



CERTIFIED PUBLIC ACCOUNTANTS  
MANAGEMENT CONSULTANTS

February 5, 2009

Ms. Shelly Murray  
State of West Virginia  
Department of Administration  
Purchasing Division  
Building 15, 2019 Washington Street, East  
Charleston, WV 25305-0230

Dear Ms. Murray

Berry, Dunn, McNeil & Parker ("BDMP") is pleased to propose Statement on Auditing Standards No. 70 ("SAS 70") examination services to the West Virginia Lottery Commission ("Lottery") in response to the State's Request for Quotation ("RFQ") LOT448. We have read the RFP and the two addenda, we understand the requirements, and we agree to the terms and conditions stated therein.

## **INTRODUCTION**

The Lottery seeks a SAS 70 examination of the systems and controls relating to Scientific Games Incorporated's ("SGI") MasterLink instant and on-line gaming system and service center operations. We will employ a structured approach that we have used successfully in past SAS 70 examinations in the lottery industry and will conduct the examination in accordance with standards established by the American Institute of Certified Public Accountants ("AICPA").

At the conclusion of the examination, BDMP will issue a *Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness* (referred to herein as a Type 2 SAS 70 examination) for the 12 months ended June 30, 2009. We will issue 25 bound copies of our Type 2 report by August 31, 2009.

## **WHY ENGAGE BDMP?**

BDMP has been conducting SAS 70 examinations in the lottery industry since 1996 and has over 10,000 hours of SAS 70 examination experience in the industry. We are efficient and flexible and have had success completing examinations with minimal disruption to service center staff and production operations. Please consider the following points:

- We have complete Type 2 SAS 70 examinations of numerous SGI service centers running the AEGIS system including Delaware, South Dakota, and Pennsylvania, Indiana. We have also conducted examinations at SGI service centers running SGI's AEGIS system, including Maryland, Connecticut, Oklahoma, New Hampshire, and Vermont, as well as at GTECH service centers.

Ms. Shelly Murray

February 5, 2009

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- We have a group of 10 auditors with lottery SAS 70 experience that are scheduled on teams. Our teams have a mix of business, financial, and information technology expertise. We have the systems, staff, and processes in place to complete multiple SAS 70 examinations in a tight time frame.
- We have experience auditing daily numbers, pari-mutuel, and instant lottery games; Multi-State Lottery ("MUSL") requirements; video lottery systems; monitor games; and cooperative services arrangements. We also have experience with lotteries that connect retailer terminals through leased line, satellite, cellular, and radio telecommunications.
- Our recent engagements also include SAS 70 examinations in trust operations, health claims administration, retirement plan administration, telephone company billing, thoroughbred racing, and e-business. We helped many of these organizations through their first SAS 70 examination.
- BDMP is one of the largest locally owned and operated certified public accounting ("CPA") and management consulting firms in New England with approximately 175 personnel in three offices. We have been committed to serving the needs of our public and private sector clients since 1974.
- The team members that would be assigned to this SAS 70 examination are all located in our Portland, Maine office.

\* \* \* \* \*

Should you or the evaluation committee have questions regarding our proposal, please contact me at (207) 541-2321 or [mcaiazzo@bdmp.com](mailto:mcaiazzo@bdmp.com). We would be pleased to conduct an oral presentation to further describe how we will accomplish our work and why we believe we are well qualified to assist the Lottery with this important project.

Sincerely,



Mark A. Caiazzo, CISA, CISM  
Principal



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER
LOT448

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF
SHELLY MURRAY
304-558-8801

VENDOR

\*B06102201      207-775-2387  
 BERRY DUNN MCNEIL & PARKER LLC  
 PO BOX 1100  
 PORTLAND ME 04104-1100

SHIP TO

LOTTERY COMMISSION  
 312 MACCORKLE AVENUE, SE  
 CHARLESTON, WV  
 25314-1143      558-0500

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
01/16/2009				

BID OPENING DATE: 01/29/2009      BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
----- ADDENDUM NO. 1 -----						
THIS ADDENDUM IS ISSUED TO ADDRESS THE QUESTIONS SUBMITTED PRIOR TO THE QUESTION SUBMISSION DEADLINE OF 01/13/2008.						
ATTACHMENT: QUESTIONS AND RESPONSES						
THE BID OPENING DATE REMAINS: 01/29/2009						
0001	1	LS		946-20		
AUDITING SERVICES						
EXHIBIT 10						
REQUISITION NO.: LOT448						
ADDENDUM ACKNOWLEDGEMENT						
I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.						
ADDENDUM NO.'S:						
NO. 1    ✓						
NO. 2    ✓						
NO. 3    .....						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>MO C...</i>	TELEPHONE 207-541-2321	DATE 2/3/09
TITLE Principal	FEIN 01-0523282	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER  
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ADDRESS CORRESPONDENCE TO A GENTION OF  
 SHELLY MURRAY  
 304-558-8901

