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Chester J. Culver • Governor
Patty Judge • Lt. Governor

Terry Rich • Chief Executive Officer

August 4th, 2009

Mr. William Angrick II
Iowa Citizens' Aide/Ombudsman
Ola Babcock Miller Building
1112 E. Grand Ave.
Des Moines, IA 50319

Dear Bill:

We have received your letter dated July 14th, 2009. This letter serves as your requested written response and continues the thoughts of our original correspondence in April.

As we've discussed, there are really two basic principles in your recommendations with which we disagree.

- First are concerns regarding undue governmental intrusion, red tape and impractical business application (and oversight) which prevail in recommendations #4-10, 26, 37, 38, and 43.
- Second, we do not believe any new laws or administrative rules need to be written since we already have the procedures and authority to make changes, not to mention oversight from the Attorney General's Office, DCI, Auditor's Office, Legislature and Governor's Office, input from your office, and statutory requirements to manage the lottery in a professional manner.

We continue to agree with, already had in place before the release of your office's report, or have implemented since that time most of the other concepts outlined in your office's recommendations. We also agree that the significant resources spent (estimated at over \$125,000 to our Authority alone) were great and that our ongoing dialogue and mutual continued efforts to communicate should avoid much of these costs in the future.

Finally, I'd like to again request the names and concerns of the complaints sent to your office which prompted the report to ensure we have followed up on concerns from all citizens.

I believe we have made huge strides in our discussions the past months. We appreciate your office's cooperation and understanding of the Iowa Lottery's operation for the benefit of Iowa.

Sincerely,

A handwritten signature in black ink that reads "Terry Rich".

Terry Rich, CEO
Iowa Lottery