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**OREGON STATE LOTTERY**  
**DIVISION 50**  
**SCRATCH-IT TICKET GAME OPERATING RULES**

**February 1, 2010**

**177-050-0002            Definitions**

For the purposes of Division 50, the following definitions apply except as otherwise specifically provided in OAR Chapter 177 or unless the context requires otherwise:

- (1) **“Pack”** means a book of shrink-wrapped Scratch-it<sup>SM</sup> game tickets which may or may not be attached to each other by perforations.
- (2) **“Pack-Ticket Number”** means the uncovered number printed on a Scratch-it<sup>SM</sup> ticket which consists of a game number, a unique pack identification number, and a ticket number.
- (3) **“Play Symbols”** mean the figures printed under each of the rub-off spots on the playing surface of a Scratch-it<sup>SM</sup> ticket.
- (4) **“Play Symbol Caption”** means the material printed below each play symbol on a Scratch-it<sup>SM</sup> ticket which repeats or explains the play symbol. Only one play symbol caption is printed under each play symbol.
- (5) **“Retailer Validation Code”** means the small letters found under the removable rub-off latex that covers the play symbols on the playing surface of a Scratch-it<sup>SM</sup> ticket. The letters appear in varying locations beneath the removable rub-off latex and among the play symbols.
- (6) **“Scratch-it<sup>SM</sup>”** means a game in which winning tickets are produced at the time of manufacture with the aid of equipment, and the winning tickets are identified after purchase by scanning the bar code or manually entering the bar code number printed on each ticket with equipment provided by the Lottery. A Scratch-it<sup>SM</sup> game ticket offers a player the opportunity to remove a latex covering on the playing surface of a ticket and play the Scratch-it<sup>SM</sup> ticket for entertainment purposes.
- (7) **“Ticket Validation Number”** means the unique number covered by latex on the playing surface of a Scratch-it<sup>SM</sup> ticket.
- (8) **“Void if Removed Number”** (VIRN) means the series of digits on a Scratch-it<sup>SM</sup> ticket covered with latex which is used in the validation process.

**177-050-0020            Scratch-it<sup>SM</sup> Ticket Price**

The price of a Scratch-it<sup>SM</sup> ticket shall be at least \$1, except to the extent of any discounts authorized by the Commission.

**177-050-0024 Method of Determining Winners**

(1) **General:** Winning tickets in a Scratch-it<sup>SM</sup> game are determined at the time of manufacture when winning tickets are produced at random with the aid of equipment in accordance with the payout percentage and prize structure established for the game.

(2) **Determination of a Winning Ticket:** To determine a winning ticket, the official bar code or bar code number printed on the ticket must be scanned or manually entered either at the Lottery's Headquarters in Salem or at a retail site by a Lottery retailer into equipment connected to the Lottery's central computer system. If the ticket is a winner, Lottery's computer system will identify it as such based upon the official bar code or bar code number. Removing the latex covering on the playing surface of the ticket does not identify a winning ticket. The latex covering feature is offered for entertainment purposes only. The ticket holder must notify the Lottery or a retailer of the apparent winning ticket and submit it for validation as specified in these rules in order to claim a prize. The ticket must be validated in accordance with Lottery's administrative rules as may be amended from time to time before a prize may be paid.

(3) **Highest Prize:** Only the highest prize amount will be paid on a given Scratch-it<sup>SM</sup> ticket, except for games which are designed to offer multiple prizes. In all events, the determination of prize winners is subject to the general ticket validation requirements set forth in OAR 177-050-0027 and any additional requirements set forth on each Scratch-it<sup>SM</sup> ticket. If the terms on a ticket conflict with the Lottery's administrative rules, then the rules are the controlling authority.

**177-050-0025 Payment of Prizes**

(1) **Prizes of \$600 or Less:** Scratch-it<sup>SM</sup> ticket prizes of \$600 or less shall be claimed by one of the following methods:

(a) **Retailer Prize Payment:** The player may present the Scratch-it<sup>SM</sup> ticket to a Lottery retailer. The retailer shall determine whether a ticket entitles the holder to a prize, validate the claim with the Lottery by scanning the bar code or manually entering the bar code number printed on the ticket into equipment provided by the Lottery, and, if authorized by the Lottery, pay the player the prize amount due. A retailer that is authorized to pay a prize of \$600 or less shall pay that prize in case or by check, or any combination thereof.