\*B06102201 207-775-2387  
 BERRY DUNN MCNEIL & PARKER LLC  
 PO BOX 1100  
 PORTLAND ME 04104-1100

LOTTERY COMMISSION  
 312 MACCORKLE AVENUE, SE  
 CHARLESTON, WV  
 25314-1143 558-0500

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
12/23/2008				

BID OPENING DATE: 01/28/2009 BID OPENING TIME: 01:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		946-20		
<p>THE WV PURCHASING DIVISION, FOR THE AGENCY, THE WV LOTTERY, IS SOLICITING BIDS TO PROVIDE AUDITING SERVICES IN ACCORDANCE WITH SAS 70 REQUIREMENTS PER THE ATTACHED SPECIFICATIONS.</p> <p>TECHNICAL QUESTIONS MUST BE SUBMITTED IN WRITING TO SHELLY MURRAY IN THE WV PURCHASING DIVISION VIA MAIL AT THE ADDRESS SHOWN AT THE TOP OF THIS RFQ, VIA FAX AT 304-558-4115, OR VIA EMAIL AT SHELLY.L.MURRAY@WV.GOV. DEADLINE FOR ALL TECHNICAL QUESTIONS IS 01/13/2009 AT THE CLOSE OF BUSINESS. ALL TECHNICAL QUESTIONS RECEIVED, IF ANY, WILL BE ANSWERED BY ADDENDUM AFTER THE DEADLINE.</p> <p>QUESTIONS CONCERNING THE ACTUAL PROCESS BY WHICH A VENDOR MAY SUBMIT A BID TO THE STATE OF WV ARE NOT CONSIDERED TO BE TECHNICAL QUESTIONS AND MAY BE SUBMITTED AT ANY TIME PRIOR TO THE RFQ OPENING DATE AND IN ANY FORMAT.</p>						
<p>AUDITING SERVICES</p> <p>EXHIBIT 3</p> <p>LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE UPON AWARD AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE: *M. McCarty* TELEPHONE: 207-541-2321 DATE: 2/3/09  
 TITLE: Principal FEIN: 01-0523282 ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED "VENDOR"

STATE OF WEST VIRGINIA  
Purchasing Division**PURCHASING AFFIDAVIT****VENDOR OWING A DEBT TO THE STATE:**

*West Virginia Code §5A-3-10a* provides that: 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 the debt owed is an amount greater than one thousand dollars in the aggregate.

**PUBLIC IMPROVEMENT CONTRACTS & DRUG-FREE WORKPLACE ACT:**

*West Virginia Code §21-1D-5* provides that: Any solicitation for a public improvement construction contract shall require each vendor that submits a bid for the work to submit at the same time an affidavit that the vendor has a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the West Virginia Code. A public improvement construction contract may not be awarded to a vendor who does not have a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the West Virginia Code and who has not submitted that plan to the appropriate contracting authority in timely fashion. For a vendor who is a subcontractor, compliance with Section 5, Article 1D, Chapter 21 of the West Virginia Code may take place before their work on the public improvement is begun.

**ANTITRUST:**

In submitting a bid to any agency for the state of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the state of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the state of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the state of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership or person or entity submitting a bid for the same materials, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder of this bid.

**LICENSING:**

Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agencies or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities.

**CONFIDENTIALITY:**

The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures and rules. Vendors should visit [www.state.wv.us/admin/purchase/privacy](http://www.state.wv.us/admin/purchase/privacy) for the Notice of Agency Confidentiality Policies.

Under penalty of law for false swearing (West Virginia Code §61-5-3), it is hereby certified that the vendor acknowledges the information in this said affidavit and is in compliance with the requirements as stated.

Vendor's Name: Berry, Dunn, McNeil & ParkerAuthorized Signature: Date: 2/3/09



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## 1.0 SCOPE OF SERVICES

The following proposal subsections describe our understanding of the scope of services and sets forth our methodology and control mechanisms that we feel are critical to the success of the engagement.

