

# **RHODE ISLAND LOTTERY**



## **RULES AND REGULATIONS**



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## CHAPTER ONE

### DEFINITIONS

#### 1.1 DEFINITIONS

A. The following capitalized words and terms, when used in these Rules and Regulations, have the following meanings, unless the context clearly indicates otherwise. