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***PROPOSAL TO PROVIDE STATEMENT ON  
STANDARDS FOR ATTESTATION  
ENGAGEMENTS No.18 (SSAE 18) SERVICES***

***WEST VIRGINIA LOTTERY COMMISSION***

***For the Reporting Period  
Ending June 30, 2019***

***(WITH THE OPTION FOR TWO ADDITIONAL ONE YEAR RENEWALS)***

**RFQ Number: LOT1900000006**

**Bid Opening Date: April 30, 2019**

**Bid Opening Time: 1:30pm**

**Firm's Contact Person:**

**Robert Adams, Partner**

**readams@BEcpas.com**

**(304) 343-4188**

**Brown, Edwards & Company, L.L.P.**

**300 Chase Tower**

**707 Virginia Street, East**

**Charleston, West Virginia 25301**

**FIN: 54-0504608**

Your Success is Our Focus





# Table of Contents

**LETTER OF TRANSMITTAL .....1**

**ABOUT THE FIRM.....3**

**QUALIFICATIONS AND EXPERIENCE .....6**

**SERVICE APPROACH .....13**

**SCOPE OF WORK .....15**

**AFFIRMATIVE STATEMENTS .....17**

**APPENDIX A – RESUMES.....19**

**APPENDIX B – PEER REVIEW REPORT .....23**

**APPENDIX C – LICENSING.....25**

**APPENDIX D – REQUIRED FORMS.....29**

**APPENDIX E – QUOTATION AND LOT1900000006 PRICING PAGE.....38**





## Letter of Transmittal

April 30, 2019

West Virginia Lottery Commission  
900 Pennsylvania Avenue  
Charleston, West Virginia 25302

We are very pleased to present our qualifications to provide Statement on Standards for Attestation Engagements No.18 ("SSAE 18") services to the West Virginia Lottery Commission, hereafter referred to as "the Lottery", for the July 1, 2018 to June 30, 2019 reporting period, with the option for two (2) additional one (1) year renewals. Our examination will be performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. Brown, Edwards & Company, L.L.P. ("Brown Edwards") provides IT audit, attestation, and consulting services throughout our regional footprint in West Virginia, Virginia, and Tennessee. In addition, Brown Edwards has provided audit services to the Lottery for many years. ***We can assure you the SSAE 18 engagement would be an important addition to our IT practice and the services we already provide to the Lottery.*** As described in Appendix A, we have committed an engagement team with extensive experience providing SAS 70/SSAE 16/SSAE 18 services.

Through our merger with Gibbons & Kawash, A.C. on January 1, 2018, we have fortified and strengthened our overall experience with state agencies to levels that are unmatched by other local or regional firms. Our professional relationship with the Lottery extends more than 20 years, and during that time we have witnessed the Lottery's substantial changes in operations. Racetrack video lottery, limited video lottery, table games, and most recently, sports book wagering, were added during our engagement as auditors. Total revenues have grown from \$451 million to as high as \$1.5 billion over that period of time. Our personnel have been present as these substantial developments have impacted Lottery operations, and you can be confident that Brown Edwards understands Lottery operations as they exist today.

Our experience serving the Lottery has developed a professional team which is knowledgeable and experienced with all West Virginia Code sections relating to the Lottery and its gaming operations. Should we be appointed to serve as the Lottery's service auditors, the Lottery will receive the highest quality professional attestation services from staff that will plan, conduct, and report on the results of the examination with competence, integrity, and objectivity, and that are independent of the Lottery and the State of West Virginia in all respects. In addition, we have access to the resources of one of the nation's largest accounting and advisory firms, BDO USA, and hundreds of other CPA and specialty consulting firms, through our membership in the BDO Alliance USA. Our personnel participate in the BDO Alliance USA Gaming and Hospitality Group and Public Sector Group.

Your team includes IT resources that are 100% dedicated to the Brown Edwards IT services practice. Combined, they have **over 29 years of IT experience** in application programming; systems design; project and program management; information systems security practices; and IT audit, attestation, and consulting services. Throughout the year, our IT specialists are invited to speak at various conferences on current IT issues, such as cybersecurity.

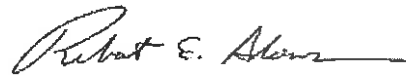
To serve the Lottery, we offer IT specialists who are highly experienced and sensitive to your needs and concerns. Our team members are noted by our clients for their accessibility and hands-on style, as well

as the depth of their knowledge and capabilities. They are dedicated to providing specialized expertise and an integrated approach focusing on risk management.

This proposal is structured to communicate our experience and qualifications to effectively and efficiently respond to the requirements and expectations of the Lottery. We have made every effort to completely respond to all matters identified in your request for proposal. **At Brown Edwards, we believe one key fact differentiates us from other organizations that you may consider – our enthusiasm to serve you.** We would be pleased to meet with you and formally present our proposal upon your request. If you have any questions, please do not hesitate to contact me at (304) 343-4188.

Respectfully submitted,

**BROWN, EDWARDS & COMPANY, L.L.P.**



Robert E. Adams, CPA  
Partner



## ABOUT THE FIRM

Brown Edwards is a regional accounting firm formed in 1967 through the merger of Fred P. Edwards Company and C. A. Brown & Company, whose histories date back to the 1920s. The Firm has enjoyed significant growth since its formation, thanks to an unwavering commitment to our clients to provide the highest quality professional services in the industry and the attention and responsiveness they deserve and have come to expect.

With an average of 25 years of experience for partners and directors and 10 years for senior managers and managers, team members at Brown Edwards bring significant experience and knowledge to every client engagement. Each service area offers specialists in accounting, assurance, tax, and management advisory services to our clients. In addition, we have developed industry teams, such as our not-for-profit, higher education, health care, financial institutions, and governmental practice units, which are comprised of team members with in-depth experience and specialized training who spend substantially all of their professional life providing services exclusively to clients in those specific industries.

### **QUICK FACTS ABOUT BROWN EDWARDS**

***Inside Public Accounting's Top 100 Public Accounting Firms by gross revenue (7/18)***

**43 Partners and more than 350 professionals serving the southeastern United States**

**Listed among the Top 10 fastest growing firms in the United States in *Accounting Today* (2017)**

**Ranked #4 in *Accounting Today's* 2019 Regional Leaders: Capitol Region (DE, MD, VA, DC, and WV)**

**Offices in Blacksburg, Bristol, Lynchburg, Harrisonburg, Newport News, Roanoke and Wytheville, VA; Kingsport, TN; and Bluefield and Charleston, WV**

**Pass opinion on our peer review for over 25 years and our PCAOB inspections have been 100% successful with no findings**

## **OUR COMMITMENT TO EXCELLENCE**



All aspects of our service quality are monitored against our **5 Star Service Quality Standards**. The 5 Star include standards for responsiveness, product quality and delivery, ease of access to decision makers and professional attitudes of all members of our team. While these standards are part of our culture, we also monitor how well we are doing by annual face-to-face client surveys in which members of the firm, not associated with an engagement, conduct interviews of selected clients to obtain feedback related to service quality. The results of these surveys assist us in realignment of priorities and, on an ongoing basis, support our goal of continuous improvement of service quality.