### 1.1 Engagement Schedule

We understand that the Lottery seeks to have the final SAS 70 report completed by August 31, 2009. This schedule is very reasonable. However, there may be events outside of the control of BDMP that could affect that schedule, such as the time needed to execute a contract with the State of West Virginia, availability of adequate evidential matter, and availability of SGI and the Lottery staff to participate in the examination. Accordingly, we will finalize the project schedule with you during the project planning meeting described below.

### 1.2 Examination Approach

We will employ a structured approach that we have used successfully in past SAS 70 examinations in the lottery industry. We will conduct the examination in accordance with standards established by the AICPA. Those standards require that we plan and perform the examination to obtain a reasonable basis for rendering an opinion. We believe that our work plan will provide a reasonable basis for our opinion. During the course of the examination, we will:

- Forward a list of documents that should be compiled by SGI and the Lottery (if applicable) in advance of our on-site procedures. Advance materials will provide a basis for our written description of policies and procedures and help identify areas where additional inquiry and observation is needed.
- Meet with representatives of the West Virginia Lottery and SGI to discuss the examination and finalize the control objectives. During the meeting, we will also identify the SGI and Lottery staff that are available to participate in the process. Finally, we will discuss any issues known to either SGI or the Lottery that could impact the nature, timing, or outcome of the examination.
- Update the existing written description of the controls in place for each control objective. Our work plan assumes we will update the existing written description from last year's report. The update will be based on our review of relevant documentation, interviews and inquiries with the SGI and Lottery staff, and observation of operations.

We have experience preparing control descriptions for on-line and instant lottery games as well as for general IT controls. We have also gained an understanding of the SGI MasterLink lottery systems during our on-site procedures at numerous SGI installations. This experience will ensure we can work with the SGI and Lottery staff in West Virginia effectively and efficiently in the preparation of a comprehensive description. The description will be included in the SAS 70 report.

- Obtain certain representations from management, including a statement that the description of controls presents fairly, in all material respects, the aspects of SGI controls that may be relevant to a user organization's (Lottery) internal control.
- Examine general IT and application controls for the control objectives included in the Lottery's prior year report. An examination of the description of general internal control policies and procedures includes interviews and inquiries with SGI and Lottery staff, reference to various forms of documentation, inspection of documents and records maintained by SGI and the Lottery, observation of operations, corroborative inquiries, and compliance and substantive tests. We have detailed audit programs to structure our examination procedures for general IS controls and will modify these programs as necessary to reflect the agreed-upon control objectives.

Our work plan anticipates that SGI will prepare a dedicated test environment that operates in substantially the same manner as the Lottery's gaming system in the production environment. We will execute tests and exception tests, compare input to generated output, validate end of day processes, and perform balancing procedures as needed. We will also observe procedures and controls in the production (live) environment such as end of day processing, balancing, draw, and validation procedures.

- Prepare a *Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness*. The Type 2 report will include a Service Auditors' Report, written description of internal controls, tests performed, and results of tests for each control objective. The report will also include a list of controls that are the responsibility of the user organization (Lottery) and any other information that is deemed appropriate.

We will share preliminary findings with the Lottery and SGI in a mutually agreed-upon timeframe. We will then present draft SAS 70 reports to SGI and West Virginia Lottery representatives for review and comment. We will then provide 25 bound copies of the final reports for the use of the Lottery and its independent auditors no later than August 31, 2009. We will also be available for executive briefings with Lottery management and SGI.

### 1.3 Engagement Tools and Resources

We follow professional standards set forth by the AICPA and ISACA in conducting our examination. ISACA is a global professional organization and a central source of IT control practice, providing its membership with standards, professional education, and technical publishing. ISACA's certification program (CISA) is the only global designation throughout the IS audit and control community. Through the ISACA, we have access to technical training seminars, industry research, best practices, and IS audit and control materials, such as audit programs and control objectives and guidelines.

We also make use of industry-leading technology to help ensure we are as efficient as possible during our engagements. Each professional at BDMP is issued a portable computer that is equipped with Microsoft Office automation software, Internet access, and external e-mail. BDMP also has video conferencing infrastructure and we make extensive use of that technology. When appropriate, we can schedule videoconferences with SGI and the Lottery to supplement our on-site activities.



