

**DISCLOSURE BY NON-ELECTED STATE EMPLOYEE OF FINANCIAL INTEREST  
AND DETERMINATION BY APPOINTING AUTHORITY  
AS REQUIRED BY G. L. c. 268A, § 6**

RECEIVED  
STATE ETHICS COMMISSION

2014 JAN 27 AM 10:08

<b>STATE EMPLOYEE INFORMATION</b>	
Name:	Paul Sternburg
Title or Position:	Executive Director
State Agency:	Massachusetts State Lottery Commission
Agency Address:	60 Columbian Street Braintree, MA 02184
Office Phone:	781-849-5500
Office E-mail:	Psternburg@masslottery.com
<p>My duties as Lottery Executive Director require me to participate in particular matters, and I may not be able to further participate because of a potential financial interest/opportunity that I am disclosing below.</p> <p>I am requesting a determination from my appointing authority on how to best proceed in pursuing the potential financial interest/opportunity.</p>	
<b>PARTICULAR MATTER</b>	
Particular matter  E.g., a judicial or other proceeding, application, submission, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, decision, determination, or finding.	<p>Please describe the particular matter.</p> <p>The Commissioner of the Michigan Lottery recently contacted me to gauge my interest in joining their operation an outside consultant, working to revamp their business strategies and boost their sales/net return to the state. This opportunity would require me to resign from my current position.</p> <p>As the discussion progressed with the Michigan Lottery, I learned that the consultant position would be under the direct supervision of the Michigan Lottery but the opportunity would possibly be contracted through and the salary certainly be paid with a pool of marketing/research dollars funded by one of their vendors, GTECH Corporation – a company that also does business with the Massachusetts State Lottery. Please note that the details of how the position would be contracted have not yet been disclosed to me as I asked that all discussions be halted until the appropriate disclosures were made and authorization to proceed were given.</p>
Your required participation in the particular matter:  E.g., approval, disapproval, decision, recommendation, rendering advice, investigation, other.	<p>Please describe the task you are required to perform with respect to the particular matter.</p> <p>The Massachusetts State Lottery contracts with GTECH Corporation, an operator and provider of lottery/gaming technology based in Providence, RI, on a number of ongoing business initiatives, including the purchase of parts to maintain its operating systems, periodic printing of instant "scratch" ticket games, and the purchase of player activated vending machines. The Lottery also has hired the company as a consultant on computer programming-related issues when necessary. All of the aforementioned procurements were awarded through competitive bid and subsequently approved by the Lottery Commission; however initial approval of any additional expenditures made within those previously-approved contracts fall under my purview as Lottery Executive Director.</p> <p>An additional area of business where there is an intersection between my duties and GTECH's operations is in the regional Lucky for Life game. The Massachusetts State Lottery is one of six New England State Lotteries that participates in the twice-weekly</p>

	<p>draw game. Other states that participate in the game use GTECH as their backend system vendor or have a private management agreement to run their operation. As a member lottery and Lucky for Life's lead director, there are general discussions/issues within the regular course of running the game that will require votes from me, as well as from the other five directors. While any changes to the game or uses of the games mark within or outside of the game's current footprint require a unanimous vote across/from all six state directors, and the potential opportunity in front of me would not impact my or the other votes in any way, I wanted to disclose this information in the instance there was any appearance of conflict.</p>
<b>FINANCIAL INTEREST IN THE PARTICULAR MATTER</b>	
<b>Write an X by all that apply.</b>	<p><input type="checkbox"/> I have a financial interest in the matter.</p> <p><input type="checkbox"/> My immediate family member has a financial interest in the matter.</p> <p><input type="checkbox"/> My business partner has a financial interest in the matter.</p> <p><input type="checkbox"/> I am an officer, director, trustee, partner or employee of a business organization, and the business organization has a financial interest in the matter.</p> <p><input checked="" type="checkbox"/> I am negotiating or have made an arrangement concerning future employment with a person or organization, and the person or organization has a financial interest in the matter.</p>
Financial interest in the matter	<p>Please explain the financial interest and include a dollar amount if you know it.</p> <p>I asked to not yet be informed of value of the consulting contract/halted discussions from progressing until I filed the appropriate disclosures required under Massachusetts ethics laws.</p>
Employee signature:	
Date:	1/17/14

#### DETERMINATION BY APPOINTING OFFICIAL

APPOINTING AUTHORITY INFORMATION	
Name of Appointing Authority:	
Title or Position:	
Agency/Department:	

Financial interest in the matter	Please explain the financial interest and include a dollar amount if you know it.
Employee signature:	
Date:	

### DETERMINATION BY APPOINTING OFFICIAL

APPOINTING AUTHORITY INFORMATION	
Name of Appointing Authority:	Steven Grossman
Title or Position:	State Treasurer
Agency/Department:	Office of the State Treasurer & Receiver General
Agency Address:	State House, Room 227 Boston, MA 02108
Office Phone:	617.367.6900
Office E-mail:	sgrossman@tre.state.ma.us
DETERMINATION	
Determination by appointing authority:  Write an X by your selection.	<p>As appointing official, as required by G.L. c. 268A, § 6, I have reviewed the particular matter and the financial interest identified above by a state employee.</p> <p><input checked="" type="checkbox"/> I am assigning the particular matter to another employee, or</p> <p><input type="checkbox"/> I am assuming responsibility for the particular matter, or</p> <p><input type="checkbox"/> I have determined that the financial interest is not so substantial as to be deemed likely to affect the integrity of the services which the Commonwealth may expect from the employee.</p>
Appointing Authority signature:	
Date:	1/27/14
Comment:	To ensure that both the letter and spirit of the conflict of interest law are fully met, Executive Director Paul Sternburg will take vacation time and curtail all responsibilities and contact with the Massachusetts State Lottery while pursuing negotiations with the Michigan Lottery concerning a consultant position for which the salary would be paid with a pool of marketing/research dollars funded by GTECH Corporation. I have assigned all of Paul's responsibilities as Executive Director to Beth Bresnahan, Assistant Executive Director and Director of Marketing and Communications, which she will fulfill in Paul's

	absence, in consultation with the Lottery's General Counsel, William J. Egan, Jr., and other members of the Lottery's senior staff and employees as appropriate.
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Attach additional pages if necessary.

File copy with:

**State Ethics Commission, One Ashburton Place, Room 619, Boston, MA 02108**

**Form Revised February, 2012**