## MEMBERSHIP ORGANIZATIONS



Brown Edwards is also registered with the Public Company Accounting Oversight Board (PCAOB). This Board monitors quality in firms that audit public companies, which subjects our Firm to stringent inspection and requires that we meet the highest level of technical quality in the profession today. The benefit to you is that our quality control systems and educational requirements are subject to the same standards and inspections as are those of the largest firms. ***We are very proud of the results of our PCAOB inspections, the most recent being in 2016. In each of our five inspections, we received an unqualified report with no findings, a distinction that few firms have achieved.*** PCAOB inspection reports are public documents and receipt of a report with no findings places us in an enviable position when compared with peer firms, including those that are significantly larger than our firm.

As an independent member of the BDO Alliance USA, Brown Edwards can expand the services offered to clients by drawing on the resources of BDO USA, LLP, the fifth largest accounting services firm in the nation, and other Alliance members. The Firm serves clients through 63 offices and more than 450 independent Alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multi-national clients through a global network of more than 1,300 offices in over 150 countries.



Key members of our engagement team are members of the Government Finance Officers Association. All of our local government team partners, directors, and senior associates have extensive experience with the GFOA certificate program. In addition, certain members of our staff have served as qualified reviewers for the GFOA certificate program.

The engagement team consists of personnel who are members of ISACA and are Certified Information Systems Auditors. ISACA is an independent, nonprofit, global association that engages in the development, adoption, and use of globally accepted, industry-leading knowledge and practices for information systems. ISACA provides practical guidance, benchmarks, and other effective tools for all enterprises that use information systems. The CISA designation is a globally recognized certification for IS audit control, assurance, and security professionals.



The Engagement Lead is a Certified Ethical Hacker through the International Council of E-Commerce Consultants, also known as EC-Council. EC-Council is the world's largest cyber security technical certification body. EC-Council certification programs are recognized worldwide and have received endorsements from various government agencies including the US Federal Government, the US Government National Security Agency, and the Committee on National Security Systems. The CEH credential certifies individuals in the specific network security discipline of Ethical Hacking from a vendor-neutral perspective.

Brown Edwards performs peer reviews for six to eight firms each year, and our peer review clients include seven top 100 firms in the country in terms of annual revenue. Our System and Organization Controls ("SOC") specialists participate significantly in this practice area. Participation as peer reviewers gives Brown Edwards exposure to the work of other quality firms and is an excellent exercise to ensure we are up-to-date on the most recent professional standards, audit approaches, and technology.



## THE BENEFITS OF A REGIONAL FIRM

As a regional firm, we offer the best of both worlds. With a total staff of over 350 and growing, we are large enough to provide services to a broad range of clients in the functional areas of accounting, auditing, tax, and management advisory services while providing you with **direct access to our partners and directors**.

Although we are considered a large firm on a national basis, Brown Edwards is **owned, operated, and managed locally** and as a result we can **respond to your needs quickly and effectively**. Our offices are located in West Virginia, Virginia, and Tennessee, and we have quick and easy access to all of the southeastern United States. **Because we live and work very close to all the markets we serve, our partners and directors are always accessible to you.** Having **unparalleled access to our firm's decision makers** helps to create the meaningful relationship between our Firm and our clients that you should expect from your auditors. Our goal with the Lottery is not merely to provide the desired services but to proactively work with you to identify opportunities and use our resources to support your strategic mission – **Your Success is Our Focus**.

*"In a constantly changing governmental environment full of industry standard updates and changes, Brown Edwards is always there to help guide the implementation to make the transition smooth. They are a top notch quality firm that gets the job done right."*

*-Matthew R. Hornby, Assistant  
Director of Finance  
Town of Blacksburg, Virginia*

## OUR TECHNOLOGY

Brown Edwards is committed to providing our professionals access to sound and advance technology in order to ensure optimum levels of efficiency in our engagements. We use "paperless" audit techniques which enable our professionals to spend more time on judgment matters rather than on the mechanical aspects of client service.

With an internet connection, our personnel can work from anywhere and have complete access to the firm's network. Our electronic software allows efficient integration of client prepared Word, PDF, and Excel files into our workpaper files.

All data on Brown Edwards computers, including our workpapers in our computerized documentation management system, is encrypted using advanced algorithm technology. The data encryption ensures that in the unlikely event that one of our computers were to be lost or stolen, your data and our workpapers would be unreadable to anyone other than Brown Edwards personnel.



## OUR TECHNOLOGY (CONTINUED)

We use the following software solutions to perform the aforementioned tasks:



**ProSystem Fx Engagement** – A workpaper preparation program and document repository.



**Checkpoint** - Online access to an expansive library of tax, accounting, auditing, and corporate finance content, including primary source materials and expert analysis.



**IDEA** - A powerful data extraction and analysis program that provides us with access to large amounts of data from which we can quickly import, join, analyze, sample and extract data from almost any source. Through data extraction and analysis programs, a significant amount of information can be evaluated for unusual relationships, which may be the result of erroneous data.



**ShareFile** - A secure cloud-based collaboration, file-sharing and workflow solution that supports all the document-centric needs of businesses. Auditors and clients can safely share large files, e-sign and get secure remote access to servers and PCs from any device, any time.

## QUALIFICATIONS AND EXPERIENCE

We have assembled a dedicated team of professionals to serve the needs of the Lottery. These individuals bring a wide range of experience, professionalism, and insight to your engagement. Our service team is exceptionally well suited to meet your needs because:

- Our firm's experience and commitment to continuing to build our SOC practice ensures that your questions and concerns are addressed promptly.
- Our local presence provides immediate availability of resources, expertise, and decision-making on the Lottery's engagement.
- Our people have experience and knowledge that is relevant to the financial, information technology, and other business considerations facing the Lottery.
- All service team members meet or exceed minimum continuing professional education requirements.

People make the difference in professional relationships. We believe communication and personal chemistry are particularly important elements of client relationships. Our professionals are skilled SOC services, and we expect you will feel comfortable with their expertise and commitment. A short introduction to your service team is listed below with full resumes listed in **Appendix A**.