#### 1.4 Engagement Communications

Our SAS 70 examination will be subject to the following conditions:

- We anticipate that SGI will assign a project coordinator. This coordinator will work with us regarding such issues as appointment scheduling with SGI and Lottery staff and provision of review documentation. We will meet with the coordinator on a regular basis (at least monthly) to discuss the status of the examination and discuss any issues that may arise.
- SGI will be responsible for making staff, documentation, test environments, and operations available for examination, approving control objectives and descriptions of internal control policies and procedures, providing us with certain written representations in support of our report, reviewing a draft of the SAS 70 report, and responding to findings.
- We will notify the Lottery immediately if circumstances relating to records and/or the availability of sufficient competent evidential matter arise during the course of our work, which in our professional judgment prevent us from completing the examination. In such a situation, we retain the unilateral right to take any course of action permitted by professional standards, including withdrawal from the engagement.
- The examination is subject to the inherent limitation of the potential effectiveness of policies and procedures at SGI and the Lottery and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions based on our findings to future periods is subject to the risk that changes may alter the validity of such conclusions.
- Our reports are intended for the internal use of SGI and the West Virginia Lottery.

#### 1.5 Quality Control

We take the quality of our work seriously and work to meet client expectations, including the quality and timeliness of on-going communications, service delivery, and the final work product. We strive to assure quality by understanding client expectations, developing a reasonable and achievable project approach and work plan, gaining client concurrence on the project approach and timing, and using appropriate staff for project tasks.

We participate in the highest-level peer review program that requires our quality control practices to be audited by an independent CPA firm every three years. In our most recent peer review, conducted in 2006 by Mayer Hoffman CPAs, we received an unqualified opinion. The letter issued by Mayer Hoffman CPAs is included at the end of this section.

In addition to the independent quality review, we have an internal quality control program. The major tenet of this program is to set standards for independence, integrity, personnel management, acceptance and continuance of clients and engagements, engagement performance, and monitoring of quality control. The quality control program is overseen and evaluated on a regular basis by our Quality Assurance Principal to ensure the relevance and adequacy of our quality control policies and procedures. The program sets, among other things, the criteria on which decisions about staff proficiency, responsibility, and advancement are based, as well as the conditions under which engagements are performed, supervised, reviewed, documented, and communicated.

**MHM****Mayer Hoffman McCann P.C.**

An Independent CPA Firm

11440 Tomahawk Creek Parkway  
Leawood, Kansas 66211  
913-234-1900 ph  
913-234-1100 fx  
www.mhm-pc.com

November 30, 2006

To the Partners  
Berry, Dunn, McNeil & Parker

We have reviewed the system of quality control for the accounting and auditing practice of Berry, Dunn, McNeil & Parker (the firm) applicable to non-SEC issuers in effect for the year ended June 30, 2006. The firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to the non-SEC issuers of Berry, Dunn, McNeil & Parker in effect for the year ended June 30, 2006, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with applicable professional standards.





## 2.0 BACKGROUND AND MANAGEMENT

### 2.1 BDMP Organization and History

BDMP is a regional CPA and management consulting firm, founded and headquartered in Northern New England. We were formed in 1974 with nine professionals and have experienced sustained growth throughout our 35-year history. Today BDMP is one of the largest locally-owned professional services firms based in New England, with approximately 170 personnel in three offices in Portland and Bangor, Maine and Manchester, New Hampshire.

We provide a full range of traditional services to our clients, including accounting, attestation, and tax services, as well as management consulting and information technology (“IT”) assurance and consulting services. We also offer a variety of progressive services to our clients including employee benefits consulting and record keeping, financial planning and investment services, business valuations, and trust and estate planning.

Our clients represent a broad cross-section of the public and private sectors representing approximately 16 different industry groups. We have extensive work experience throughout the United States and Canada. Industry and service specializations characterize our organization. Nine service delivery centers have been established to provide expertise on accounting, regulatory, and business issues unique to specific segments of our clientele.

### 2.2 Background and Management

Table 1 provides responses to the Background and Management information requested in the RFQ.

**Table 1: BDMP Background and Management Details**

Required Details from RFQ Section 4.1	BDMP Response
1. Business Name and Address:	Berry, Dunn, McNeil & Parker, LLC 100 Middle Street Portland, Maine 04104  See attached list at the end of this section for a list of partners, owners, and officers.
2. Type of Business Entity:	Limited Liability Company
3. State of Incorporation:	Maine
4. Firm Contact:	Mark Caiazzo, Principal Berry, Dunn, McNeil & Parker, LLC 100 Middle Street Portland, Maine 04104 Tel: (207) 541-2321



