

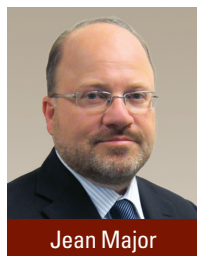
Alcohol and Gaming Commission of Ontario
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Message from the Registrar



Jean Major

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 meaningful New Year.

With over 9,800 Lottery Retailers currently active, the lottery industry remains strong and continues to play a key role in Ontario's economy. The net proceeds from the sale of lottery products go

towards financing the province's educational, healthcare and social programs.

To protect the public's interest, the AGCO continues to ensure the lottery industry operates fairly and with the highest degree of integrity. With the implementation of the *Registrar's Standards for Gaming: Lottery Sector* earlier this year, the AGCO is now able to more effectively focus its resources on areas of high-risk non-compliance, while reducing the regulatory burden for compliant retailers.

During the past fiscal year, AGCO Inspectors conducted over 1,693 Lottery Compliance Inspections at registered lottery retailer locations. Approximately 624 infractions were cited and 350 warnings were issued.

During the same period, the AGCO's Investigation and Enforcement Bureau (IEB) conducted 286 lottery investigations including 45 insider wins, 85 suspicious wins and 156 other lottery regulatory investigations (including No Play at Work, Improper Prize Payout, and Retailer Dishonesty).

Finally, five monetary penalties and 28 Notices of Proposed Order to suspend or revoke a registration were issued to sellers of OLG lottery products last year. All in all, a very busy time, both in the retail selling market and from a regulatory perspective. By remaining vigilant and focused on the expected outcomes of fair and honest lottery gaming, together we can help ensure that the industry continues to operate with integrity.

We look forward to another year of working productively and cooperatively together with all of our stakeholders and clients.

On behalf of everyone at the AGCO, Season's Greetings and all the best in 2018!



Jean Major
Chief Executive Officer

Counterfeit or illegal products/gaming machines not permitted at retail locations

Lottery Retailers can be subject to serious penalties if they don't act in accordance with the law and with honesty and integrity. Lottery Retailers are responsible for ensuring that their premises are not used for any illegal gaming activity, and any retailer found to keep illegal gaming machines may have his or her registration suspended or revoked. Lottery Retailers may also be subject to Monetary Penalties if found with illegal gaming machines. Operating illegal gaming machines may also constitute an offence under the *Criminal Code of Canada*.

The AGCO also reminds all Lottery Retailers that selling counterfeit or illegal products, such as DVDs, TTC tokens/tickets and tobacco products, can have negative consequences for your registration. It is often difficult to spot the difference between genuine, legal products and counterfeit or illegal products, so here are some tips to help ensure that the goods you sell in your store are legitimate and that you are selling them legally:

DVDs

- The DVD packaging should look like it does on the shelf of a major retail store (i.e. not in a thin jewel case or envelope).
- The face of the disc should have a proper silk screened surface indicating the movie title, trademarks and logos in crisp and clear print.



TORONTO TRANSIT COMMISSION (TTC) TOKENS/TICKETS

- Only sell tokens/tickets obtained from the TTC or an authorized agent. This ensures the tickets/tokens are not counterfeit.
- Do not charge more for tickets/tokens than the TTC charges in stations.



TOBACCO PRODUCTS

- Make sure you have a valid tobacco retail dealer's permit issued under the *Tobacco Tax Act*.
- Do not sell tobacco products to anyone under 19 years of age.
- Make sure to only sell "marked" tobacco products with the appropriate labeling and packaging.





Lottery Retailers and the Registrar’s Standards

The AGCO has been undertaking inspection activities related to the *Registrar’s Standards for Gaming: Lottery Sector*, since its introduction in June 2017. Although it is too early to determine specific trends in inspections, there is one item related to Standard 4.16 “**Individuals must be able to easily and readily report activities related to collusion and cheating,**” worth noting. There may be various ways for the Retailer to achieve compliance with this Standard, and retailers are encouraged to take this into careful consideration as approaches may vary from location to location.

AGCO Inspectors have used their inspections as an opportunity to make sure Lottery Retailers are aware of and understand the new Standards. Inspectors have provided retailers the “*Registrar’s Standards for Gaming: Lottery Sector—What you need to Know*” brochure to help retailers further understand their obligations under the Standards. This brochure can also be downloaded from the AGCO’s website at www.agco.ca.

AGCO Inspectors continue to complete their inspection activities and look for opportunities to engage with retailers with the goal of achieving compliance.

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 may also include an observation process to ensure that any employees or others are unable to make small or minor scratches, or deface tickets, to determine if they are a winning ticket.

If damaged tickets are found, they should be properly handled and the OLG advised. Failure to properly handle tickets can have negative consequences for your registration.



REMINDER:

Selling restrictions for Lottery Retailers

As a Lottery Retailer, you are not permitted to purchase or redeem tickets in your own store. You also cannot sell to anyone who you believe falls under the following categories:

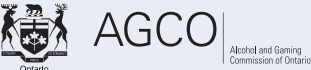
- Individuals who appear to be intoxicated (for the signs of intoxication, see the AGCO’s **Recognizing Intoxication** Responsible Service Tip Sheet on the AGCO’s website at www.agco.ca)
- Officers, directors or partners of your corporation or partnership
- Registered Category 1 Gaming Assistants (lottery retail managers) employed at the retail store where you sell lottery tickets
- Employees of registered suppliers who maintain or repair gaming equipment (including lottery terminals) at the retail store where you sell lottery tickets
- AGCO employees (e.g., AGCO Inspectors) or Board members

Please familiarize yourself and your employees with these rules. They are intended to enhance the public’s confidence in the integrity of gaming and ensure that gaming in Ontario is provided responsibly and in a manner that does not target vulnerable individuals.



AGCO website has lots of information

Please visit us at www.agco.ca



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Other Languages

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