



## Memo

<b>Date:</b>	9/17/2024
<b>To:</b>	Oregon Lottery Commission
<b>From:</b>	Michael Wells, director
<b>Subject:</b>	Request for approval of alternative disclosure process for The Kroger Co.
<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 vs. the entire corporate structure.

As of September 2024, The Kroger Co., through its subsidiaries operates 2,722 supermarkets, 2,257 pharmacies, and 1,665 fuel centers in 35 states and the District of Columbia. The Kroger Co. employs approximately 414,000 employees. The total gross revenue for year 2023 was approximately \$150 Billion dollars. The Kroger Co. clearly meets the qualifications for the alternative disclosure process.

If approved by the Commission, it is recommended that the alternative disclosure application process is continued using supplied disclosure information provided by The Kroger Co. 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 The Kroger Co., which qualifies for the alternative disclosure process.

Since 2015 the Oregon Lottery Commission has approved the use of an alternative disclosure process for 12 Entities.

Current Traditional Retailers: Chevron, Walmart, Circle K, BP Products North America, Pilot Travel Centers, APRO LLC, Plaid Pantry, WinCo.

Tribally Owned Entities: Chinook Winds Bar & Restaurants, Roxy Ann Lane at Bear Creek, The Golf Course at Birch Creek, Hamley's Steakhouse