Required Details from RFQ Section 4.1	BDMP Response
5. Attorneys and Law Firms Representing BDMP in West Virginia:	None
6. Jurisdictions in which BDMP has contracts to supply gaming materials, equipment, or services:	None
7. Convictions and Disciplinary Actions:	None
8. Contract Terminations:	<p>BDMP has had one contract that was terminated for convenience. BDMP was under contract with the City of Richmond, Virginia, to provide consulting services for the City’s automated Revenue and Assessment Collection System (RACS) implementation that began on June 1, 2006. On March 20, 2008, the City contacted BDMP and expressed their satisfaction with the services and deliverables provided by our team, but stated they were terminating the contract due to changes in the City’s direction with the RACS project. There was \$53,345 outstanding, of the original \$326,000, in the contract. The City’s Project Manager for this contract at the time of contract completion was:</p> <p style="text-align: center;">Mr. Davis Martin, PMP IT Project Manager City of Richmond 900 East Broad Street Richmond, Virginia 23219 (804) 646-6738</p>
9. Assessment of Penalties:	Not Applicable
10. Federal ID Number:	01-0523282
11. West Virginia Tax ID Number:	01-039-1345-001

**2.3 BDMP Partners, Owners, and Officers**

On the following page, we have provided a list of BDMP’s partners, owners, and officers, as requested in the RFQ.

## **BDMP Principals, Shareholders, and Management**

The following individuals are BDMP Principals. Individuals noted with “\*” are the firm’s shareholders. Each shareholder holds 5% interest in the firm. All shareholders are active in managing the overall strategic direction, as well as the day-to-day activities of the firm.

- Clifford Abbott, Jr., CPA\*
- Barbara Appleby
- Edward Asherman, Jr., CPA\*
- Renee Bishop, CPA\*
- William Brown, CPA
- Mark Caiazzo
- John Chandler, CPA \* (President)
- Lee Chick, CPA\*
- Clinton Davies\*
- David Erb, CPA\* (Treasurer)
- Patricia Faria, CPA
- John Gurley, CPA\*
- Tracy Harding, CPA\* (Vice President)
- Mary Jalbert, CPA
- Kenneth Jones, CPA \*
- Michael Jurnak, CPA
- Dean Kenney, CPA
- Mark LaPrade, CPA
- Janice Latulippe, CPA\*
- Timothy Masse\*
- James Maynard, CPA\*
- Tammy Michaud, CPA\*
- Michael Niles, CPA
- Francis O’Shea, CPA\* (Secretary)
- Connie Oullette, CPA
- Lawrence Parker, Jr., CPA\*
- Ralph Pascale, Jr., CPA\*
- Stephanie Rice, CPA\* (Vice President)
- Jeffrey Ring, CPA
- Kenneth Roberts, CPA
- Linda Roberts, CPA
- Christopher Tyson, CPA\* (Vice President)
- Jeffrey Walla, CPA\*

## 3.0 Experience and References

### 3.1 Overview of BDMP's Qualifications

BDMP is a licensed CPA firm with more than 10 years of prior experience conducting SAS 70 reviews with the systems used by SGI and by the lottery, as well as with comparable systems. We have completed SAS 70 examinations for the following lotteries since 2004 (or longer) and have been engaged to complete the examinations again in 2009:

- Delaware Lottery (SGI MasterLink system)
- South Dakota Lottery (SGI MasterLink System)
- Pennsylvania Lottery (SGI MasterLink system)
- Indiana Lottery (SGI MasterLink system)
- New Hampshire Lottery Commission (SGI AEGIS system)
- Vermont Lottery Commission (SGI AEGIS system)
- Connecticut Lottery Corporation (SGI AEGIS system)
- Maryland Lottery (SGI AEGIS system)
- Oklahoma Lottery Commission (SGI AEGIS system)

We also conduct annual visits to SGI's headquarters in Alpharetta, Georgia and its backup service center to evaluate controls at those locations. Other current SAS 70 examinations and controls reviews conducted by BDMP include:

- Iowa Lottery (SGI AEGIS system)
- GTECH Printing Center
- Michigan Bureau of State Lottery (GTECH GOLS system)
- Chittenden Bank – SAS 70 Trust operations
- Retirement Systems Group – SAS 70 Retirement plan administration
- Northeast Retirement Services – SAS 70 Investment and endowment plan administration
- BlueCross BlueShield of Vermont – SAS 70 Health claims processing
- Employee Benefit Plan Administration, Inc. – SAS 70 Health claims processing
- Comprehensive Benefits Administrator, Inc. – SAS 70 Health claims processing

We have also completed IT reviews for over 150 organizations in the public and private sectors. In addition to NT, Unix, and NetWare operating environments, these engagements have also given us broad experience in IBM mainframe, AS/400 and RISC 6000, Unisys A-Series and ClearPath, DEC VAX and Alpha, and NCR operating environments.

