



# Memo

<b>Date:</b>	June 20, 2024
<b>To:</b>	Oregon Lottery Commission
<b>From:</b>	Michael Wells, Director
<b>Subject:</b>	Request for approval of alternative disclosure process for <i>Pilot Travel Centers LLC</i>
<b>Oregon Administrative Rule:</b>	OAR 177-040-0001(4)

In 2015, Lottery adopted OAR 177-040-0001(4) which authorizes an alternative disclosure process for large public companies or multi-state retail chains seeking traditional contracts with Oregon Lottery. To qualify for this alternative disclosure process, the applicant must have at least 30 individual retail locations, \$10 million in gross annual revenues and over 300 employees.

The alternative disclosure process focuses the security background investigation on the business entity's immediate corporate structure and area managers vs. the entire corporate structure.

As of June 2024, *Pilot Travel Centers LLC* operates in 44 states, has 682 retail locations and has approximately 30,000 employees. The total gross revenue for year 2023 was approximately 56.5 billion dollars. *Pilot Travel Centers LLC* currently holds gaming licenses in 44 states including 11 Oregon Lottery traditional product retailers. *Pilot Travel Centers LLC* is owned by *National Indemnity Company* and *Berkshire Hathaway Life Insurance Company of Nebraska*, who is owned by *Berkshire Hathaway Incorporated*. *Pilot Travel Centers LLC* clearly meets the qualifications for the alternative disclosure process.

If approved by the Commission, it is recommended that the organization change process is continued using supplied disclosure information provided by *Pilot Travel Centers LLC*. Oregon Lottery Security will conduct an investigation on the business entity. At any time, additional disclosure may be required to ensure the fairness, integrity, security, and honesty of the Lottery.

I met with the Assistant Director for Security and Retail Contracts Manager to discuss the framework of the alternative disclosure rule and concluded it would be prudent to request the commission waive the personal disclosure requirements for *Pilot Travel Centers LLC*, which qualifies for the alternative disclosure process.

Since 2015, the Oregon Lottery Commission has approved the use of an alternative disclosure process for four current traditional retailers, four tribally owned entities, and one entity that is in the application process.

- Current Traditional Retailers: Chevron, Walmart, Circle K, BP Products North America
- Tribally Owned Entities: Chinook Winds Bar & Restaurants, Roxy Ann Lane at Bear Creek, The Golf Course at Birch Creek, Hamley's Steakhouse
- Applying Entity: WinCo



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