**Engagement Partner** – Norman Yoder, CPA, is the primary partner or concurring reviewer of some of Brown Edwards' largest audit and attest engagements. He will serve as the lead partner for the Lottery's SOC engagement. In this role, Norman will assume primary responsibility for the successful completion of the engagement and will maintain contact with you and with Lottery senior management throughout the engagement to ensure that services and resources are provided to the Lottery in a timely manner.





Norman will also provide technical expertise to the team and perform review and supervision procedures.

**Concurring Partner** – Robert E. Adams, CPA, CGMA, is a partner with Brown Edwards who has extensive experience in serving governmental and not-for-profit clients and will serve as the concurring partner for this engagement. The role of the concurring partner is an essential element of Brown Edwards' quality procedures. Rob will be available to consult with the team on reporting matters and provide technical expertise. Rob has over 20 years of experience providing service to the Lottery.

**Engagement Lead** – Cindy Gross, CPA, CISA, C|EH, is a director at Brown Edwards with many years of specialized experience providing SAS 70/SSAE 16/SSAE 18 services. Cindy will be responsible for developing our approach, supervising and coordinating the efforts of the engagement team, identifying and researching technical issues, and administrative matters. Cindy will be in contact with you to ensure your needs and deadlines are met and will be onsite to manage the engagement process on a daily basis. Cindy has over 13 years of experience providing IT attest and consulting services. In addition, Cindy provided technical IT expertise to the Brown Edwards' audit team during the Lottery's June 30, 2018 audit.

## CONTINUING PROFESSIONAL EDUCATION

One of the best measures of a firm's commitment to its audit practice is the depth of specialized training provided to its professionals. Brown Edwards provides internal and external training on accounting, auditing, reporting, and operations for all niches, including governmental. We continually monitor the issuance of technical auditing, accounting, and attestation pronouncements and provide our personnel with specialized training in these areas. Professionals at all levels receive specialized training in seminars and courses presented by nationally recognized experts in accounting, auditing and financial reporting. Brown Edwards' professional staff has met all continuing professional education requirements.

## COMMITMENT TO PROVIDE CONTINUITY OF STAFF

Our staffing and scheduling policies have historically been very successful in maximizing staff continuity from year to year. Effective staff recruiting and retention is a top priority for our firm, because we realize that our most valuable investment is our people. We recruit only those who have achieved a high academic standing and have demonstrated commitment, ambition, and leadership skills, and offer them a proactive approach to staff development that includes a mentoring program, comprehensive training at every level, and performance evaluations after every significant engagement.

We view continuity of engagement teams to be in the best interest of the Firm and our clients. Staff repetition enhances audit effectiveness and efficiency, and is our guiding principle in scheduling. We understand that the Lottery reserves the right to request staff changes throughout the term of the contract.



## OVERALL CHARLESTON OFFICE EXPERIENCE

The Charleston office of Brown Edwards, including the former firm of Gibbons & Kawash, has a long tradition of providing the highest quality professional services to governmental clients. The Brown Edwards' Charleston office includes recent public sector experience with the following entities:

- City of Charleston, West Virginia
- Central West Virginia Regional Airport Authority
- Charleston Area Alliance
- Kanawha County Commission
- Kanawha County Sheriff's Department
- Kanawha Valley Regional Transportation Authority
- Kanawha County Regional Development Authority
- Region III Planning and Development Council
- Region VII Planning and Development Council
- School Building Authority of West Virginia
- Tobacco Settlement Finance Authority of West Virginia
- West Virginia Affordable Housing Trust Fund
- West Virginia Alcohol Beverage Control Administration
- West Virginia Bar Foundation
- West Virginia Board of Treasury Investments
- West Virginia Consolidated Public Retirement Board
- West Virginia Department of Transportation
  - Division of Motor Vehicles
  - Division of Public Transit
  - Aeronautics Commission
  - Public Port Authority
- West Virginia Division of Highways
- West Virginia Drinking Water Treatment Revolving Loan Fund
- West Virginia Economic Development Authority
- West Virginia Housing Development Fund
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Jobs Investment Trust
- **West Virginia Lottery Commission**
- West Virginia Municipal Pension Oversight Board
- West Virginia Parkways Authority
- West Virginia Prepaid College Tuition and Savings Plan
- West Virginia Public Service Commission
- West Virginia Regional Jail and Correctional Facility Authority
- West Virginia Solid Waste Management Board
- West Virginia State Bar
- West Virginia State Rail Authority
- West Virginia Water Development Authority
- West Virginia Water Pollution Control Revolving Loan Fund



## RECENT ENGAGEMENTS WITH THE STATE OF WEST VIRGINIA

The following is a list of engagements with the State of West Virginia from the Charleston office of Gibbons & Kawash, now Brown Edwards, for the past five years.

<u>West Virginia Engagements</u>	<u>Principal Contact</u>	<u>Scope of Work</u>	<u>Years Served</u>
West Virginia Lottery Commission	Dean Patrick 304-558-0500	GAS	2013-2018
West Virginia Division of Highways	Susan Creager 304-558-9420	GAS	2015-2016
Tobacco Settlement Finance Authority of WV	Jane Shinn 304-558-4083	GAS	2013-2018
West Virginia Infrastructure and Jobs Development Council	Sheila Miller 304-414-6500	GAS	2013-2018
West Virginia Water Development Authority	Sheila Miller 304-414-6500	GAS	2013-2018
West Virginia Drinking Water Treatment Revoiving Loan Fund	Sheila Miller 304-414-6500	GAS / UG	2013-2018
West Virginia Jobs Investment Trust	Andy Zulauf 304-345-6200	GAS	2013-2018
West Virginia Economic Development Authority and affiliated entities	Jackie Browning 304-558-3650	GAS	2015-2018
West Virginia Water Pollution Control Fund	Katheryn Emery-Fultineer 304-926-0499	GAS / UG	2016-2018
West Virginia Alcohol Beverage Control Administration	Julia Jones	GAS	2013-2018
West Virginia Solid Waste Management Board	Scott Norman 304-926-0448	GAS / AUP	2013 and 2015-2018
West Virginia Prepaid College Tuition and Savings Plan	Greg Curry 304-340-2702	GAS	2016-2018
West Virginia Board of Treasury Investments	Kara Hughes 304-340-1564	GAS / AUP	2013-2018
West Virginia Housing Development Fund	Chad Leport 304-391-8644	GAS / UG	2013-2018
West Virginia Consolidated Public Retirement Board	John Galloway 304-558-3570	GAS	2013-2015



## RECENT SSAE 18 ENGAGEMENTS

The following is a list of SSAE 18-related engagements performed by Brown Edwards' IT practice in the last year.