Other areas of expertise within our firm include strategic business planning, business process redesign, organizational planning, needs analyses, e-commerce planning, information security program development and training, project facilitation, and system selection and implementation for varying industries, including state and local governments, healthcare, financial services, manufacturing, and utility clients. These consulting projects allow us to bring "real life" experience of what is practical and achievable to our internal control and assurance engagements.



### 3.2 References

For an independent assessment of experiences with our firm and team members, please contact the following individuals. Each reference is associated with a 2008 SAS 70 examination.

#### **Connecticut Lottery Corporation**

Ms. Barbara Porto  
Vice President of Operations  
270 John Downey Drive  
New Britain, CT 06051  
(860) 348-4001

#### **Michigan Bureau of State Lottery**

Ms. Margie Reh  
Deputy Commissioner  
101 East Hillsdale Street  
Lansing, MI 48909  
(517) 335-5635

#### **Oklahoma Lottery Commission**

Mr. Carl Selby  
Director of Internal Audit Services  
3817 N. Santa Fe  
Oklahoma City, OK 73118  
(405) 522-7718



## 4.0 Personnel

### 4.1 Staffing Overview

We offer an engagement team that brings to the Lottery the skills and resources needed to complete the SAS 70 examination in a professional and timely manner. The team has a mix of individuals with audit, technical, and lottery experience to ensure you benefit from the best practices and lessons learned from years of similar and successful examinations. All members of our core team are employed by BDMP, maximizing our control over the project team members and the quality of work that is provided.

We typically staff our SAS 70 examinations with members of our Management and Information Technology Consulting Group (“MITG”). The MITG consists of three Principals, four managers, seven consultants, three technical support specialists, a technical writer, and a group coordinator. Ten members of the MITG have conducted SAS 70 examinations, conducted IT controls reviews, and regularly consult with clients regarding industry best practices for IT procedures and internal controls.

Each member of the MITG typically exceeds BDMP’s 120-hour Continuing Professional Education (“CPE”) program requirement by completing both technical and industry-specific educational programs each year. MITG professionals regularly attend audit and control training programs offered by ISACA, CIS, and SANS. Our technical specialists attend technical courses and have hands-on experience in installing, supporting, and auditing systems such as Microsoft Windows, Novell NetWare and IntraNetWare, UNIX and Linux, Citrix WinFrame and MetaFrame, routers and firewalls, and intrusion detection and virus protection solutions.

### 4.2 Engagement Team

The primary participants that will be assigned to this SAS 70 examination are members of BDMP’s MITG in our Portland, Maine office. Each member proposed on this engagement has significant audit and control experience and has been actively involved in the lottery engagements mentioned above.

Staff/Relevant Experience	M. Caiazzo	J. Walla	E. Heald	C. Ellingwood	V. Shea
IT audit and control	✓	✓	✓	✓	✓
Lottery industry SAS 70 examinations	✓	✓	✓	✓	✓
Information security program services	✓		✓		
IT management consulting	✓	✓			✓
Relevant years experience	20+	15+	15	5	5



The following paragraphs describe the qualifications and responsibilities of the personnel that will provide services to the Lottery. Resumes are provided at the end of this section.

- **Mark Caiazzo, CISA, CISM, Engagement Principal** – Mark Caiazzo, a Principal in our Firm, will direct our work and will have the authority to make decisions regarding all aspects of this engagement. In this role, Mark will ensure that appropriate resources are allocated to the engagement, BDMP standards for quality and client service are achieved, and all contract obligations are completed to the satisfaction of the Lottery.

Mark will also be responsible for planning and leading the engagement, assigning tasks to team members, communicating engagement status to the Lottery and SGI, participating in certain on-site procedures, and ensuring the timely completion of the engagement deliverable (SAS 70 report) and work papers.

Mark is a Certified Information Systems Auditor (“CISA”) and Certified Information Security Manager (“CISM”) with over 20 years of IT audit and control experience. Mark has been responsible for each of our lottery SAS 70 examinations since 1996. Mark is based in our Portland, Maine, office.

- **Jeffrey D Walla, CPA, Audit Principal** – Jeff Walla, an Audit Principal in our Firm, will perform the Second Principal review of the SAS 70 report and work papers to ensure standards of quality are met and AICPA requirements for SAS 70 examinations are observed.

