

DOR Rhode Island Department of Revenue
Lottery Division

September 27, 2019

Chairman William J. Conley, Jr.
Senate Committee on Finance
State House
82 Smith Street
Providence, RI 02903

Dear Chairman Conley:

Thank you for providing the Lottery with the opportunity to testify on Senate Bill 1031 entitled “An Act Enabling the State Lottery Division of the Department of Revenue to Contract with IGT Global Solutions Corporation” on Thursday, September 19, 2019. Governor Raimondo forwarded me your letter dated September 24, 2019 and asked that the Rhode Island Lottery respond in detail to your requests by September 30, 2019. In advance of the next hearing before the Committee on October 1, 2019, we are providing you with the following documents and responses to your three requests:

Request 1. On August 27, 2019, both the Governor’s Office and the Rhode Island Lottery responded to a similar request for documents pursuant to an Access for Public Records Act (“APRA”) request from the Providence Journal. We enclose all of the documents deemed public that both the Governor’s Office and the Rhode Island Lottery provided in response to that APRA.

Request 2. A detailed chart of all of the amendments and letter agreements to the Master Contract, including the reasons for those amendments and the value of the benefits obtained by the State in exchange for those amendments is enclosed. In addition, copies of the actual contract amendments and letter agreements referenced on the enclosed chart can be found within the Response to Request #3 (pages 12-218) that the Rhode Island Lottery provided to Speaker Mattiello and Senate President Ruggiero on August 29, 2019.

Request 3. The Rhode Island Lottery is a 24-hour per day, 7-day per week operation and we are constantly monitoring the performance of our vendors. The public documents that best outline the responsibilities of IGT as a vendor are the Master Contract and the subsequent amendments referenced above. IGT’s compliance with the FTE obligations in the Master Contract were explained in detail in Response to Request #4 (pages 219-280) provided to Speaker Mattiello and Senate President Ruggiero on August 29, 2019. With respect to the issue of “non-compliance,” other than the periods of time when IGT did not satisfy its FTE obligation, IGT has timely complied with its contractual obligations. As noted in the above-referenced response, there have been certain changes to the deliverables and/or the timing of those deliverables that IGT was required to provide pursuant to the Master Contract and its amendments;



most of those changes were implemented at the Lottery's request, and have always been to the benefit of Rhode Island and the Lottery.

In furtherance of IGT's contractual obligations, the Lottery has performance standards for the level of service IGT is required to provide to the 1,200 Rhode Island retailers who sell lottery products on its behalf. In addition to the documentation shared in our previous response, we have enclosed herein several documents pertaining to how the Lottery monitors compliance by IGT and other vendors with contractual obligations and the Lottery's performance standards, including six exhibits pertaining to the monitoring and enforcement of retailer terminal performance standards, and an exhibit pertaining to the efficiency evaluation of video lottery technology providers. Those include the following documents, labeled as indicated below:

- Exhibit 1: On-Line Gaming Agreement/Liquidated Damages
- Exhibit 2: Lottery Downtime Calculation Procedures
- Exhibit 3: Downtime Status Worksheet
- Exhibit 4: Reports Reviewed to Calculate Downtime
- Exhibit 5: Report/Review by IGT
- Exhibit 6: Final Invoice
- Exhibit A: Efficiency Evaluation Formulas

Please feel free to contact my office regarding any questions you may have. We look forward to appearing before the Senate Finance Committee at the next hearing on 2019 -- S 1031 which would authorize the Lottery to enter into a contract extension with IGT.

Sincerely,



Gerald S. Aubin
Director
Rhode Island Lottery

