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**These rules contain the OARS filed through November 25, 2002**

## **DIVISION 50**

### **SCRATCH-IT TICKET GAME OPERATING RULES**

#### **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 game tickets which may or may not be attached to each other by perforations.
- (2) **"Pack-Ticket Number"** means the uncovered number printed on the back of the ticket; the number consists of a game number, a unique pack identification number, and a ticket number.
- (3) **"Play Symbols"** mean the figures printed in gray-black or other colored ink which appear under each of the ruboff spots on the front of the ticket.
- (4) **"Play Symbol Caption"** means the small printed material appearing below each play symbol which repeats or explains the play symbol; only one of these play symbol captions appears under each play symbol and is printed in gray-black or other colored ink.
- (5) **"Retailer Validation Code"** means the small letters found under the removable rub-off latex that covers the play symbols on the front of the ticket. The letters appear in varying locations beneath the removable rub-off latex and among the play symbols.
- (6) **"Scratch-It"** 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 the back of each ticket with equipment provided by the Lottery. A Scratch-It game ticket offers a player the opportunity to remove a latex covering on the front of a ticket and play the Scratch-It ticket for entertainment purposes.
- (7) **"Ticket Validation Number"** means the unique number covered by latex on the front of the ticket.

(8) "**Void if Removed Number**" (VIRN) means the series of digits on the face of a Scratch-It ticket located beneath the play area and covered with latex which is used in the validation process.

#### **177-050-0020 Scratch-It Ticket Price**

The price of a Scratch-It 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) Winning tickets in a Scratch-It 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) To determine a winning ticket, the official bar code or bar code number printed on the back of the ticket must be scanned or manually entered either at the Salem Lottery office 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 front 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) Only the highest prize amount will be paid on a given Scratch-It 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 the back of each Scratch-It ticket. If the terms on the back of a ticket conflict with the Lottery's administrative rules, then the rules are the controlling authority.

Stat. Auth.: Or. Const. Art. XV, Sec. 4(4)

Stats. Implemented: ORS 461.230

Hist.: LC 7-1987, f. & ef. 4-29-87; LC 4-1990, f. & cert. ef. 4-3-90; LC 8-1990(Temp), f. & cert. ef. 6-26-90; LC 11-1990, f. & cert. ef. 8-21-90; LC 6-1993, f. & cert. ef. 7-1-93; LOTT 15-2001, f. & cert. ef. 12-3-01

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

This rule provides procedures for a player to claim Scratch-It ticket prizes and for payment of prizes on valid winning tickets.

(1) Scratch-It ticket prizes of \$600 and less shall be claimed by one of the following methods:

(a) The player may present the Scratch-It 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 back of each ticket into equipment provided by the Lottery, and, if authorized by the Lottery, pay the player the prize amount due.

(b) In the event the retailer is not authorized to pay the claim, the player may bring the ticket to the Oregon Lottery, Player Services Office, 500 Airport Road SE, Salem, Oregon during Lottery business hours and present the ticket to the Oregon Lottery.

(c) The player may also sign the back of the ticket, write the player's mailing address on the back of the ticket, and mail it to the Oregon Lottery, PO Box 14515, Salem, Oregon 97309 (registered mail recommended).

(d) Upon the Director's determination that the ticket is a winner and validation of the ticket under OAR 177-050-0027, the Lottery may then present or mail a check to the player in payment of the amount of the prize due 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 shall be promptly notified.

(2) A retailer that is authorized to pay a prize of \$600 or less shall pay that prize in cash or check, or any combination thereof.

(a) A retailer that pays a prize with a check that is dishonored may be subject to termination of the Lottery Retailer Contract.

(b) If a retailer's prize payment check is dishonored, the player may seek payment from the Lottery by presenting a copy of the dishonored check to the Oregon Lottery, Player Services Office, 500 Airport Road SE, Salem, Oregon during Lottery business hours, or by mailing a copy of the dishonored check with a winner claim form to the Oregon Lottery, PO Box 14515, Salem, Oregon 97309. If the Lottery determines that payment of the prize is authorized, the retailer has not paid the prize, and it is unlikely that the retailer will pay the prize, the Lottery may then issue a check to the player in the amount of the prize due less any applicable tax withholding.

(3) A claimant must claim a Scratch-It ticket prize of more than \$600 by:

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

(b) Signing the back of the ticket, writing the player's mailing address on the back of the ticket, completing a winner claim form, and mailing it together with the winning ticket to the Oregon Lottery, PO Box 14515, Salem, Oregon 97309 (registered mail recommended). The winner claim form may be obtained from any Lottery retailer offering traditional games or from the Lottery at the addresses listed above.