Jeff is a CPA and has been providing audit and SAS 70 services to the lottery industry for over 15 years. Jeff is currently serving as the Audit Principal in charge of over 20 SAS 70 examinations, both Type I and II. He also serves audit clients in the Healthcare and Not-for-Profit sectors and is the Principal responsible for the Tri-State Lotto Commission audit. Jeff is based in our Manchester, New Hampshire office.

- **Arian Eigen Heald, CISA, CISSP, Manager** – Eigen Heald, a Manager in our Firm, will lead the day-today technical activities for this engagement. Eigen has conducted more than 40 SAS 70 examinations, including for multiple SGI sites and GTECH’s Michigan service center and the GTECH Printing Corporation. Prior to joining BDMP in 2006, Eigen was an IT Audit Manager with an international financial services firm. She has led several assurance assessments and security evaluations, including SAS 70 examinations, Sarbanes-Oxley (“SOX”) 404 audits, VISA PCI exams, vulnerability assessments, and penetration tests.

Eigen has expertise in completing specialized assessment methodologies based on technical and regulatory requirements within HIPAA, SOX, Gramm-Leach-Bliley Act, and the Federal Financial Institutions Examination Council. In addition to numerous technical certifications, Eigen is a CISA, a Certified Ethical Hacker (“CEH”) and a Certified Information Systems Security Professional (“CISSP”).



### CHRISTOPHER S. ELLINGWOOD, BS – AUDITOR

Chris Ellingwood is a Staff Accountant and Consultant, providing accounting and financial consulting services to BDMP clients. He earned his Bachelor's of Science in Accounting from Champlain College in Burlington, Vermont. Chris provides information assurance services and financial audit services to BDMP clients across the country.

#### RECENT RELEVANT EXPERIENCE

*Staff Member for SAS 70 examinations.* Chris has provided SAS 70 examination services for state lotteries, service bureaus, third party administrators, and financial institutions (both public and privately held). He has participated in over 15 SAS 70 examinations, including for the following clients over the past 12 months:

- Scientific Games
- GTECH – GTECH Printing Corporation
- United Tote (pari-mutuel)
- Chittenden Bank
- Retirement Services Group
- Northeast Retirement Services
- Blue Cross Blue Shield Vermont
- Martin Group
- Stone Coast
- Bottomline

Over half of Chris' hours last year were spent working with the Lottery industry. In addition, he has assisted on several information system audits and operational reviews, including SOX 404 audit services to Rome Savings Bank and IS audit services to Chicopee Savings Bank and Kennebec Savings Bank.

*Staff Member for Financial Audits, Reviews, and Compilations.* Chris works with the Firm's senior staff on financial audits, reviews, and compilations for clients in the banking, manufacturing, healthcare, construction, hospitality, and retail industries. Chris has developed a strong understanding of Sarbanes Oxley (SOX) Regulations as well as regulations of Federal and State of Maine healthcare standards.

#### PROFESSIONAL AFFILIATIONS

Chris is an active member on the DREAM Mentoring Program Alumni Committee Board, located in Burlington, Vermont, assisting with treasury, investments, and grants. Chris is also an active volunteer with the First Tee Program in Portland, Maine.



### VIENNA SHEA, MSA - AUDITOR

Vienna works in our Management and Information Technology Consulting Group. She works primarily with information assurance services, but also assists project teams with technology planning, application and organizational needs assessments, systems selection, and the implementation of information systems.

### RECENT RELEVANT EXPERIENCE

*Information assurance services.* Vienna has provided SAS 70 examination services to a range of clients, including state lotteries, service bureaus, and third party administrators. These projects involved performing test procedures, observing controls, and preparing documentation for inclusion in the SAS 70 reports. Vienna has conducted over 15 SAS 70 examinations, including for the following clients in the past 12 months:

- Scientific Games (multiple sites)
- United Tote (multiple sites)
- BlueCross BlueShield of Vermont
- Comprehensive Benefits Administrators
- Employee Benefit Plan Administrators
- Sol Mutuel, Ltd.
- Racing and Gaming Services
- GTECH
- EPS, Inc.
- Bottomline Technologies

In addition, Vienna has conducted SOX 404 examination services for Rome Savings Bank and IT review services for Camden National Bank, Union Bank, and Ledyard National Bank.

*Technology planning and organizational assessment.* Vienna has assisted BDMP project teams in evaluating client information technology systems and operational needs for clients in the public and private sector. As part of her work, Vienna has conducted best practice research of peer organizations and vendor systems, developed client surveys, and guided clients in planning for the implementation of new technologies.

