

Lottery Line

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Alcohol and Gaming Commission of Ontario
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JEAN MAJOR

From the Registrar

As another busy year draws to a close, it's a pleasure to wish all of our clients and stakeholders in the gaming industry, and in particular, our lottery retailers and their staff, a happy, healthy and successful New Year.

The lottery industry continues to play a key role in Ontario's economy. The net proceeds from the sale of our lottery products go towards financing the province's education, healthcare, and social programs. Without these proceeds, many worthwhile local community projects would suffer from a lack of appropriate funding.

Furthermore, the related economic activity helps to create jobs and pay for the salaries for thousands of employees in the retail store industry. Nearly 12,000 people are employed as registered lottery ticket sellers and employees in Ontario.

I look forward to another year of working productively and collaboratively with all our clients and stakeholders.

On behalf of everyone at the AGCO, Happy Holidays and all the best in 2016! ■



Jean Major
Registrar of Alcohol
and Gaming

Make sure your registration is valid and readily available to an AGCO inspector

What to expect during an inspection

The AGCO has responsibility for the registration and regulatory oversight of those who sell OLG lottery tickets and break open tickets (BOTS).

This includes:

- Reviewing applications for registration as a lottery ticket seller.
- Assessing monetary penalties and/or proposing to suspend or revoke the registrations of lottery ticket sellers who do not operate their businesses in accordance with the law.
- Conducting inspections to make sure that sellers of lottery products are operating in compliance with the law.

AGCO inspectors are trained to conduct inspections at lottery seller locations across Ontario. These inspections are carried out on a regular basis. They are part of the AGCO's ongoing risk-based compliance activities to ensure the honesty and integrity of gaming in Ontario.

During a visit to a lottery retailer location, an AGCO inspector will examine a number of areas related to the overall operation of the business.

Up-to-date registration

Of primary importance is to ensure that the lottery seller's registration is current and that all the information on the registration is valid and matches with the address and name

of the store. The registration should be placed in a convenient and easily accessible location in the store.

AGCO inspectors will work with lottery ticket sellers to educate and inform them on their responsibilities under the law. For instance, inspectors may discuss requirements around the validation of lottery tickets and against buying or redeeming lottery tickets at your own store.

Don't sell illegal products

All lottery ticket sellers must be aware they cannot engage in any illegal activity, which includes for example selling illegal products, such as counterfeit DVDs, or tobacco products to anyone under the age of 19. As well, lottery ticket sellers are responsible for making sure that their premises are not used for any unlawful gambling activity.

AGCO inspectors will survey the area where lottery terminals are located in the store. It is important to remember that these areas must remain uncluttered, so that there are no unnecessary objects, loose paper or other clutter on or around the lottery terminal.

Be cooperative

Lottery ticket sellers are expected to be cooperative during routine inspections.

Generally, the overall purpose of an inspection is to ensure that lottery operations are in compliance with Ontario's rules and regulations that provide for honesty and integrity in the province's gaming marketplace. ■

I'm already registered

Why am I receiving an application package from the AGCO?

In order to sell break open tickets on behalf of a charitable organization or to sell lottery products on behalf of the OLG, you have to be registered with the AGCO. As part of your AGCO registration, it's important to send in the right documents and keep us informed of any changes. Every year after receiving your initial registration, you will receive a notice where you are asked some basic questions. Every 4th year you will have to fill out an application package about your business – very similar to the questions you were asked to answer the first time you registered with the AGCO – as a renewal of your registration.

Answer every question

In order to help us process your renewal as quickly as possible, it's important to answer every question and also let us know if anything has changed. Part of the AGCO's responsibility to the public is to ensure that our registrants are operating with honesty and integrity. This includes reporting *Highway Traffic Act* charges (for example, driving without a valid licence). You can also refer to our website when you are filling out your application: http://www.agco.on.ca/en/whatwedo/register_seller.aspx for forms and helpful guides. Our Customer Service line is 1-800-522-2876 or (in the GTA) 416-326-8700. We're here to help! ■

AGCO investigates lottery insider wins

Lottery ticket sellers are considered "insiders" by the OLG, and are therefore subject to the OLG's "insider win" procedures.

An insider win occurs where an insider claims a lottery prize. Insider wins of \$10,000 and over are automatically escalated for investigation by the AGCO to determine whether the claimant is the legitimate owner. The AGCO may also investigate lower prize claims, depending on the circumstances, as well as any suspicious prize claims where there is perceived or apparent criminal activity.

Investigations include an interview with an Ontario Provincial Police (OPP) officer who will review the details of the prize claim.

Once an insider win is investigated and approved for payment, there is a 30 day waiting period to allow anyone with concerns regarding the prize to come forward.

No Play at Work

The OLG also has a separate "No Play at Work" policy, which prohibits lottery ticket sellers and their employees from buying or redeeming lottery products at their own store. Lottery ticket sellers interested in buying OLG products must line up and play, just like anyone else, at a different retailer. Violations of this policy could lead to a monetary penalty of up to \$10,000 or a suspension or revocation of the lottery ticket seller's registration.

Compliance inspections of retail establishments

In fiscal year 2014/15, the AGCO conducted 11,389 lottery compliance inspections of registered lottery retailer locations. As a result, 2,050 infractions were cited and 1,120 warnings issued.

During the same time, the OPP carried out a total of 273 lottery-related investigations, which included investigations into insider and suspicious wins as well as of complaints about possible unlawful or suspicious activity. ■



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AGCO's website has lots of
information.

Please visit us at www.agco.on.ca