<u>Client</u>	<u>Principal Contact</u>	<u>Engagement Type</u>
Independent College Enterprise	Shelley Nason, CEO 304-340-3722	SOC 2
Blue Ridge ESOP Associates	Duane Gran 434-220-7932	SOC 2
Robertson Marketing Group	David Wheeler 540-389-0014	SOC 2

## RELEVANT EXPERIENCE

The Lottery is a complex governmental entity. Our personnel selected for the Lottery engagement team are experienced with Lottery operations. In addition, engagement members have in-depth knowledge of the attestation standards applicable to SOC engagements. Engagements identified in the section titled RECENT SSAE 18 ENGAGEMENTS are engagements performed during the last year that are most similar to the engagement described in your request for quotation.

**In addition to the engagements listed above, the Engagement Lead, prior to joining Brown Edwards, served for a combined 11 years as the SOC Practice Leader at BDO USA, LLP, and as a SOC Director at Grant Thornton, LLP. During that time, she issued more than 150 SAS 70, SSAE 16 (SOC 1), and SOC 2 reports.**

## LOTTERY EXPERIENCE

As Brown Edwards, and previously Gibbons & Kawash, we have audited the financial statements of West Virginia Lottery Commission for 19 years. During this time, the Lottery's operations have expanded and have become substantially more complex, adding Racetrack Video Lottery, Limited Video Lottery, Table Games, and Sports Book Wagering. Our personnel are familiar with the requirements of the State Lottery Act, the Racetrack Video Lottery Act, Limited Video Lottery Act, Table Games Act, Limited Gaming Facility Act, and Sports Wagering Act, as well as the many other laws and regulations applicable to Lottery operations as presently designed. Our staff has detailed knowledge regarding all of the Lottery's various gaming types (Traditional, Racetrack and Limited Video Lottery Games and Table Games) as well as the computer systems currently in use by the Lottery to operate its traditional games, limited video lottery, and racetrack video lottery, as well as the related controls.

In connection with its traditional games, the Lottery conducts live televised drawings. Our personnel include numerous individuals with multiple years of combined experience observing the drawings.



## ADDITIONAL GAMING INDUSTRY EXPERIENCE

Our gaming industry experience includes over 15 years of providing auditing services to a licensed racetrack, Mardi Gras Casino and Resort (formerly Tri-State) in Cross Lanes, West Virginia. The scope of our work included Racetrack Video Lottery operations at the track, which operated "coin drop" machines and "TITO" (ticket in ticket out) machines, as well as pari-mutuel wagering operations. Our experience with the licensed racetrack has provided a unique perspective for our understanding of racetrack video lottery.

We performed separate engagements for two licensed racetracks in West Virginia (Tri-State and Mountaineer) relating to evaluations of procedures and controls over their pari-mutuel wagering or totalisator (tote) systems. These services included procedures at the local tracks and at the off-site data center responsible for processing data from over 60 tracks in the eastern U.S. utilizing inter-tote protocol. These services were provided to one track (Mountaineer) for two years and another track (Tri-State) for over 10 years. Our experience with these systems has contributed to our ability to evaluate electronic controls and procedures in environments such as the Lottery's.

## UNDERSTANDING OF LOTTERY OPERATIONS

Brown Edwards understands that the IGT WV operations are managed under the direction of the IGT's corporate management team and IGT's Board of Directors. Further, we understand that the IGT WV activities are under the overall management of the Account Development Manager ("ADM") who is responsible for the management of the IGT WV account.

## COMPUTER SYSTEMS UTILIZED FOR GLOBAL SOLUTIONS CORPORATION WEST VIRGINIA LOTTERY OPERATIONS

We understand that the Internal Control System ("ICS") is used to balance the Instant and On-line Gaming System, which is comprised of the following components:

- Central systems;
- Disaster recovery with business continuity;
- Terminals – Altura Flex and Gemini Touch;
- Hardware and software;
- Field services;
- Web hosting of software and maintenance systems used for Wizards and Mobile Convenience applications; and
- Personnel to manage, operate, support, and maintain the systems.

We understand that the IGT online telecommunications network is comprised of the following technologies to support critical applications:

- Internet Protocol ("IP") from terminal to host;
- A hybrid technology, integrated online network;
- Approximately 98 percent satellite communications (VSAT);
- Approximately 2 percent cellular; and
- Approximately 47 percent of the telecommunications network with backup cellular connectivity in the event of a primary circuit outage.



## UNDERSTANDING OF LOTTERY OPERATIONS (CONTINUED)

We understand that office locations include:

- Two administrative offices, including a claim center and a warehouse, at 900 Pennsylvania, Charleston, WV 25302;
- A hot site in Bridgeport, WV; and
- The IGT office in Charleston, WV.

We understand that the primary functions of the Gaming System include transaction processing of Instant and On-line (Draw) products as follows:

- Multi-state lottery draw games
  - Powerball (MUSL)
  - Mega Millions (Mega Millions Game Group MUSL)
  - Lotto America (MUSL)
- In-state lottery draw games
  - Daily 3 (WV)
  - Daily 4 (WV)
  - Cash 25 (WV)
  - Travel Keno (WV)
- Instant ticket lottery products
  - Instant scratch-offs (WV)

We understand that system functions for each product offered include:

- Sales;
- Validations;
- Terminal reports;
- Ticket validation;
- Returns/cancels (not applicable to multi-state games);
- Retrieval of report data;
- Instant product inventory movement;
- ICS processing;
- Billing functions;
- Promotions (gaming);
- Ticket stock inventory and controls (GGuard); and
- Consumables inventory (POS).



## UNDERSTANDING OF LOTTERY OPERATIONS (CONTINUED)

We understand the current gaming system includes the following back-office tools:

- Performance Wizard;
- Aurora Navigator;
- Lottery Mobile Convenience Application; and
- Retailer Wizard.

### SERVICE APPROACH

#### SERVICE PHILOSOPHY

We reject the notion that a SOC examination is a commodity. First and foremost, we are in business to serve our clients, to help them solve their problems, achieve their objectives, and to make a solid contribution to their success. Our people work to identify and respond to our clients' needs. We believe that in the course of conducting a SOC examination, your firm should generate information and develop insights that—in the hands of professionals who combine competence with judgment, maturity, and creativity—will result in improved controls, greater efficiencies, and clear, concise, and understandable SOC reporting. It is this “value-added” philosophy to client service that has molded our approach to engagement management and distinguishes us from other firms.

