



TO: Rebecca Hargrove, CEO
FROM: Wanda Young Wilson, EVP & GC
SUBJECT: Random Number Generator Issue Review
DATE: August 20, 2007

1. As part of his ongoing responsibilities the TEL's Data Security Manager reviews winning numbers checking for patterns which might be indicative of possible irregularities. As a result the TEL was aware that there had not been any duplicate winning plays in CASH 3 or CASH 4 since changing to the RNG; however, since there are 720 possible combinations that could be selected which do not contain duplicate numbers for CASH 3 and 5040 combinations for CASH 4 a determination was made to continue monitoring the game results since the TEL was less than a week into RNG use. (Fri., Aug. 3rd.)
2. Fri, Aug. 10th, the TEL's CFO/CIO reviewed all winning numbers for CASH 3 and CASH 4 since the TEL began using the RNG. Upon his review he determined that we needed to continue monitoring the results and meet to decide on a further course of action.
3. Mon, Aug. 13th, the CFO/CIO, General Counsel and Data Security Manager reviewed the winning numbers, along with the report from the vendor hired to complete an independent certification of the RNG. The report indicated that the vendor had applied an interplay correlation test to the RNG and had concluded that all results were within the normal range consistent with the standard bell curve expected in games played with replacement such as in the case of CASH 3 and CASH 4. A call was placed to the certifying vendor who was not immediately available. In the interim a determination was made to have the Data Security Manager run an internal test of all possible winning number combinations to determine if duplicative combinations could be achieved in the test environment. The test results indicated that duplicate results could be achieved. (See attached results.) Based on these results a decision was made to stay the course and continue to monitor the games' results.
4. Wed, Aug. 15th executive management discussed the possibility of having the RNG recertified by an alternate vendor. Conversations were begun with other lotteries to ascertain alternate vendors with expertise in this process. We continued to monitor game results.
5. Mon, Aug. 20th we contacted the RNG developer. After running tests on their systems they determined that they had made a keystroke error in programming, instead of setting the parameter for CASH 3 and CASH 4 as repeatable (r) it was set as unique (u). The correction was made by the vendor and sent to the TEL. It was tested and applied in time for the evening drawings. (See attached results.)