(b) **Lottery Prize Payment of \$600 or Less:** Upon validation of a winning ticket under OAR 177-050-0027, the Lottery will pay the amount of the prize to the player. Payment may be made by check, cash card, or in cash, or any combination thereof. If the ticket is determined to be invalid or a non-winning ticket, or the claim is invalid, the claim shall be denied and the claimant notified.

(A) **Lottery Headquarters:** Cash prize payments made at Lottery Headquarters are limited to \$50 per person per day. Any prize payment balance remaining

above \$50 shall be paid by check. Payment may be made in person or by mail, except that the Lottery will not mail cash.

**(B) Lottery Kiosk:** Cash prize payments made at a Lottery kiosk are limited to \$100 per transaction. Any prize payment balance remaining above \$100 shall be paid by cash card.

**(C) Prizes by Mail:** A winning ticket may be submitted to the Lottery by mail. If mailed, the player must sign the ticket in the designated area on the ticket, write the player's mailing address in the place indicated on the ticket, and mail it to the Lottery Headquarters, P.O. Box 14515, Salem, Oregon 97309. Registered mail is recommended.

**(2) Prizes Greater than \$600:** A player must claim a Scratch-it<sup>SM</sup> ticket prize of more than \$600 by:

**(a) Claiming in Person:** Bringing the ticket to the Lottery Headquarters, Player Services Office, 500 Airport Road SE, Salem, Oregon during Lottery business hours and presenting the ticket to the Lottery; or

**(b) Claiming by Mail:** Signing the ticket in the designated area on the ticket, writing the player's mailing address on the ticket in the place indicated on the ticket, completing a winner claim form, and mailing it together with the winning ticket to the Lottery Headquarters, P.O. Box 14515, Salem, Oregon 97309. Registered mail is recommended. The winner claim form may be obtained from any Lottery retailer offering traditional games, from a Lottery kiosk, or from the Lottery Headquarters at the addresses listed above.

**(c) Lottery Prize Payment:** Upon validation of a winning ticket under OAR 177-050-0027, the Lottery will pay by check the amount of the prize to the player, less any applicable tax withholding. If the ticket is determined to be invalid or a non-winning ticket, or the claim is invalid, the claim shall be denied and the player notified.

**(3) Validation and Payment of Lost, Damaged, or Destroyed Tickets for Prizes Greater than \$600:** If a player of a Scratch-it<sup>SM</sup> prize of more than \$600 cannot submit an intact winning ticket because a Scratch-it<sup>SM</sup> game retailer lost, damaged, or destroyed the ticket while attempting to perform validation procedures on the game ticket, a prize claim based on the lost, damaged, or destroyed ticket may still be validated provided the claim is made before the end of the one year claim period after the end of the game as described in OAR 177-050-0100.

**(a) Player Form and Affidavit:** To claim a prize based on a lost, damaged, or destroyed ticket, the player must obtain, complete, and sign a winner claim form and a claim affidavit furnished by the Lottery. The player shall submit the two completed forms along with any other evidence of the validation attempt that is in the player's possession (including, but not limited to, the "This is not a Ticket" slip produced by the terminal at the time of the validation attempt) to the Lottery at the addresses listed in section (1)(b)

of this rule, either by mail (registered mail recommended) or in person at the Lottery Headquarters in Salem during Lottery business hours.

(b) **Evidence:** The evidence submitted by the player must corroborate the validation attempt including, but not limited to, identification of the Lottery game retailer or clerk who attempted to validate the prize, the time and date of the validation attempt, the ticket validation number, the terminal number, and the prize amount.

(c) **Investigation:** The Assistant Director for Security will conduct an investigation to determine if the claim and winning game ticket are valid.

(d) **Retailer Affidavit:** A retailer who is the subject of an investigation conducted under this section must complete and provide to the Lottery a retailer affidavit form explaining the events in question.

(e) **Director's Determination:** Based upon all the facts and information available, the Director shall make a determination whether prize payment is warranted and authorized.

(f) **Payment of Prize:** Upon the Director's determination that the ticket submitted under this section is a valid, winning ticket, and that the player is the proper person to whom a prize is payable, the Lottery shall present or mail a check to the player in payment of the appropriate prize amount less any applicable tax withholding.

(g) **Restriction of Payment:** Payments of claims submitted under this section are restricted to the prize amount.

(h) **Retailer Sanctions:** The Director may sanction a Lottery game retailer for the loss, damage, or destruction of a winning Scratch-it<sup>SM</sup> game ticket including, but not limited to, imposing a requirement for training for the retailer or the retailer's employees, and any other actions that the Lottery may take in response to a retailer's failure to perform contract duties or requirements as described in the Lottery retailer contract.