#### CLEAR COMMUNICATION

We value the candid exchange of ideas and opinions with our clients, and we maintain an open and robust dialogue with management and those charged with governance. We believe that communication is the most important tool for maximizing efficiency and effectiveness. Our approach emphasizes the importance of communication during all phases of the examination process. Good communication is the key to **no surprises!**

- Prior to the examination, we will meet with management to assist us in planning the examination. Taking the time to listen to you during the planning process is crucial to ensuring that we understand your organization and its risks.
- Our key team members will also meet with management frequently during the engagement to keep you apprised of our progress, to discuss any issues that may arise, and to solicit feedback regarding our performance.
- At the conclusion of our examination, we will communicate in writing regarding the results of the examination and we will meet with management to discuss these results.
- We also encourage contact throughout the year, and your client service team has been and will be ready to consult with you any time you have a question. To demonstrate this commitment to meaningful dialogue, we do not bill for brief phone calls throughout the year. Of course, if a question requires extensive research, we will let you know and arrive at a fee estimate in advance.



## OUR METHODOLOGY

Our methodology is broken down into five phases:



### SOC 1 TYPE 2 PLANNING

We will hold an initial kick off meeting with management to commence the SOC 1 Type 2 examination. As part of this process, we will:

- Introduce team members from our staff and review our general approach for conducting the examination;
- Determine if there have been any changes to the scope of the examination including the control activities, policies, and procedures;
- Establish a plan for updating the description of the system; and
- Establish a plan and mechanism for reporting the status of the examination.

We recognize that every organization we serve is unique. Effective and thorough planning is the key to ensuring that our approach is tailored to meet your specific needs and is the cornerstone of successful engagement management. Our approach is designed to assess risk in relation to specified control objectives.

### EVALUATE MANAGEMENT'S DESCRIPTION OF THE SYSTEM

Section 3 of the SOC 1 report provides a detailed description of processes and controls. Section 3 is provided by management and is therefore written by management. However, we typically provide assistance to management in updating this particular section of the report as we generally have more experience writing detailed descriptions of controls and underlying processes and thus alleviating some of the burden from management. This approach aids in the efficiency of the engagement.

### CONTROL DESIGN TESTING

We commence the engagement by performing walkthroughs of the relevant controls at your locations. Our walkthrough procedures are designed to enable us to attest to the design of the controls and determine whether the controls are in place to achieve the control objectives.

### OPERATING EFFECTIVENESS TESTING

We will identify whether the relevant controls are manual or automated. For manual controls, we will request your assistance in determining the frequency with which each control is performed during the examination period and will perform certain procedures to reach assurance on the completeness and accuracy of the control population. We will use sample sizes following our Firm's sampling guidance for manual and automated controls.





## REPORTING

Upon completion of our fieldwork, we commence efforts to draft Section 4 of the report, along with our opinion in Section 1 of the report. Section 4 of the report includes the description of the control objectives and related controls. Once drafted, we submit the draft report for your review and comment.

Upon receipt of your comments on the draft report, we revise the report as appropriate, submit the report and related work papers for engagement quality control review, and then, after consideration of the quality review comments, issue the final report.

## SCOPE OF WORK

Brown Edwards will conduct a SSAE 18 examination with the objective of expressing an opinion on the fairness of the presentation of the system description and on the suitability of the design and operating effectiveness of controls to achieve the related control objectives stated in the description, based on our examination. We understand the control objectives will be as follows:

- **A1:** Controls provide reasonable assurance regarding the adherence to policies and procedures surrounding security initiatives and ethical behavior.
- **B1:** Controls provide reasonable assurance that only valid point of sale devices are recognized by the systems.
- **B2:** Controls provide reasonable assurance that valid tickets are captured as transactions and are properly recorded, and invalid transactions are rejected.
- **B3:** Controls provide reasonable assurance that wagers are properly summarized and their integrity maintained from purchase through end-of-day processing and validations are properly accounted for invoicing purposes.
- **B4:** Controls provide reasonable assurance that all retailer requested cancellation attempts are recorded and that only valid cancellations are accepted by the system.
- **B5:** Controls provide reasonable assurance that winning numbers are input completely and accurately into the game processing system and that winning ticket identification is completely and accurately performed.
- **B6:** Controls provide reasonable assurance that only winning tickets can be validated and that winning tickets can only be validated once and for the correct prize amount.
- **B7:** Controls provide reasonable assurance that high-tier winning tickets can only be validated by authorized point of sale devices.
- **B8:** Controls provide reasonable assurance that instant ticket game data is properly loaded onto the system and the tickets are logically controlled from the time they are received from the vendor throughout the game's life cycle, and until the game is purged from the system.
- **B9:** Controls provide reasonable assurance that instant gaming transaction activities are balanced and reconciled and agent settlements are complete and accurate.
- **C1:** Controls provide reasonable assurance that the scheduling and setup of system processing is performed, and the accuracy and completeness of the processing is verified according to established routines and procedures.
- **C2:** Controls provide reasonable assurance that the tracking and reporting of processing problems are performed to established procedures.



## SCOPE OF WORK (CONTINUED)

- **C3:** Controls provide reasonable assurance that data is backed up according to documented procedures and is available to restore key information if needed.
- **D1:** Controls provide reasonable assurance that logical access to system resources affecting game data is restricted to properly authorized individuals and the assignment or modification of access rights are properly approved and the removal of user access rights is timely.
- **E1:** Controls provide reasonable assurance that the development and changes to the gaming system and supporting infrastructure are authorized, tested, approved, and implemented in a controlled environment.
- **F1:** Controls provide reasonable assurance that the production gaming network is protected from unauthorized access and alternative routing has been established in the event of a failure in the primary network routing.
- **G1:** Controls provide reasonable assurance that physical access to in scope game processing facilities is restricted to appropriate personnel having a legitimate business concern.
- **H1:** Controls provide reasonable assurance that contract provisions are followed.

Our examination will be conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether, in all material respects, based on the criteria and management's assertion, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description throughout the period July 1, 2018 to June 30, 2019. Following the completion of the examination for the period July 1, 2018 to June 30, 2019, Brown Edwards will issue a SOC 1 Type 2 report.

## AUDIT TIMELINE

Brown Edwards shall have a draft of the SOC 1 Type 2 report to management for review by August 15th following the end of the reporting period under examination. Management will complete a review of the draft report as expeditiously as possible. During that period, Brown Edwards must be available for any meetings that may be necessary to discuss the report.

Brown Edwards shall prepare and issue the final SOC 1 Type 2 report by August 31st following the end of the reporting period under examination. The final report will be presented to the Finance Committee of the Lottery at a commission meeting subsequent to August 31st. Fifteen (15) copies of the final report will be provided for the use of the Lottery and its independent auditors.

