<u>Updated Keno Statement</u> <u>February 5, 2016</u>

Keno is a "bingo style lottery game" in which players may select up to 10 numbers between 1 and 80 for each random number draw. In Delaware, Keno games are available for play every four minutes at designated lottery retail locations. On the morning of December 17, 2015, a computer malfunction occurred in the Lottery's Keno game. The system's primary automated draw machine ("ADM") stopped processing randomly generated new sets of numbers from the random number generator ("RNG") for Keno and the ADM began retransmitting the same numbers from a prior drawing. The malfunction was promptly addressed but resulted in five re-transmissions over a period of approximately 20 minutes before the malfunction was corrected. The Lottery then instructed its systems vendor to take the primary Keno RNG and ADM off-line and put into service the back-up Keno RNG and ADM, which was successfully accomplished.

On December 21, 2015, the Lottery ordered a thorough review, including engaging Gaming Laboratories International, LLC ("GLI") to do a technical, forensic examination of the Keno hardware and software. The Lottery's initial review revealed that a few players, at an isolated number of locations, recognized the re-transmission of the duplicate numbers, and attempted to take advantage of the malfunction by playing those duplicated numbers. Redemption transactions relating to the five re-transmissions were suspended pending the conclusion of the Lottery's review.

On February 2, 2016, GLI completed its examination and concluded that the malfunction affecting the five Keno draws over a period of 20 minutes on December 17, 2015 was not caused by any tampering or other wrongful conduct. GLI also concluded that the cause of the malfunction was the failure of the ADM to pull new random numbers from the RNG. This caused the ADM to repeat the same numbers for the five draws at issue. The Lottery's systems vendor has implemented a series of enhancements to protect against a recurrence of such an incident.

Pursuant to Delaware Law, and consistent with the conclusions reached by GLI, the Lottery has determined that the five draws at issue are void because the numbers were not randomly selected and thus did not constitute a game of chance and were not otherwise in compliance with the Lottery's Rules for Keno. Therefore, all tickets purchased for these draws are void and all amounts paid by players to purchase tickets for these void draws will be refunded to the players. Players with Keno tickets dated December 17, 2015 with draw numbers 291034, 291035, 291036, 291037, or 291038 should fill out the back of the ticket and submit it to the Lottery. The Lottery will then reimburse the player for the purchase price of the ticket via a check.

The Lottery regrets any inconvenience caused to our players.

Vernon A. Kirk

Director, Delaware Lottery