



Audit Committee

Minutes of Special Meeting

Held on
May 7, 2018 at 8:00 a.m.

at
Connecticut Lottery Corporation
777 Brook Street
Rocky Hill, Connecticut

- Committee Members: Michael Thompson, Chair of the Audit Committee; Patrick Birney; and Robert Dakers. (all via teleconference)
- CLC Staff Members: Chelsea Turner, Interim President and CEO; Paul Granato; Michael Hunter; Matthew Stone; Jeffrey Yue; and Annmarie Daigle.
- Call to Order: Mr. Thompson called the meeting to order at 8:01 a.m.

Mr. Thompson thanked the Audit Committee members for their participation in today's meeting.

I. Approval of Minutes:

On motion made by Mr. Dakers and seconded by Mr. Thompson, the minutes of the April 18, 2018 Special Meeting of the Audit Committee was approved, with Mr. Birney abstaining.

II. Old Business

Review and Possible Action Re: Alumni Road Lease:

Mr. Jeffery Yue, Counsel, provided an update and answered questions with regard to the two Alumni Road lease extensions to 2022, one for disaster-recovery office space and one for warehouse space. He noted that the State Properties Review Board has approved the lease extensions and Statement of Financial Interest from the landlord has been provided. After brief discussion it was:

“Resolved, that the Audit Committee has reviewed the First Amended and Restated Lease Agreements concerning office and warehouse space which the Corporation, as tenant, currently holds from Vernel Company LP, as landlord, at 81 Alumni Road in Newington, and has also reviewed the State Properties Review Board's letter related to the agreements, and recommends that the Board of Directors authorize the Interim President & CEO to execute these agreements on the Corporation's behalf.”

III. Executive Session:

Mr. Thompson asked for a motion to enter into Executive Session to discuss the following agenda items:

- Auditor RFP Responses
- Attorney/Client Communications
 - Marcum

On motion made by Mr. Birney, seconded by Mr. Dakers, and unanimously approved, the Audit Committee entered into Executive Session at 8:11 a.m. Ms. Turner, Mr. Granato and Mr. Stone were invited to stay for the entire Executive Session.

At 8:41 a.m., the Audit Committee reconvened in regular session.

IV. Discussion and action, if any, on items discussed during Executive Session:

Mr. Thompson stated that no actions or votes had taken place during Executive Session.

V. New Business:

Positive Pay Safe Banking Transactions:

Mr. Granato gave a brief overview of recent attempts at fraudulent activity at lottery high tier claim centers. He then stated that the Finance, Security and IT departments were working to implement Positive Pay in the near future, a fraud-prevention system that verifies check information, protecting against forged, altered or counterfeit checks.

VI. Adjournment:

On motion made by Mr. Birney, seconded by Mr. Dakers, and unanimously approved, the meeting was adjourned at 8:47 a.m.

Respectfully submitted:

Matthew Stone
Corporate Secretary
Connecticut Lottery Corporation