## STAFFING APPROVAL

The Lottery has the right to refuse the services of any on-site employee of the Firm based on the employee's competence or criminal background. All management, supervisory, and key personnel who will be active in the engagement shall be subject to initial and periodic background checks using the Lottery's electronic fingerprint capture system. An individual shall be removed from supporting the contract as an outcome of adverse results from the background checks. The Lottery will only refuse the services of an individual if that individual has a conviction for any violation of the W.Va. Code § 29-22-1 et seq., § 29-22A-1 et seq., § 29-22B-1 et seq., § 29-22C-1 et seq., or § 29-25-1 et seq., or for any felony, or any crime involving moral turpitude, or any other crime that may have bearing upon the individual's fitness to support the contract.



## CONFIDENTIALITY

Brown Edwards shall have access to private and confidential data maintained by the Lottery to the extent required for Brown Edwards to carry out the duties and responsibilities defined in this contract. Brown Edwards agrees to maintain confidentiality and security of the data made available.

## WORKPAPER RETENTION AND ACCESS TO WORKPAPERS

All workpapers will be provided, upon request, as they pertain to the SSAE 18 examination. The workpapers will be available for examination by authorized representatives of the WV Lottery Commission or appropriate regulatory bodies. The workpapers and reports will be retained, at our expense, for a minimum of five years, unless we are notified in writing by the Lottery of the need to extend the retention period. In addition, we will respond to the reasonable inquiries of any successor auditor and allow the successor auditor to review workpapers relating to matters of continuing significance.

## AFFIRMATIVE STATEMENTS

**General and Specific Terms and Conditions** – By signing and submitting this proposal, Brown Edwards agrees to be bound by all terms contained in this RFQ LOT1900000006 (RFQ). This includes by reference all Terms and Conditions described in all parts of the RFQ. Brown Edwards certifies that we have read and understand the statutory provisions governing the operation of gaming in WV and shall be conversant concerning these statutes while engaged in the examination.

**Independence** – Brown Edwards is independent of the Lottery, the State of West Virginia, and any component units of the State of West Virginia, as defined by the AICPA independence rules and *Government Auditing Standards*.

**License to Practice** – Brown Edwards and all assigned key professional staff are licensed to practice public accounting and perform attestation services in West Virginia.

**Registration** – Brown Edwards is properly registered with the State of West Virginia Purchasing Division and has paid all required fees.

**Disciplinary Action** - No disciplinary action has been taken or is pending against Brown Edwards.

**Insurance** - The Firm is in good standing and maintains sufficient professional liability and workers compensation insurance through policies with reputable insurance carriers.

**CPAs** – Brown Edwards employs 167 certified public accountants who are members of the AICPA across our 10 Firm offices.

**Work Preparation** — Brown Edwards will prepare all work necessary and work with the Lottery staff to ensure the Lottery's SOC 1 Type 2 report is provided by the due date of August 31st each year that the contract is in effect and that the information contained within the report complies with all applicable attestation standards.



## AFFIRMATIVE STATEMENTS (CONTINUED)

**Experience** — Brown Edwards has certified public accountants and certified information systems auditors assigned to the Lottery who understand traditional, instant, and online gambling (including the automated computer systems used to account for these operations), RVL (with related central computer system applications), racetrack table games operations, and limited gaming facility operations of table games and video lottery (central computer system). Brown Edwards understands the West Virginia statutes, legislative rules, and internal policies for each of the games listed above. All Brown Edwards partners, directors, and senior associates assigned to the Lottery are certified public accountants and/or certified information systems auditors. Additionally, the Engagement Lead has over 13 years of SAS 70/SSAE 16/SSAE 18 experience.

**Availability** — Brown Edwards will be available to the Lottery on short notice to give advice to the Lottery on changes in attestation standards which may present themselves and which may affect our examination of the description of IGT systems.

**Compliance** — Brown Edwards certifies compliance with all other required certifications or requirements listed as in the body of the RFQ.

**Travel Costs** — Brown Edwards certifies that any mileage and travel costs, including travel time, will be included in the flat fee or hourly rate listed in our bid. Brown Edwards will be responsible for any mileage or travel costs not listed in the flat fee or hourly rate.



## APPENDIX A – RESUMES



Norman Yoder, CPA  
Engagement Partner  
434-948-9000  
nyoder@BEcpas.com

#### **PROFILE**

- Partner in our Lynchburg office
- Primary partner or concurring reviewer of some of the firm's largest audit and attest engagements
- Active member of the firm's peer review services team
- Serves on the firm's accounting and auditing committee
- Serves as the lead partner of the firm's PCAOB/SEC practice group
- Experience with internal control consulting and other non-traditional attest engagements including examinations and agreed-upon procedures
- Recognized as a "Super CPA" by Virginia Business Magazine

#### **RELEVANT EXPERIENCE**

- Engagement partner for all of the firm's SSAE 18 engagements

#### **EDUCATION**

- Bachelor of Business Administration in Accounting from James Madison University

#### **MEMBERSHIPS**

- Certified Public Accountant in Virginia
- American Institute of Certified Public Accountants (AICPA)
- Virginia Society of Certified Public Accountants (VSCPA)

#### **CONTINUING PROFESSIONAL EDUCATION**

- Norman is in compliance with all applicable CPE requirements



**Rob Adams, CPA, CGMA**

**Engagement Partner**

**304-343-4188**

**readams@BEcpas.com**

**PROFILE**

- Partner in our Charleston office with over 25 years of experience in public accounting
- Director of Assurance Services for the Charleston office
- Extensive experience in financial reporting, accounting, internal control, auditing, review, compilation, agreed upon procedures and other professional services for the following entity types:
  - Nonprofit organizations
  - Various state and local governments
  - Closely-held businesses and public sector entities including real estate, hospitality, manufacturing, retail, wholesale, mining, and media
- Active in the AICPA's Governmental Audit Quality Center and the Charleston Partner assigned to the Center

**RELATED EXPERIENCE**

- West Virginia Lottery Commission
- Central West Virginia Regional Airport Authority
- Charleston Area Alliance
- Charleston Urban Renewal Authority
- City of Charleston, West Virginia
- Kanawha County, West Virginia
- Kanawha County Parks and Recreation Commission
- Kanawha Valley Regional Transportation Authority
- Metro Emergency Operations Center of Kanawha County
- School Building Authority of West Virginia
- Tobacco Settlement Finance Authority
- West Virginia Affordable Housing Trust Fund
- West Virginia Alcohol Beverage Control Administration
- West Virginia Board of Treasury Investments
- West Virginia College Prepaid Tuition and Savings Plan
- West Virginia Consolidated Public Retirement Board
- West Virginia Department of Transportation

