr. Birney reported that a meeting occurred with the Commissioner and members of his staff. In response to the Commissioner’s request, Lottery management and the Audit Committee will endeavor to review the Lottery’s partial pack policy with an eye towards creating a policy to submit to the Board of Directors for approval and to the Department of Consumer Protection for its review.

Mr. Stauffer noted the Department of Consumer Protection’s input on the other audit. He stated that the Committee will review the Department’s observations and determine if any modifications are appropriate.

VI. Adjournment:

On motion made by Mr. Birney, seconded by Mr. Thompson, and unanimously approved, the meeting was adjourned at 1:59 p.m.

Respectfully submitted,

/s/
Lana M. Glovach
General Counsel
Connecticut Lottery Corporation