

OFFICE OF LOTTERY AND GAMING

NOTICE OF FINAL RULEMAKING

The Interim Executive Director of the Office of Lottery and Gaming (Office), pursuant to the authority set forth in Section 4 of the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3-172; D.C. Official Code §§ 36-601.06(a) and 36-621.02), and Office of the Chief Financial Officer Management Control Order No. 21-08, effective August 30, 2021, gives notice of amendments to Chapter 2 (Lottery Licenses) of Title 30 (Lottery and Charitable Games) of the District of Columbia Municipal Regulations (DCMR).

The purpose of these amendments is to strengthen the duties and responsibilities of Agent Plus retailers.

A Notice of Proposed Rulemaking was published in the *District of Columbia Register* on June 28, 2024 at 71 DCR 007446. The Office received no comments, and no changes have been made to the proposed rulemaking. The Interim Executive Director adopted these rules as final on August 2, 2024, and the rules shall become effective upon publication of this notice in the *District of Columbia Register*.

Chapter 2, LOTTERY LICENSES, of Title 30 DCMR, LOTTERY AND CHARITABLE GAMES, is amended as follows:

Section 207, OTHER LOTTERY LICENSES, is amended as follows:

Subsection 207.6 is amended to read as follows:

207.6 Sales Agent Plus License

- (a) The Executive Director may license Sales Agents to be Agent Plus retailers.
- (b) Agent Plus retailers may validate and cash winning lottery tickets up to five thousand dollars (\$5,000.00).
- (c) If an Agent Plus retailer is also licensed as a Lottery/Sports Wagering Retailer, it may cash lottery prizes and sports wagering winnings up to five thousand dollars (\$5,000). Only Agent Plus retailers who hold a Lottery/Sports Wagering license issued under Chapter 20 of this Title may cash winning sports wagers up to five thousand dollars (\$5,000.00).
- (d) Agent Plus retailers must refer prizes and winnings above five thousand dollars (\$5,000.00) to the D.C. Lottery Prize Center for validation and claiming of the prize or winnings.

- (e) For claims in excess of six hundred (\$600.00), Agent Plus retailers must obtain and verify the winner's Social Security Number (SSN). It is the Agent Plus retailer's responsibility to verify and confirm the winner's accurate SSN and identification.
- (f) Agent Plus retailers must visually check that each ticket is signed by the ticket owner and the name signed on the ticket matches the name on the claim form before cashing the ticket.
- (g) Agent Plus retailers must obtain two (2) valid and current identifications of the winner and indicate the types of identification presented from the winner's submitted claim form. The only acceptable forms of identification are:
 - (1) A valid state issued Driver's License, or valid state issued Non-Driver's License, or a valid U.S. Passport; and
 - (2) An original Social Security card.
- (h) Each lottery prize winner or sports wagering winner must be at least eighteen (18) years of age or older in order for the Agent Plus retailer to pay the prize or winnings.
- (i) Agent Plus retailers must promptly submit claim forms to the D.C. Lottery Prize Center, on a weekly basis. Promptly submit means making the claim forms and related documentation available for pick up by representatives of the Office and, if not picked up by Office representatives, Agent Plus retailers must have them delivered to the Lottery Prize Center within one (1) business day from the regularly scheduled pick up date. Failure of the Agent Plus retailer to submit claim forms to the D.C. Lottery Prize Center or to make them available for pick up by representatives of the Office, may result in loss of commission and/or an adjustment to Agent Plus retailer's weekly invoice.
- (j) Agent Plus retailers will not be paid a cashing fee/commission for tickets directed to the D.C. Lottery Prize Center.
- (k) Agents Plus retailers shall pay at least six hundred (\$600.00) of the validated claim in cash, and may pay the balance with cash, a business check, or money order. If any portion or the prize or winnings is paid with a check or money order, the Agent Plus retailer shall make a copy of the check and or money order issued to the winner and attach it to the claim form.
- (l) If an Agent Plus retailer issues the winner a check or money order for the prize or winnings and the winner seeks to have the Agent Plus retailer cash the check or money order, the Agent Plus retailer shall not charge a fee for issuing or cashing the check or money order.
- (m) In the event that an Agent Plus retailer issues a check or money order which is dishonored for any reason, the Agent Plus retailer is responsible for any fees and

penalties assessed for the recovery of all monies due. If an Agent Plus retailer is a Corporation, Limited Liability Company, or Partnership the persons associated with the business entity, shall be personally liable to the Office for all fees and penalties.

- (n) All information obtained from the lottery prize winner or sports wagering winner is strictly confidential and shall be carefully safeguarded by the Agent Plus retailer. The Agent Plus retailer shall retain a copy of the claim form and requisite documentation (identifications and original tickets) on the Agent Plus retailer's premises in a locked safe provided by the Office or other safe approved by OLG.
- (o) Agent Plus retailers must provide the Office with the names of and a copy of a government issued identification for each employee, contractor or other person that will process claims in excess of six hundred dollars (\$600) or will have access to the safe where claim forms and related documents are stored.
- (p) Agent Plus retailers may receive the following cashing commissions based on a properly validated and cashed ticket which meets all the requirements and for which all required documentation has been timely submitted to the Office:
 - (1) Three percent (3%) for cashing winning on-line lottery tickets;
 - (2) Four percent (4%) for cashing winning scratch tickets; and
 - (3) For Lottery/Sports Wagering Agent Plus retailers, one percent (1%) of sports wagering winning tickets.
- (q) Although Agent Plus retailers may be paid commission prior to receipt of associated documentation, the Office may deduct any commission paid if the Agent Plus retailer fails to submit required documentation.
- (r) Agent Plus retailers are responsible for having sufficient funds available to pay all validated prizes or wins. The Office will not advance mid-week reimbursements to Agent Plus retailers for validations.
- (s) Agent Plus retailers must stay in good financial standing with the Office and not incur a non-sufficient funds (NSF). If an Agent Plus retailer incurs an NSF due to bank error, a letter from the bank is required. If an Agent Plus incurs an NSF due to other mitigating circumstances, the Executive Director may grant an exception upon written explanation.
- (t) All claim records shall be subject to inspection and audit by the Office. Further, Agents Plus retailers shall permit representatives of the Office to conduct on-site inspections for the purpose of conducting audits and inspection of lottery and sports wagering equipment during the Agent Plus retailer's normal hours of operation.

- (u) Change of ownership voids an Agent Plus retailer license, but the new owner will be given preference if they wish to participate in the Agent Plus program.
- (v) Agent Plus retailers must submit a security and surveillance plan to the Office for review and approval. The plan must identify the area where transactions in excess of \$600 will be conducted and provide sufficient camera coverage of said area whereby individuals involved in transactions can be identified and said camera footage shall be kept for a minimum of 14 days and longer if requested by the Office;
- (w) The Office may issue a limited number of Agent Plus retailer licenses. The following factors shall be considered by the Office when determining which applicants should be issued an Agent Plus retailer license:
 - (1) Sales minimums of lottery and or sports wagering tickets as established by the Executive Director.
 - (2) Preference may be given to locations based on obtaining geographic distribution of Agent Plus locations throughout the District to serve the public need.
 - (3) Preference may be given to those Sales Agents that have the highest lottery or sports wagering sales.
 - (4) Agent may not have more than three (3) substantiated OLG jurisdictional complaints within the past 12 months from the date of application to be an Agent Plus retailer.
 - (5) Agent may not have any non-sufficient funds violations during the prior twelve (12) months from the date of application to be an Agent Plus retailer.