(i) **Notification of Denial:** If the ticket is determined to be invalid or a non-winning ticket, or the claim is invalid, the claim shall be denied and the player notified.

(4) **Time Limit:** A prize claim must be made under this rule within the time limit specified in OAR 177-050-0100.

(5) **Invalid Tickets:** Any ticket not passing all applicable validation checks is invalid and void for claims made under OAR 177-050-0025(3). A player submitting an invalid or void ticket is ineligible for any prize and no prize shall be paid for such a ticket.

#### **177-050-0027 Ticket Validation Requirements**

(1) **General:** Besides meeting all of the other requirements in OAR Chapter 177 and as may be printed on each ticket, the following validation requirements apply to Scratch-it<sup>SM</sup> game tickets.

(2) **Requirements:** Except as provided in section (3) of this rule and OAR 177-050-0025(3), to be a valid Scratch-it<sup>SM</sup> game ticket, all of the following requirements must be met:

(a) **Play Symbols:** Where applicable, each of the play symbols must have a play symbol caption underneath, and each play symbol must agree with its play symbol caption.

(b) **Legibility:** Where applicable, each of the play symbols and play symbol captions must be present in its entirety and be legible.

(c) **Specifications:** Each of the play symbols and its play symbol caption must be printed according to game specifications.

(d) **Completeness of Information:** The game number, pack number, ticket number, bar code, bar code number, and VIRN number must be present and all information must correspond with the Lottery's computer records.

(e) **Printing Order:** The play symbols, play symbol captions, game number, pack-ticket number, and VIRN number must be right-side-up and not reversed in any manner.

(f) **Pack-Ticket Number:** The ticket must have exactly one pack-ticket number.

(g) **VIRN:** The VIRN number of an apparent high-tier winning ticket must appear on the Lottery's official record of winning ticket VIRN numbers, and a ticket with that VIRN number must not have been paid previously.

(h) **Artwork:** Each of the following must correspond to the artwork on file at the Lottery: Play symbols on the ticket, play symbol captions, pack-ticket numbers, display printing, game numbers, retailer validation code, and ticket VIRN number.

(i) **Multi-Page Tickets:** In the case of Scratch-it<sup>SM</sup> tickets consisting of multiple pages designed to remain intact, the individual pages must not be detached from each other. Such separated multi-page tickets will be considered damaged tickets.

(3) **Lost, Damaged, or Destroyed Tickets for Prizes Greater than \$600:** If a player of a Scratch-it<sup>SM</sup> prize of more than \$600 cannot submit an intact winning ticket because a Scratch-it<sup>SM</sup> game retailer lost, damaged, or destroyed the ticket while attempting to perform validation procedures on the game ticket, a prize claim based on the lost, damaged, or destroyed ticket may still be validated as set forth in OAR 177-050-0025(3), provided the claim is made before the end of the one year claim period after the end of the game as described in OAR 177-050-0100.

(a) **Payment Process:** When a prize payment is authorized by the Director under this section, the prize payment shall be validated as set forth in OAR 177-050-0025(3).

(b) **Payment Restriction:** Payments of prize claims submitted under this section are restricted to the prize amount.

(4) **Damaged Tickets:** Notwithstanding OAR 177-046-0090 and section (2) of this rule, the Director may pay the prize on a winning Scratch-it<sup>SM</sup> ticket that is inadvertently or accidentally damaged so that it cannot be validated either through the Lottery's central computer system or because it is missing information required under section (2) of this rule, if the ticket is readable and is validated as a winning ticket by the Lottery's Security Section. For purposes of this rule, a Scratch-it<sup>SM</sup> ticket is unreadable if there is insufficient information remaining on the ticket for the Lottery's Security Section to reconstruct and validate the ticket.

(a) **Validation Process:** When a prize payment is authorized by the Director under this section, the prize payment shall be validated as follows:

(A) **Evidence:** The player shall obtain, complete, and sign a winner claim form and a claim affidavit furnished by the Lottery. The player shall submit the two completed forms along with the damaged ticket, (including, but not limited to, all pages of a game book in the player's possession) to the Lottery at the addresses listed in section OAR 177-050-0025(1)(b), either by mail (registered mail is recommended) or in person at the Lottery's Headquarters in Salem during Lottery business hours.

(B) **Investigation:** The Assistant Director for Security will conduct an investigation to determine if the claim and winning game ticket are valid.