**CONTINUING PROFESSIONAL EDUCATION**

- Rob is in compliance with all applicable CPE requirements

**EDUCATION**

- Bachelor of Business Administration with a concentration in accounting, West Virginia Wesleyan College
- Graduated Magna Cum Laude

**MEMBERSHIPS**

- Certified Public Accountant in West Virginia
- American Institute of Certified Public Accountants (AICPA)
- West Virginia Society of Certified Public Accountants, Charleston Chapter
- Governmental Finance Officers' Association
- Chartered Global Management Accountant
- West Virginia Kids Count, Board Member
- Multiple local church leadership committees

**RELATED EXPERIENCE (CONTINUED)**

- West Virginia Economic Development Authority
- West Virginia Educational Broadcasting Authority
- West Virginia Independent Colleges and Universities
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Jobs Investment Trust
- West Virginia Division of Highways
- West Virginia Municipal Pensions Oversight Board
- West Virginia Regional Jail and Correctional Facility Authority
- West Virginia Solid Waste Management Board
- West Virginia State Rail Authority
- West Virginia Water Development Authority
- West Virginia Water Pollution Control Revolving Fund
- West Virginia Drinking Water Treatment Revolving Loan Fund



Cindy Gross, CPA, CISA, C|EH  
Engagement Lead, IT Director  
540-434-6736  
cgross@BEcpas.com

#### PROFILE

- Information technology specialist in the Harrisonburg office with over 13 years of public accounting experience providing IT audits and consulting services to a wide range of entities including financial services, technology, municipal, and healthcare entities
- Services include SOX compliance, SAS70 and SSAE 16/18 audits, IT risk assessments, and IT internal audit
- Has over fifteen years of experience in systems development and design
- Experience performing information technology assessments for local government, private industry, financial institutions, and colleges and universities
- **Cindy previously served on the engagement team for the West Virginia Lottery during the June 30, 2018 financial statement audit**

#### RELEVANT EXPERIENCE

- Independent College Enterprise SOC 2
- Robertson Marketing Group SOC 2
- Blue Ridge ESOP Associates SOC 2

#### EDUCATION

- Master of Professional Accountancy from the University of Texas at Arlington
- Bachelor in Computer Programming and Information Systems from Shepherd University

#### MEMBERSHIPS

- American Institute of Certified Public Accountants (AICPA)
- ISACA
- Certified Information Systems Auditor
- Certified Ethical Hacker through EC-Council
- Certified public accountant in Texas, West Virginia, and Virginia

#### CONTINUING PROFESSIONAL EDUCATION

- Cindy is in compliance with all applicable CPE requirements





## APPENDIX B – PEER REVIEW REPORT



8550 United States Blvd, Suite 1001 Baton Rouge, LA 70809  
504-383-8000 Fax 504-383-8001 [www.pn.com](http://www.pn.com)

## Report on the Firm's System of Quality Control

To the Partners of  
Brown Edwards & Company L.L.P.  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brown Edwards & Company L.L.P. (the firm) applicable to engagements not subject to PCAOB inspection in effect for the year ended May 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, and audits of employee benefit plans.

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Brown Edwards & Company L.L.P. applicable to engagements not subject to PCAOB inspection in effect for the year ended May 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Brown Edwards & Company L.L.P. has received a peer review rating of *pass*.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
October 17, 2018



## APPENDIX C – LICENSING



NORMAN YODER



Home > Consumer Information > Online Services

### Licensee Details

#### Demographic Information

Name: Norman D Yoder

#### Address Information

Line 4: LYNCHBURG VA 24501  
County: Lynchburg City  
Country: United States

#### License Information

Lic #: [REDACTED] Profession: Accountancy Type: Certified Public Accountant  
Status: Active Issued: 9/22/2000 Expiration: 6/30/2019

## ROB ADAMS

### CPA License Information

Name ROBERT E ADAMS  
Company Name BROWN EDWARDS & CO LLP  
Address 707 VIRGINIA ST E STE 300  
City CHARLESTON  
State WV  
Zip 25301-2710  
County KANAWHA  
License Number [REDACTED]  
License Type CPA  
Status Active  
Effective Date 07/01/2018  
Expiration Date 6/30/2019  
Discipline  
Public Discipline Documents



CINDY GROSS

### CPA License Information

Name: Cynthia M. Gross

Company Name:

Address: 500 Dry Meadow Rd

City: McGaheysville

State: VA

Zip: 22840

County: OUT-OF-STATE

License Number: [REDACTED]

License Type: CPA

Status: Active

Effective Date: 04/23/2019

Expiration Date: 6/30/2019

Discipline:

Public Discipline Documents





## FIRM LICENSE

### Firm License Information

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**Firm Name** BROWN EDWARDS & CO LLP

**Address** 707 VIRGINIA ST E STE 300

**City** CHARLESTON

**State** WV

**Zip** 25301

**County** KANAWHA

**Permit Number**

**Effective Date**

**Current Status**

**Expiration Date**

### Authorization to Perform Attest/Compilation Services

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## APPENDIX D – REQUIRED FORMS



	Purchasing Division 2019 Washington Street East Post Office Box 50130 Charleston, WV 25305-0130	State of West Virginia Request for Quotation 34 - Service - Prof

Proc Folder: 566503			
Doc Description: RFQ FOR WV LOTTERY SSAE 18 AUDIT FOR REVIEW OF IGT			
Proc Type: Central Contract - Fixed Amt			
Date Issued	Solicitation Closes	Solicitation No	Version
2019-04-18	2019-04-30 13:30:00	CRFQ 0705 LOT1900000006	1

<b>BID RECEIVING LOCATION</b>	
BID CLERK DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION 2019 WASHINGTON ST E CHARLESTON WV 25305 US	

<b>VENDOR</b>
Vendor Name, Address and Telephone Number:

<b>FOR INFORMATION CONTACT THE BUYER</b>	
Brittany E Ingraham (304) 558-2157 brittany.e.ingraham@wv.gov	
Signature X	FEIN # 54-0504608 DATE 4/29/2019
All offers subject to all terms and conditions contained in this solicitation	





ADDITIONAL INFORMATION:

Request for Quotation

The West Virginia Purchasing Division is soliciting bids on behalf of THE WEST VIRGINIA LOTTERY to establish a contract for a STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO 18 (SSAE 18) for a REVIEW OF IGT, per the bid requirements, specifications, terms and conditions attached to this solicitation.

