

Lottery Line

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Alcohol and Gaming Commission of Ontario
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Selling stolen property leads to revocation of ticket seller's registration

The Licence Appeal Tribunal recently revoked the lottery ticket seller registration of a convenience store owner after a police undercover operation was put in place to determine if the lottery ticket seller was dealing in stolen goods. Police had arrested an individual who admitted being in possession of stolen goods and in the process of delivering the stolen goods to the lottery ticket seller. The lottery ticket seller was alleged to be buying goods from "street people" and drug users at sharply discounted prices and reselling them at below the prices found in legitimate competitors' stores.

No entrapment

An undercover police officer disguised as a street person entered the convenience store on two occasions and offered to obtain products "from Shoppers". The lottery ticket seller turned him down. The next day, a second undercover officer disguised as a street person entered the convenience store and offered to sell what appeared to be stolen goods and was treated in a friendly manner. By chance, an undercover officer entered the store at the same time as another street person who had previously sold stolen goods to the store owner. The store owner discussed with the police officer what goods he could buy from them. When the first and second police officer entered together later on, both were treated in a friendly manner, even given a computer print-out of what the store owner was prepared to buy from them. The Licence Appeal Tribunal dismissed the store owner's argument of entrapment, concluding that there was no police persistence to induce the store owner to step out of character and take actions he would not otherwise have taken. The store owner purchased goods from the police officers at greatly reduced prices and then resold them at below retail price.

Registration revoked

When the police later searched the store, they also found proprietary goods from other stores for sale at a lower price than would be found at those stores. The Licence Appeal Tribunal concluded that the goods had to have been stolen. In addition, a search of the residence upstairs revealed in excess of 600 cartons of untaxed cigarettes for sale. The Licence Appeal Tribunal ordered that the lottery seller's registration be revoked because of multiple breaches of the law, and that the lottery seller showed a lack of integrity and honesty in the conduct of their business ■

Regulation of provincially operated lotteries

The Alcohol and Gaming Commission of Ontario (AGCO) regulates the sale of commercial lottery tickets (as example, Lotto Max, 6/49). The AGCO registers those who sell OLG lottery tickets and who provide services to the Ontario Lottery and Gaming Corporation (OLG) with respect to lottery tickets, and the sale of Break-Open Tickets (BOTs). Lottery-related registrants (lottery ticket sellers) are subject to all of the requirements of the *Gaming Control Act (GCA)* and other standards and requirements established by the Registrar of the Alcohol and Gaming such as investigation by the Registrar concerning the character, integrity and financial competence of registrants/applications, the ability of the Registrar to propose monetary penalties, suspensions and revocations of registrations and to conduct inspections and investigations to ensure regulatory compliance. Lottery ticket sellers also need to comply with the provisions of the OLG's Lottery Retailer Policy Manual ■

TOP TIPS for Lottery Ticket Sellers

Here are some helpful tips for all those involved in the sale of lottery products.

- Do not sell lottery tickets to anyone under the age of 18
- Do not buy lottery tickets for yourself or family members at your own store
- Do not sell tobacco products to anyone under the age of 19
- Do not allow illegal gaming machines or operations on your premises
- Do not sell counterfeit DVDs in your store
- Do not let your lottery seller registration expire
- Have your AGCO lottery registration available for AGCO inspectors at all times
- Do not validate a photocopied ticket
- Make sure lottery tickets are signed by the customer before validation
- Always rip through the barcode of winning tickets you have redeemed

No play at work

Don't buy or redeem your own tickets in your own store

Under the “no play at work” policy, lottery ticket sellers are prohibited from purchasing OLG lottery tickets or redeeming these tickets at their own store. If a lottery ticket seller is found to be buying or redeeming tickets in his or her own store, this could lead to a monetary penalty of up to \$10,000 or suspension or revocation of the lottery ticket seller’s registration.

Specifically, anyone who sells, redeems, activates, or validates lottery tickets cannot buy, redeem, validate or check tickets at the store where they work. If a lottery ticket seller or staff member is part of a lottery group, that group cannot buy, redeem, validate or check tickets at your store, even if another person is responsible for these tickets ■

What to do!

Damaged or scratched instant lottery tickets and BOTs

Occasionally, accidental damage to instant and Break Open Tickets (BOTs) can occur from shipping or from being frequently pulled in and out of the display cases on countertops. Ask employees to be careful when handling tickets and watch for any damage. A lottery ticket seller must not offer for sale any instant tickets that appear scratched or damaged.

Do not sell damaged tickets!

Monitoring should also include an observation process to ensure that any employees or others be unable to make small or minor scratches



or deface tickets to determine if they are a winning ticket.

The AGCO has sent warning letters and issued registration suspensions related to the sale of scratched or damaged instant tickets and for ticket tampering.

If damaged tickets are found, immediately put them aside and return them with your next regular ticket order. Advise the OLG during the order that you are returning damaged tickets ■

Reminder

Renew your lottery registration before it expires

We remind lottery ticket sellers to ensure they renew their registration before the expiry date. Registrants are responsible for making sure that the registration does not expire. If a registration expires, you cannot sell OLG lottery products or BOTs on behalf of a charity. In the case of OLG lottery products, the AGCO will advise the OLG and the lottery terminal will be immediately turned off until the registration is renewed. The AGCO will send out a notice or renewal application form (Form 6179E) 60 days prior to the expiry date. This form must

be completed and returned to the AGCO before the expiry date. There is no fee for this renewal.

However, the onus is still on the lottery ticket seller to ensure that their registration as a lottery ticket seller under the Act remains current and is renewed. Please also ensure that any individual who is not the owner of the business but who is given authority to act on behalf of the owner/operator is registered as a Category 1 Gaming Assistant ■

Lottery ticket seller registration must be available for AGCO inspectors at all times

Lottery ticket sellers are required to post or place their lottery ticket seller’s registration in a convenient and easily accessible location. AGCO inspectors point out that during compliance inspections, many retailer staff have no idea where the registration is and have to phone the owner or manager to attempt to find it. Sometimes, the registration is locked away in a file or desk and the owner/retailer must drive to the store to retrieve it for the inspectors. This is a great inconvenience

for all concerned. The lottery registration must be posted in a clearly visible location inside the retail establishment or placed in the front of the blue OLG binder and all staff advised where the registration is.

In addition, if a lottery ticket seller is selling BOTs, the BOT licence must be posted at the selling location ■

Contact Us

Alcohol and Gaming Commission of Ontario

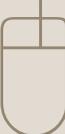
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Other Languages

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