



April 2, 2012

Dear Valued Business Partner:

The Pennsylvania Lottery is one of the best-run Lotteries in the nation, regularly ranking highly in industry polls for sales and profits. Our success is due in large part to you, our partners in promoting, displaying and selling the Lottery products that generate much needed funds for vital services for older Pennsylvanians.

But recognizing that every organization and business can improve by some measure, Governor Corbett is announcing today the pursuit of a Lottery private management agreement. In the interest of maximizing Lottery sales and revenues for programs benefitting older Pennsylvanians, exploration of a private management agreement will provide the Lottery with insight into best-in-class industry practices and new ideas to increase efficiency, better serve the needs of players, and grow and sustain revenues.

Given the respect and confidence players, retailers and other stakeholders have in the Lottery's integrity, value and success, we want to capitalize on that conviction to take Lottery operations to the next level.

Regarding specifics of how the Lottery would improve or what would be done differently under a private management agreement, all of that has yet to be determined. The first step in the process is to invite industry experts and private companies to express interest in pursuing a private management agreement with Lottery and demonstrate their financial capability, social responsibility and technical capability and suitability for such a project.

As we proceed through this exploratory process, know that the commonwealth will pursue what's in the best interest of all stakeholders, including retailers, but most importantly the older Pennsylvanians served by Lottery-funded programs. Your businesses are an integral part of our team, and we will seriously consider how a private management agreement can make the Lottery better for our retail network.

Today's announcement has no immediate impact on your Lottery business. If the decision is made in coming months to contract with a private manager, we will communicate any changes openly and honestly with our valued retail network, well in advance of any changes happening.

Allow me to note, however, that under a private management agreement the Lottery would continue to be owned and operated by the commonwealth, through the Department of Revenue. Not only does federal law prohibit the commonwealth from selling the Lottery or completely privatizing it, but we recognize it's not in the best interest of the commonwealth, players, retailers or Lottery beneficiaries to completely turn over operation of the lottery to a private company.

This is an exciting time for the Pennsylvania Lottery, and I hope you share my enthusiasm about this opportunity that could take our business – and your Lottery sales – to the next level.

Best in selling,

A handwritten signature in black ink, appearing to read "Todd Rucci".

Todd Rucci
Executive Director