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Another Pa. state agency questions lottery deal

PHILLY.COM / AP: A third state agency is pointing to potential legal problems in Gov. Corbett's stalled plan to hire a British company to manage the \$3.5 billion Pennsylvania Lottery.

The chief counsel of the Pennsylvania Gaming Control Board wrote in a letter dated March 18 that the proposed contract documents are ambiguous and do not say clearly what kinds of new gambling

Camelot Global Services would be allowed to operate.

The letter was a response to an analysis requested by members of the House and Senate Appropriations Committees as lawmakers sort through legal questions raised previously by state Treasurer Rob McCord and Attorney General Kathleen Kane.

Art Morris at least partly right concerning Conestoga View

On December 18, 2008, a *New Era* article headed "How Our Nursing Homes Rank" reported:

"A majority of Lancaster County's 32 nursing homes are performing above average in health inspections, staffing and quality, new federal ratings of all 16,000 facilities nationwide show...

"The four-star homes are Conestoga View..."

On March 3, 2013, a *Lancaster Sunday News* article entitled "Nursing homes get report cards" reported:

"Conestoga View [was] among those scoring 1 out of 5."

Earlier on July 30, 2011 under the heading "Final chapter in Convention Center Series: Betrayals of public trust", *NewsLanc* opined:

"Arthur E. Morris, former Lancaster city mayor and Sunday News columnist. Morris, more than anyone, kept the Conestoga View issue in the press with a fusillade of criticism for the county commissioners. His concerns about the future of the facility in private hands did not come to pass; instead, Conestoga View was able to maintain, and even improve, the quality of their services."

We have no idea of the cause for this recent decline in state rating. It could be the need to skimp on services due to reduced governmental subsidies or clients inability to pay more. It could be slack management. Or there may be other factors. Nor do we know whether the same would have occurred under county ownership.

Whatever the reason, former Mayor Art Morris opposed the sale in part on the grounds that service to the clients would decline. It has. At least for the moment, time has proved Morris right and *NewsLanc* wrong.

\$150 million gamble. Why? And says who?

"Harrisburg incinerator: Should it be desired or disdained?" is the second and much better

installment of a two part Lancaster Newspapers series concerning the proposed acquisition of the

long troubled Harrisburg incinerator by the Lancaster County Solid Waste Management Authority (LCSWMA.) It is thorough and informative.

But after all of the history is laid out and the complex transaction somewhat clarified, two basic questions remain unanswered and sadly unasked:

The first: Why would the residents of Lancaster County take on such a huge and risky investment to help bail out the City of Harrisburg, Dauphin County and the State? No benefits are described; no financial information given. Yet the project's history and unknowns in the future suggests the risks can be immense.

The second: Who says the transaction makes financial sense for the LCSWMA and county residents? The information we receive is from Jim Warner, CEO of the LCSWMA. There has been no vetting of the deals feasibility by a reputable outside consultant with expertise in these matters.

Evidence given that the plant is no longer trouble plagued?

"The money 'went to a significant retrofit process to complete construction of the facility, and that put us at a baseline starting point," said Jim Klecko, vice president of regional business management for Covanta.

"Covanta wound up suing the City of Harrisburg, which still owes \$21 million on the loan, Klecko said. Total incinerator-related debt now stands at a whopping \$340 million.

"But as for the facility itself — Klecko said it's in very good shape."

Reassuring? But remember, if the deal goes through, Covanta will have a much better chance

of collecting the \$21 million owed to them. Plus they will presumably earn profitable fees as the operator. This is hardly testimony from a disinterested third party.

If he is right, he will put another feather in his cap. (We suspect it would have to be a big cap.) If he is wrong ...the public will be stuck with the bill. We have been there (taking sponsors at their word); we are doing that (subsidizing the Convention Center.)

A respected member of the Lancaster community once described Warner as an "arrogant bully". We certainly got a similar impression during our brief phone conversation with him a couple of months ago. The best CEOs seek and treasure the views of outside experts even if they ultimately make an informed decision themselves.

"Pride cometh before the fall." He has the pride; we take the fall!

Sorry, no 'feel good' stories in our newsletters

We were recently asked why the newsletter doesn't carry more upbeat stories. The answer: The space is excruciatingly limited. So we feel obliged to excerpt and link to the stories of maximum interest and importance to our newsletter readers.

On an average week, over 3000 individuals visit www.NewsLanc.com. What they encounter is totally different from the newsletters. The coverage of state, national and world news far exceeds the local papers. And though we offer no sports, comics or human interest stories, we do solid and fearless investigation into matters of great local importance.

Vist www.NewsLanc.com. You will find more news there of interest than anyplace else.

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