

**SOUTH CAROLINA EDUCATION LOTTERY
BOARD OF COMMISSIONERS MEETING
MINUTES
September 22, 2009**

The Board of Commissioners of the South Carolina Education Lottery held a meeting on Tuesday, September 22, 2009, at 4 p.m. The meeting was held in the first floor conference room located at 1333 Main Street, Columbia, South Carolina.

The following Board members participated:

Tim Madden, Chairman
Jimmy Bailey, Jr., Vice Chairman*
Marvin Quattlebaum, Secretary*
Dr. Edward Keith, At-Large*
Lisa Stevens*
Boykin Rose*
Nathaniel Spells, Sr.*
Eddie Rodgers*

Commissioner Burriss was unable to participate as he was in Holland to commemorate the 65th anniversary of World War II's Operation Market Garden.

The Chairman called the meeting to order.

Search Committee Report

The Chairman provided a brief overview and synopsis of the Search Committee's work since its formation in early June and the actions taken since the Executive Director's position became vacant. Chairman Madden described this history as follows:

- A. The Board authorized the Chairman to appoint a Search Committee;
- B. The Board charged the Chairman and Search Committee as follows:
 1. Chairman of the Commission, or his designee, be authorized and empowered to fulfill any duty or responsibility otherwise required or expected of the Executive Director during the vacancy of the position of Executive Director, and to communicate with directors, managers, and staff as may be necessary or reasonable, or in the best interest of SCEL;

2. The Search Committee be authorized, in accordance with appropriate procurement procedure, to explore the possibility of engaging a professional search firm or organization for appropriate assistance, and if in the opinion of the Search Committee such firm or organization is needed or desirable, to identify the scope of services, select, engage, and pay for such firm or organization subject to approval by the Board;
 3. The Search Committee be authorized to explore the possibility of appointing an Interim Executive Director, and if the Search Committee decides an Interim Executive Director is appropriate, to recommend a candidate to the full Commission for this position and the compensation for such person for Commission's approval; and
 4. The Search Committee be authorized to develop the profile of an ideal candidate for the position of Executive Director, plan the hiring strategy and recruiting process, screen applicants, assess candidates, and recommend to the full Commission a choice for Executive Director.
- C. Prior to hiring an Interim Executive Director, Vice Chairman Bailey provided invaluable service working with senior management to meet the day-to-day needs of the business in the absence of an Executive Director.
 - D. On July 8, 2009, the Search Committee recommended to the Board hiring Paula Harper Bethea as the Interim Executive Director, and the Board approved this recommendation.
 - E. Staff collected information on search firms, the services provided, and the necessary procurement process about search firms.
 - F. To facilitate orderly compilation of potential candidates for the position of Executive Director, and to receive resumés from interested parties, (1) staff established a P.O. Box exclusively reserved for receiving resumés or other information; (2) staff placed a notice on SCEL's website informing all interested parties to send a resumé with a cover letter and contact information; and (3) notification was placed with the North American Association of State and Provincial Lotteries (NASPL) for its website.
 - G. The Chairman and Vice Chairman conducted exit interviews/debriefings with one or more of SCEL's departing top management positions (including Ernie Passailaigue).
 - H. Members of the Search Committee gathered, from various resources, facts, related to the current needs of SCEL and the responsibilities, duties, and functions of the Executive Director.

- I. Approximately 25 expressions of interest from in state and out-of-state residents with and without lottery experience were received.

Chairman Madden also reported that, by consensus, the Search Committee decided to conduct a performance evaluation and review of the Interim Executive Director when the Committee met on September 15, 2009 and reconvened on September 22, 2009. This process was initiated to both assess Mrs. Bethea's performance and to gain additional insight into developing criteria for and the profile of a candidate for the position of Executive Director. The Search Committee decided to conduct this evaluation in executive session and invite and interview all senior staff, including Leslie Vang, Tom Mash, Ann Scott, Dusty Rhodes, Bethany Parler, Tony Cooper, and Mary Margaret Hopkins. (Chairman Madden previously interviewed Hogan Brown, who was attending a NASPL committee meeting.)

The Chairman summarized the individual thoughts of the Search Committee after the executive session regarding the attributes and profile of an ideal candidate to include the following:

- Experienced manager of large organization;
- Outstanding leadership skills;
- Keen intellect;
- Focused enthusiasm;
- Motivator of people and ability to maximize talents;
- Great communicator;
- Unique understanding and appreciation for the market in which we operate;
- Ability to operate and maintain a positive work environment;
- Accessible to all;
- Open-minded;
- Executes good judgment and common sense;
- Working knowledge of lottery industry;
- Respect of subordinates/supervisors/public;
- Diplomacy;
- Ability to create stability so the organization remains focused on its mission;
- Committed to the mission;
- Strategic thinker;
- Financial acumen;
- Untarnished integrity; and
- Proven record.

The Search Committee concluded Mrs. Bethea possesses this profile and has demonstrated an extraordinary performance as Interim Executive Director and shares the profile of the ideal candidate. The Chairman reported the Search Committee further recommends to the Board to recruit and offer the position of Executive Director to Paula

Harper Bethea on terms substantially the same as those previously paid to Ernie Passailaigue, in hopes Mrs. Bethea could be convinced to accept the position.

Motion Adopted

There being no further discussion, the question before the Board was to approve the Search Committee’s recommendation to offer the position of Executive Director to Paula Harper Bethea consistent with the terms and conditions by which SCEL employed Ernie Passailaigue as Executive Director.

The motion was unanimously adopted.

Without objection, the Chairman recessed the meeting to confer with Mrs. Bethea about the motion adopted by the Board and report to the Board upon conclusion of the conversation.

After the recess, the Chairman called the meeting to order. He announced Ms. Bethea accepted the offer of the Board to become Executive Director.

Mrs. Bethea expressed her appreciation for the trust bestowed upon her by the Board, her gratitude, and the honor to partner with a magnificent team at SCEL to improve the quality of education for the people of South Carolina.

Other Business

There being no further business, the meeting was adjourned.

_____/s/_____
Timothy E. Madden, Chairman

Marvin Quattlebaum, Secretary

As required by Section 30-4-80, notification for this meeting was posted at SCEL headquarters, 1333 Main Street in Columbia. As provided in the Board bylaws, the meeting notice and agenda were also posted on the SCEL website, sceducationlottery.com, and sent via facsimile transmission pursuant to requests made by media outlets and other organizations. These notifications included the time, date, place and agenda of the meeting.