INVOICE TO		SHIP TO	
ACCOUNTS PAYABLE LOTTERY PO BOX 2087		PURCHASING LOTTERY 900 PENNSYLVANIA AVE	
CHARLESTON	WV26327-2067	CHARLESTON	WV 25302
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	Audit services				

Comm Code	Manufacturer	Specification	Model #
84111800			

Extended Description :  
Please see Exhibit A Pricing Page

THE WEST VIRGINIA LOTTERY IS SOLICITING BIDS FOR A STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS NO. 18 FOR A REVIEW OF IGT FOR THE PERIOD OF 7/1/18 THROUGH 6/30/19



	<b>Document Phase</b>	<b>Document Description</b>	<b>Page 3</b>
LOT1900000006	Draft	RFQ FOR WV LOTTERY SSAE 18 AUDIT FOR REVIEW OF IGT	

**ADDITIONAL TERMS AND CONDITIONS**

See attached document(s) for additional Terms and Conditions



**DESIGNATED CONTACT:** Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

Robert E. Adams, Partner  
(Name) (Title)  
ROBERT E. ADAMS, Partner  
(Printed Name and Title)  
300 CHASE TOWER, 707 VIRGINIA ST., E., CHAS., WV 25301  
(Address)  
(304) 343-4188 (304) 344-5085  
(Phone Number) / (Fax Number)  
readams@BEEpas.com  
(email address)

**CERTIFICATION AND SIGNATURE:** By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this Solicitation in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

BROWN EDWARDS & COMPANY  
(Company)  
Robert E. Adams, Partner  
(Authorized Signature) (Representative Name, Title)  
ROBERT E. ADAMS, Partner  
(Printed Name and Title of Authorized Representative)  
APRIL 29, 2019  
(Date)  
(304) 343-4188 (304) 344-5085  
(Phone Number) (Fax Number)

Revised 01/24/2019



**12.1 Contract Manager:** During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The Contract manager must be available during normal business hours to address any customer service or other issues related to this Contract. Vendor should list its Contract manager and his or her contact information below.

Contract Manager: ROBERT ADAMS

Telephone Number: (304) 343-4188

Fax Number: (304) 344-5085

Email Address: readams@BEEpas.com



STATE OF WEST VIRGINIA  
Purchasing Division

**PURCHASING AFFIDAVIT**

**CONSTRUCTION CONTRACTS:** Under W. Va. Code § 5-22-1(i), the contracting public entity shall not award a construction contract to any bidder that is known to be in default on any monetary obligation owed to the state or a political subdivision of the state, including, but not limited to, obligations related to payroll taxes, property taxes, sales and use taxes, fire service fees, or other fines or fees.

**ALL CONTRACTS:** Under W. Va. Code §5A-3-10a, no contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

**EXCEPTION:** The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. Code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

**DEFINITIONS:**

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Employer default" means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

"Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

**AFFIRMATION:** By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that: (1) for construction contracts, the vendor is not in default on any monetary obligation owed to the state or a political subdivision of the state, and (2) for all other contracts, that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

**WITNESS THE FOLLOWING SIGNATURE:**

Vendor's Name: Brown Edwards & Company LLC

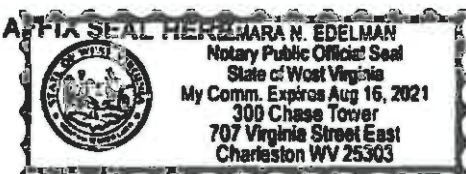
Authorized Signature: [Signature] Date: 4/29/19

State of West Virginia

County of Ranocaha, to-wit:

Taken, subscribed, and sworn to before me this 29 day of April, 2019.

My Commission expires August 16, 2021.



NOTARY PUBLIC [Signature]

Purchasing Affidavit (Revised 01/19/2018)

Proposal to Serve West Virginia Lottery Commission



**SOLICITATION NUMBER: CRFQ LOT1900000006**  
**Addendum Number: No.01**

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The purpose of this addendum is to modify the solicitation identified as ("Solicitation") to reflect the change(s) identified and described below.

**Applicable Addendum Category:**

- | Modify bid opening date and time
- | Modify specifications of product or service being sought
- | Attachment of vendor questions and responses
- | Attachment of pre-bid sign-in sheet
- | Correction of error
- | Other

**Description of Modification to Solicitation:**

Addendum issued to publish and distribute the attached documentation to the vendor community.

The purpose of this addendum is to:

1. Publish vendor questions and agency responses
2. Remove 4.1.4 from the specifications

No other changes.

**Additional Documentation:** Documentation related to this Addendum (if any) has been included herewith as Attachment A and is specifically incorporated herein by reference.

**Terms and Conditions:**

1. All provisions of the Solicitation and other addenda not modified herein shall remain in full force and effect.
2. Vendor should acknowledge receipt of all addenda issued for this Solicitation by completing an Addendum Acknowledgment, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.



**ADDENDUM ACKNOWLEDGEMENT FORM**  
**SOLICITATION NO.: CRFQ LOT19\*06**

**Instructions:** Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

**Acknowledgment:** I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specifications, etc.

**Addendum Numbers Received:**

(Check the box next to each addendum received)

- |                                     |                |                          |                 |
|-------------------------------------|----------------|--------------------------|-----------------|
| <input checked="" type="checkbox"/> | Addendum No. 1 | <input type="checkbox"/> | Addendum No. 6  |
| <input type="checkbox"/>            | Addendum No. 2 | <input type="checkbox"/> | Addendum No. 7  |
| <input type="checkbox"/>            | Addendum No. 3 | <input type="checkbox"/> | Addendum No. 8  |
| <input type="checkbox"/>            | Addendum No. 4 | <input type="checkbox"/> | Addendum No. 9  |
| <input type="checkbox"/>            | Addendum No. 5 | <input type="checkbox"/> | Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

BROWN, EDWARDS & COMPANY  
 Company

[Signature]  
 Authorized Signature

April 29, 2019  
 Date

**NOTE:** This addendum acknowledgment should be submitted with the bid to expedite document processing.  
 Revised 11/2017



**APPENDIX E – QUOTATION AND LOT1900000006**  
**PRICING PAGE**





## QUOTATION AND LOT1900000006 PRICING PAGE

DESCRIPTION	REPORTING PERIOD	COST
Total, all-inclusive price for SSAE 18 attestation services as described in this solicitation.	July 1, 2018 to June 30, 2019	\$28,000
Total, all-inclusive price for SSAE 18 attestation services as described in this solicitation.	July 1, 2019 to June 30, 2020	\$28,000
Total, all-inclusive price for SSAE 18 attestation services as described in this solicitation.	July 1, 2020 to June 30, 2021	\$28,000
	Total Bid Amount	\$84,000

VENDOR NAME:

BROWN, EDWARDS & COMPANY

VENDOR REPRESENTATIVE NAME:

ROBERT E. ADAMS, Partner

VENDOR REPRESENTATIVE SIGNATURE:

