

News for Immediate Release

Dec. 31, 2012

Commonwealth, Camelot Agree to Bid Extension for Potential Lottery Private Management Agreement

Harrisburg – The commonwealth and Camelot Global Services PA LLC have mutually agreed to extend Camelot's bid, originally set to expire Dec. 31, 2012, to Jan. 10, 2013.

The extension allows the union representing Lottery employees to present for commonwealth review a counter-proposal. Due to a commonwealth-granted extension, the union has until Jan. 8 to present a counter-proposal.

The bid extension will also allow additional time for risk mitigation firm Kroll Advisory Solutions to complete its final report to the commonwealth regarding the suitability and integrity of Camelot as a potential private manager.

Camelot's priced bid proposes \$34 billion and 20 years' worth of Lottery profit growth, should a private management agreement for the Pennsylvania Lottery be executed. The bid continues to be supported by \$50 million in bid security the commonwealth would retain if the bidder is awarded the private management agreement but fails to execute the contract.

Once the union counter-proposal and probity report are received and considered, if a private management is determined to be in the best interest of protecting and growing Lottery funding for a dramatically growing population of seniors, a second bid extension would be negotiated by Camelot and the commonwealth.

In April, the commonwealth began exploring a private management agreement for the Pennsylvania Lottery 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.

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Editor's Note: Lottery private management agreement resources – including answers to frequently asked questions, the private management agreement contract and all related schedules and exhibits, the bid tabulation including Camelot's priced bid, past press releases and other documents – continue to be available at www.revenue.state.pa.us/LotteryPMA.

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