



News for Immediate Release

July 9, 2012

Pennsylvania Engages Probity Firm to Ensure Bidder Integrity as it Continues Exploring Initiative to Maximize Lottery Funding

Harrisburg – The Corbett administration has retained Kroll Advisory Solutions to conduct comprehensive probity investigations on companies qualified to bid on a private management agreement for the Pennsylvania Lottery, Revenue Secretary Dan Meuser announced today.

Private management is being explored as an option to increase future funding for a wide range of Lottery-supported programs for older adults.

“Because the integrity of the Pennsylvania Lottery is of paramount importance to Governor Corbett, legislators, Lottery players, seniors and all taxpayers, we want to be sure the companies bidding on this business have demonstrated reputations for integrity, honesty and upright character,” said Meuser. “If it is determined the Pennsylvania Lottery and funding for senior programs will benefit from a private manager, Kroll’s probity investigations will provide further assurance regarding the quality of bidders.”

Kroll Advisory Solutions will ensure the commonwealth’s team is provided sufficient preliminary background information on each bidder to complete due diligence, the first phase of a multi-step sealed bidding process known as Invitation for Bid. While no exact timetable has been set for due diligence discussions, the administration expects this part of the process of data sharing, conversations and policy considerations could extend at least three to four months.

If the commonwealth determines a private management agreement is in the best interest of the Lottery and eventually seeks bids, Kroll will also conduct a full investigation into the winning bidder and its executives. Investigations will delve into criminal history, financial history, reputation, business practices and contractor integrity of any winning bidder.

Kroll’s findings would be used to evaluate the suitability of a winning bidder before a private management agreement would be executed.

Until the procurement process is completed or abandoned, the number and identities of potential bidders will remain confidential to preserve the integrity of the procurement process and maximize competition among respondents.

Kroll's investigative efforts will be led by two former federal prosecutors with experience in similar investigations in other states, as well as investigations on behalf of the Pennsylvania State Police and the Philadelphia Housing Authority, among many other government entities.

Kroll's services have been retained through DLA Piper, legal counsel assisting with the private management agreement procurement and process. Probity investigation fees will be borne by qualified bidders.

The commonwealth began exploration of a private management agreement for the Pennsylvania Lottery earlier this year as a way to maximize Lottery revenue and ensure secure, predictable funding for programs benefitting a dramatically growing senior population.

The Pennsylvania Lottery was created in 1971 to generate funds for programs benefitting older adults. Since 1972, when its first game went on sale, the Pennsylvania Lottery has contributed nearly \$21.5 billion to programs that include property tax and rent rebates; free transit and reduced-fare shared rides; the low-cost prescription drug programs PACE and PACENET; long-term living services; and the 52 Area Agencies on Aging, including hundreds of full- and part-time senior centers throughout the state. The Pennsylvania Lottery remains the only U.S. Lottery that exclusively designates all proceeds to programs benefitting older residents. Learn more at www.palottery.com.

About Kroll Advisory Solutions

Kroll Advisory Solutions, a global leader in risk mitigation and response, delivers a wide range of solutions that span investigations, due diligence, compliance, cyber security and physical security. Clients partner with Kroll Advisory Solutions for intelligence and insight to drive confident decisions about protecting companies, assets and people.

Kroll Advisory Solutions has 40 years of experience meeting the demands of businesses around the world. Headquartered in New York with offices in 29 cities across 17 countries, Kroll Advisory Solutions has a multidisciplinary team of 700 employees. Kroll Advisory Solutions is an Altegrity company. Learn more at www.krolladvisory.com.

Media contact: Elizabeth Brassell, 717-787-6960

###