



## **News for Immediate Release**

**Nov. 20, 2012**

### **Pennsylvania Receives, Considers Bid on Potential Lottery Private Management Agreement**

Full Investigation into Bidder Begins, Union Dialogue Continues

**Harrisburg** – In an effort to maximize long-term funding for programs benefitting older Pennsylvanians through a potential Private Management Agreement (PMA) for the Pennsylvania Lottery, the commonwealth last week sought and received a priced bid and 20 years' worth of annual profit commitments from Camelot Global Services PA LLC.

Camelot's bid is valid until Dec. 31 and is supported by \$50 million in bid security the commonwealth would retain if the bidder is awarded the PMA but fails to execute the contract.

The official bid tabulation, including Camelot's priced bid, is available for review at [www.emarketplace.state.pa.us](http://www.emarketplace.state.pa.us) and [www.revenue.state.pa.us/LotteryPMA](http://www.revenue.state.pa.us/LotteryPMA).

"The receipt of a priced bid represents an important milestone in this process, which began last April," said Revenue Secretary Dan Meuser. "While there are several additional steps before we'll be prepared to make a final decision, this is a proposal that warrants a complete and detailed review, and it is encouraging to see the potential private manager propose 20 years of significant profit growth."

Now that a binding bid has been received, the Commonwealth will consider the bid against historic and projected Pennsylvania Lottery performance data to ensure the bid provides incremental profit growth above what the Lottery could achieve on its own.

Additionally, risk mitigation firm Kroll Advisory Solutions will conduct a full investigation – delving into criminal history, financial history, reputation, business practices and contractor integrity – into Camelot and its executives. Kroll's findings will be used to evaluate the suitability of the bidder before a private management agreement would be executed.

The Commonwealth is also engaged in discussions with the union representing Lottery employees consistent with the union contract. The Commonwealth will evaluate and consider any alternate plan the union may propose prior to making a final decision.

The commonwealth began exploring a PMA for the Pennsylvania Lottery earlier this year as a way to maximize Lottery profit 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 \$22.6 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](http://www.palottery.com).

### **About Camelot**

The Camelot Group of Companies has more than 18 years of experience in running lotteries. In the United Kingdom, Camelot is the licensed operator of The National Lottery® and is committed to raising money - 29 billion pounds, to date - for the Good Causes, the UK beneficiaries of the lottery. Corporate and social responsibility is at the heart of Camelot's operations. It is the winner of the World Lottery Association's Responsible Gaming Award for 2012 and is a signatory of the UN Global Compact Initiative, which signals a company's commitments across labor, environment and anti-corruption. In 2010, one of the world's largest single-profession pension plans, Ontario Teachers' Pension Plan, acquired the Camelot Group of Companies.

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