(c) Upon the Director's determination that the ticket is a winner and validation of the ticket under OAR 177-050-0027, the Lottery may then present or mail a check to the player in payment of the amount of the prize due 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 shall be promptly notified.

(4) If a claimant of a Scratch-It prize of more than \$600 cannot submit an intact winning ticket because a Scratch-It 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 177-046-0150(1).

(a) To claim a prize based on a lost, damaged, or destroyed ticket, 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 any other evidence of the validation attempt that is in the player's possession (including, but not limited to, the "claim at Lottery" slip produced by the terminal at the time of the validation attempt) to the Lottery at the addresses listed above either by mail (registered mail recommended) or in person at the Lottery office during Lottery business hours.

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

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

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

(f) Upon the Director's determination that the claim submitted under subsection (4) of this rule is based on 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) Payments of claims submitted under subsection (4) of this rule are restricted to the prize amount.

(h) The Director may sanction a Lottery game retailer for the loss, damage, or destruction of a winning Scratch-It 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.

(5) 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 shall be promptly notified.

(6) A prize claim must be made under this rule within the time limit specified in OAR 177-046-0150(1).

(7) Any ticket not passing all applicable validation checks is invalid and void for claims made under OAR 177-050-0025(4). 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**

Besides meeting all of the other requirements in OAR Chapter 177 and as may be printed on the back of each ticket, the following validation requirements shall apply with regard to Scratch-It game tickets:

(1) Except as provided in OAR 177-050-0025(4), to be a valid Scratch-It game ticket, all of the following requirements must be met:

(a) 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) Each of the play symbols and captions must be present in its entirety and be legible;

(c) Each of the play symbols and its play symbol caption must be printed according to game specifications;

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

(e) 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) The ticket must have exactly one pack-ticket number;

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

(h) Each of the following must correspond precisely 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.

### **177-050-0037 Stolen, Destroyed, and Damaged Scratch-It Tickets**

(1) A Lottery game retailer shall receive credit for defective, damaged, or destroyed active Scratch-It tickets or shall not be billed for inactive defective, damaged, or destroyed Scratch-It tickets under the following conditions:

(a) The defect is a result of a manufacturing error or damage during shipment; or

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

(c) All such damaged or defective Scratch-It tickets must be returned to the Lottery. In those instances where the Scratch-It tickets cannot be returned because they are completely destroyed or damaged beyond recognition, the retailer shall submit, on a form provided by the Lottery, a signed affidavit which describes the circumstances of how the Scratch-It tickets were destroyed or damaged. The Lottery's Accounting department will review inventory and sales records and estimate the value of the destroyed or damaged Scratch-It tickets.

(d) Credit for defective, damaged, or destroyed Scratch-It tickets will be given upon approval of the Director.

(2) A retailer who is the victim of a criminal act which results in the loss of \$200 or more of active Scratch-It tickets shall be credited for half of the uninsured loss by the Lottery provided the following conditions are satisfied:

(a) The retailer immediately reports the crime and the game, pack, and Scratch-It ticket numbers of the stolen tickets to the local law enforcement agency and to the Lottery.

(b) The retailer submits to the Lottery a copy of the crime report prepared by the local law enforcement agency.

(c) The retailer submits to the Lottery, on an affidavit form provided by the Lottery, a signed statement which shows and describes the circumstances of the criminal act. The affidavit shall include the game, pack, and Scratch-It ticket numbers of the stolen tickets; and

(d) The retailer includes, as part of its affidavit, a statement that the retailer is self-insured or that the loss is not covered by the retailer's insurance policy. 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 the balance of the loss if the retailer provides the Lottery with the name of the third-party insurer, policy number, and any other information needed by the Lottery to process the request for credit. Credit for such stolen Scratch-It tickets may be given upon final approval by the Director.

(3) Retailers who are the victims of a criminal act which results in the loss of \$200 or more of inactive Scratch-It tickets will not be billed for such tickets nor will they receive credit for them provided the retailer follows the steps specified in sections 2(a), (b), (c), and (d) above.

### **177-050-0070 Confidentiality of Scratch-It Tickets**

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 tickets.

Stat. Auth.: ORS 461

Stats. Implemented: ORS 461.210

Hist.: SLC 4-1985(Temp), f. & ef. 1-29-85; SLC 8-1985, f. & ef. 6-21-85; LOTT 15-2001, f. & cert. ef. 12-3-01