



Memo

Date:	February 16, 2024
To:	Oregon Lottery Commission
From:	Michael Wells, Director
Subject:	Request for approval of alternative disclosure process for WinCo Foods, LLC
Oregon Administrative Rule:	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 February 2024, WinCo Foods, LLC operates in ten states, has 139 stores and has approximately 22,000 employees. The parent company to WinCo Foods, LLC is WinCo Holdings Inc. WinCo Foods, LLC grandparent company is WinCo ESOP Trust, Employee Stock Ownership Plan (ESOP). No one person owns more than 1% of the ESOP. The total revenue of gross sales for fiscal year 2023 was over \$9.7 billion. WinCo Foods, LLC currently holds gaming licenses in 6 states. WinCo Foods, LLC clearly meets the qualifications for the alternative disclosure process.

If approved by the Commission, it is recommended that the retailer application process is continued using supplied disclosure information provided by WinCo Foods, LLC. Oregon Lottery Security will conduct an investigation on the business entity and area managers (three identified). WinCo Food, LLC will also need to provide contact persons for each location. 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 Sr. Manager to discuss the framework of the alternative disclosure rule and have concluded that it would be prudent to request that the Lottery Commission waive the personal disclosure requirements for WinCo ESOP Trust; WinCo Holdings, Inc.; and WinCo Foods, LLC which qualified for the alternative disclosure process.

Since 2015 the Oregon Lottery Commission has approved the use of an alternative disclosure process for three (3) current lottery retailers: Chevron Stations, Inc., Walmart, Inc., and Circle K Stores, Inc.



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WINCO OWNERSHIP CHART