*Knowledge of IT best practices.* Vienna has researched and evaluated technology issues to assess feasibility, cost, and impact to business and documented findings and recommendations for BDMP senior management.

### EDUCATION

Master of Science in Accounting, Babson College

Bachelor of Science in Business Management, Babson College

### PROFESSIONAL AFFILIATIONS & OTHER TRAINING

Information Systems Audit and Control Association – Member

Microsoft Certified Training – Microsoft Windows 2003 Server Management & Maintenance



### 5.0 Disclosures

#### 5.1 Conflict of Interest

BDMP does not have any known potential conflicts of interest relative to the performance of the requirements of this RFQ. No BDMP employees are former Lottery or SGI employees, nor do we have any known relationships between BDMP, BDMP principals, and the personnel assigned to this SAS 70 engagement with any employee of the Lottery or SGI.

#### 5.2 Liability Insurance and Bond Coverage

On the following page, we have provided a copy of BDMP's professional liability and general liability insurance coverage.

We acknowledge that, should BDMP be awarded this contract, a performance bond will be required equal to the amount of the bid.

#### 5.3 Political Disclosure

I, Mark Caiazzo, do hereby certify that BDMP has made no contributions to any local, State, or Federal political candidate or political committee in West Virginia in the preceding three years.

Mark Caiazzo  
Authorized Signature  
2/3/09  
Date Signed

State of: Maine  
County of: Cumberland

Sworn to and subscribed before me this 3<sup>RD</sup> day of February, 2009.

Personally known  or Produced Identification \_\_\_\_\_  
(Specify Type of Identification)

Mary M. Mills  
Signature of Notary

MARY M. MILLS  
NOTARY PUBLIC, MAINE  
MY COMMISSION EXPIRES DECEMBER 24, 2009

My Commission Expires:

PRODUCER  <b>Turner Barker Insurance</b> 63 Marginal Way, Suite 101 Portland ME 04101 Phone: 207-773-8156 Fax: 207-773-6647	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED  <b>Berry Dunn McNeil &amp; Parker LLC</b> PO Box 1100 Portland ME 04104	INSURER A: <b>Peerless Insurance Co.</b>	
	INSURER B: <b>Maine Employers Mutual</b>	
	INSURER C:	
	INSURER D:	
	INSURER E:	

**COVERAGES**

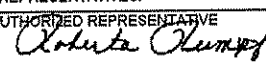
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY	BOP9719897	04/30/08	04/30/09	EACH OCCURRENCE	\$ 2000000
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300000
		<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 15000
		GENL AGGREGATE LIMIT APPLIES PER:				PERSONAL & ADV INJURY	\$ 2000000
		<input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC				GENERAL AGGREGATE	\$ 4000000
						PRODUCTS - COMP/OP AGG	\$ 400000
A		AUTOMOBILE LIABILITY	BA8427467	04/30/08	04/30/09	COMBINED SINGLE LIMIT (Ea accident)	\$ 1000000
		<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
		<input checked="" type="checkbox"/> HIRED AUTOS				PROPERTY DAMAGE (Per accident)	\$
		<input checked="" type="checkbox"/> NON-OWNED AUTOS					
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
		<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
A		EXCESS/UMBRELLA LIABILITY	CU9714498	04/30/08	04/30/09	EACH OCCURRENCE	\$ 5000000
		<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$ 5000000
		<input type="checkbox"/> DEDUCTIBLE					\$
		<input checked="" type="checkbox"/> RETENTION \$ 10000					\$
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	5101800149	01/01/09	01/01/10	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	\$ 500000
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	\$ 500000
		OTHER				E.L. DISEASE - POLICY LIMIT	\$ 500000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

**CERTIFICATE HOLDER**

**CANCELLATION**

BERRYDU  <b>Berry Dunn McNeil &amp; Parker</b> PO Box 1100 Portland ME 04104	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>10</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  AUTHORIZED REPRESENTATIVE 
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## 6.0 Cost Proposal (Attachment A)

PRICING: Flat Rate (consists of all charges and expenses including out-of-pocket travel, meals, and lodging) for work required by the RFQ.

SAS 70 REVIEW SERVICES:      \$ 30,000

I, hereby, commit Berry, Dunn, McNeil & Parker, LLC

To complete the tasks described in the Quotation for the SAS 70 Review of Scientific Games as required in the Request for Quotation by the West Virginia Lottery.

Print Officer Name: Mark A. Caiazzo

Signature of Officer: 

Title of Officer: Principal

Date: February 5, 2009