

Audit Committee

Special Meeting

January 27, 2010

12:45 p.m.

held at the

Connecticut Lottery Corporation
777 Brook Street
Rocky Hill, Connecticut

Board Members: Martin Stauffer, Chairman of the Audit Committee; Wendy Kingsbury, Steven Bafundo, Patrick Birney, and John Paul, Chairman of the Board

Staff Members: Anne M. Noble, President & CEO; and John Ramadei

Call to Order: Chairman Stauffer called the meeting to order at 12:45 p.m.

I. Approval of Minutes:

On a motion made by Mr. Paul, seconded by Mr. Birney, and unanimously approved, it was “*Resolved, that the Minutes of the November 6, 2009 meeting be approved.*”

II. Recommendation for Selection of a New Audit Firm:

Chairman Stauffer requested that Mr. Ramadei review the RFP (Request for Proposals) process and the Selection Committee’s recommendation for a new audit firm. Mr. Ramadei reviewed the Evaluation Report that summarized the RFP process, included scores for the accounting firms proposing audit services, and concluded with the Selection Committee’s recommendation of Ernst & Young LLP as the new audit firm for the Connecticut Lottery Corporation (CLC). Following some questions on the process and scoring, the following motion was moved by Mr. Bafundo, seconded by Mr. Paul and unanimously approved:

“ Resolved, that the Audit Committee hereby approves the Recommendation of the Selection Committee for the appointment of Ernst & Young LLP as the new auditing firm for the Connecticut Lottery Corporation for the next three years, and that a resolution shall be presented to the full Board of Directors at the meeting to be held on January 28, 2010 with the Audit Committee’s recommendation for the Board’s approval of Ernst & Young LLP.”

III. Update for Selection of Legal Firm:

Chairman Stauffer next requested that Ms. Noble update the Audit Committee on the selection of the new law firm. Ms. Noble reported that the firm of Shipman & Goodwin received the top scores from the evaluation process and was appointed as the new law firm for the Connecticut Lottery Corporation. Mr. Stauffer noted that the Audit Committee is not required to make a formal recommendation for approval of the firm to the Board of Directors and Ms. Noble commented that the law firm selection had been reported to the full Board at a previous meeting.

IV. Executive Session – Update on L-3 Network Security Assessment and Legal Review of Pending Claims and Litigation:

Chairman Stauffer stated that the next item for consideration concerned an executive session for discussions of the Network Security Assessment and legal review of pending claims and litigation. Ms. Noble and Mr. Ramadei were invited to join the Committee for the Executive Session.

Mr. Birney made a motion at 1:15 p.m. to move into Executive Session to discuss the Network Security Assessment and legal review of pending claims and litigation. The motion was seconded by Mr. Paul and unanimously approved.

At 1:30 p.m. the Executive Session ended and the Committee returned to regular session. Chairman Stauffer stated that no actions or votes had taken place during Executive Session.

V. Old Business:

Mr. Ramadei reported that the CLC had complied with the new bill that was enacted recently, Senate Bill 7007, which required each quasi-public agency to submit quarterly financial statements to the Office of Fiscal Analysis beginning with the quarter commencing July 1, 2009. Mr. Ramadei noted the quarter ended September 30, 2009 was submitted in December and that the CLC would comply for quarterly reporting in future quarters.

VI. New Business:

None.

VII. Adjournment:

On a motion made by Mr. Bafundo, seconded by Mr. Stauffer, and unanimously approved, the meeting was adjourned at 1:35 p.m.

Respectfully submitted,

By: John A. Ramadei
Chief Financial Officer
Connecticut Lottery Corporation