(C) **Director's Determination:** Based upon all the facts and information available, the Director shall make a determination whether prize payment is warranted and authorized. The Director may require that such determination be made on the last day of the one year claim period following the end of the game, as described in OAR 177-050-0100. If the final date of the prize claim period falls on a date when the Oregon Lottery Headquarters is not open to the general public, such as a weekend, Lottery holiday, or furlough closure day, the claim period will be extended until 5:00 p.m. on the next day the Oregon Lottery Headquarters is open to the general public. Following validation, the Lottery shall issue the prize payment in the usual course of Lottery business.

(D) **Payment of Prize:** Upon the Director's determination that the ticket submitted under this section is a valid, winning ticket, and that the player is the proper person to whom a prize is payable, the Lottery shall present or mail a check to the player in payment of the appropriate prize amount less any applicable tax withholding.

(E) **Notification of Denial:** If the ticket is determined to be invalid or a non-winning ticket or the claim is invalid, the claim shall be denied and the player notified.

(b) **Payment Restriction:** Payment of a prize claim submitted under this section is restricted to the prize amount less any applicable tax withholding.

(1) **Defective, Damaged, or Destroyed Tickets:** A Lottery retailer will not be billed for non-activated Scratch-it<sup>SM</sup> tickets that are defective, damaged, or destroyed, or the Lottery may credit a retailer's EFT account for activated Scratch-it<sup>SM</sup> tickets that are defective, damaged, or destroyed, under the following conditions:

(a) **Manufacturing Defect:** The defect is a result of a manufacturing error or damage during shipment; or

(b) **Reasonable Control:** The damage or destruction is due to circumstances beyond the retailer's reasonable control, such as a structure fire, flood, or other natural disaster; and

(c) **Time Limitation:** Damaged or defective Scratch-it<sup>SM</sup> tickets are returned to the Lottery within 30 days of discovering the damage or defect. When the Scratch-it<sup>SM</sup> tickets cannot be returned because they are completely destroyed or damaged beyond recognition, within 30 days of when the tickets were destroyed or damaged the retailer must submit, on a form provided by the Lottery, a signed and notarized affidavit which describes the circumstances of how the Scratch-it<sup>SM</sup> tickets were destroyed or damaged. The Lottery's Finance and Accounting department will review inventory and sales records and confirm the value of the destroyed or damaged Scratch-it<sup>SM</sup> tickets.

(d) **Director's Approval:** Credit for defective, damaged, or destroyed Scratch-it<sup>SM</sup> tickets may be given only upon approval of the Director.

(2) **Theft of Activated Tickets:** The Lottery may credit a retailer's EFT account for one-half of the uninsured loss of activated Scratch-it<sup>SM</sup> tickets that are stolen from the retailer's premises subject to the following:

(a) **Loss Amount:** The theft results in a loss of \$200 or more of activated Scratch-it<sup>SM</sup> tickets.

(b) **Security Measures:** The retailer has in place and was using at the time of the theft, reasonable security measures to prevent the theft of Scratch-it<sup>SM</sup> tickets. The Director will, in the Director's sole discretion, determine if a retailer was using reasonable security measures at the time of the theft. For purposes of this rule, "reasonable security measures" means that at a minimum, the retailer:

(A) **Approved Dispensers:** Keeps Lottery Scratch-it<sup>SM</sup> tickets in Lottery approved dispensers, ITVMs, or stored in a locked container inaccessible to customers and unauthorized employees if the tickets are not yet being offered for sale;

(B) **Inventory Control Process:** Has an inventory control process in place, including adequate record keeping, Scratch-it<sup>SM</sup> ticket access controls, and ticket activation controls; and

(C) **Accounting Procedures:** Uses accounting or bookkeeping procedures that alert the retailer to the theft of activated Scratch-it<sup>SM</sup> tickets within seven business days of the theft.

(c) **Reporting Requirements:** The retailer must:

(A) Report the theft to a local law enforcement agency and to the Lottery within 48 hours of discovering the theft. The report must include the game, pack, and Scratch-it<sup>SM</sup> ticket numbers of the stolen tickets; and

(B) Submit to the Lottery a copy of a police report showing the theft was reported to the local law enforcement agency.

(d) **Retailer Affidavit:** The retailer must submit to the Lottery, on an affidavit form provided by the Lottery, a signed and notarized statement:

(A) Describing the circumstances of the theft, the game, pack, and Scratch-It<sup>SM</sup> ticket numbers of the stolen tickets, the total loss claimed, and a statement whether the retailer is self-insured or is covered by third-party insurance; and

(B) The retailer must attach to the statement a copy of any documents substantiating the theft or loss, including, but not limited to, any inventory control records related to the stolen tickets and any financial records showing the monetary loss.

(e) **Third Party Insurance:** If the loss is fully covered by third-party insurance, the retailer is not eligible to receive a credit for the stolen tickets. If the loss is not entirely covered by third-party insurance, then the retailer may receive a credit for one-half of the balance of the loss if the retailer provides a letter from the insurance company setting forth the amount of loss claimed by the retailer and the amount paid to the retailer by the insurance company. The retailer must provide any other information needed by the Lottery to determine the amount of insurance coverage and the amount paid to the retailer for the loss.

(f) **Cooperation:** The retailer must fully cooperate with the Lottery and provide any documents or information requested. The retailer must cooperate fully in the prosecution of any criminal case resulting from the theft of the tickets or in any civil lawsuit for recovery of the amount of the loss paid to the retailer by the Lottery under this rule.

(g) **Restitution from Criminal Prosecution of Judgment in Civil Action:** The Director will not credit the retailer's EFT account for any amount of the loss that a court orders repaid as restitution or that is awarded to the retailer in a civil judgment or settlement. The Director may delay crediting the retailer for the loss claimed until criminal proceedings related to the theft of the tickets are concluded. The Lottery may recover from the retailer any amount ordered as restitution in a criminal case or received by the retailer pursuant to a civil judgment or settlement agreement.

(h) **Employee Theft:** In no event will the Director authorize credit to a retailer when the retailer is the victim of employee theft.

(i) **Time Limitation:** Notwithstanding the 48-hour reporting requirement of subsection (c) of this section, the Director may authorize a credit upon a showing that the failure to

timely report was beyond the retailer's reasonable control. In no event will a retailer receive a credit for a theft that occurred more than 30 days prior to the date that the retailer reported the theft to the Lottery and the local law enforcement agency as set forth in subsection (b) of this section.

(j) **Limit on Credit Amount:** In no event may a retailer receive credit for a loss resulting from theft in an amount greater than \$2500 during the term of the retailer contract.

(3) **Theft of Non-Activated Tickets:** The Lottery will not bill a retailer for Scratch-it<sup>SM</sup> tickets received but not activated that are stolen from the retailer's premise if the theft results in the loss of \$200 or more of non-active Scratch-it<sup>SM</sup> tickets and the retailer complies with the requirements of subsections (2)(b) through (2)(h) of this rule. The limitations set forth in subsections (2)(g) through (2)(j) of this rule apply to the theft of non-activated Scratch-it<sup>SM</sup> tickets.

#### **177-050-0070 Confidentiality of Scratch-it<sup>SM</sup> Tickets**

Except when playing a ticket that the retailer or its employees or agents have purchased as a consumer, no retailer or its employees or agents shall attempt to ascertain the numbers or symbols appearing in the designated areas under the removable latex coverings or otherwise attempt to identify winning Scratch-it<sup>SM</sup> tickets.

#### **177-050-0100 Official End of Scratch-it<sup>SM</sup> Ticket Games and Last Date to Claim a Prize or to Receive Credit for Unsold Scratch-it<sup>SM</sup> Tickets**

(1) **Director's Determination:** The Director shall determine the official ending date of a Scratch-it<sup>SM</sup> ticket game.

(2) **Notice:** The Director shall announce the official ending date of each Scratch-it<sup>SM</sup> ticket game by any reasonable means, which may include: Notice on the Lottery's website, media advertisements, or notice through Lottery retail sales sites.

(3) **Last Date to Claim a Prize:** In accordance with ORS 461.250(7), the last date to claim a prize is one calendar year from the official ending date of the game, unless the Lottery Commission defines a shorter time period to claim a prize in a particular Scratch-it<sup>SM</sup> ticket game. A prize must be claimed by 5:00 p.m. on the last date to claim a prize and if not claimed by that date is an unclaimed prize. If the final date of the claim period falls on a day when the Oregon Lottery Headquarters is not open to the general public, such as a weekend, Lottery holiday, or furlough closure day, the claim period shall be extended until 5:00 p.m. on the next day the Oregon Lottery Headquarters is open to the general public.

(4) **Unsold Returns:** To receive a credit after a game has ended for unsold Scratch-it<sup>SM</sup> tickets in any ticket pack activated by the retailer, the retailer must return the unsold tickets to the Lottery within six calendar months from the date Lottery will no longer activate tickets for that game. Lottery will announce to the Lottery retail sales sites the date the tickets will no longer be activated. Upon a showing of good cause by the retailer, the Director may authorize credit for unsold Scratch-it<sup>SM</sup> tickets returned beyond this six-month period.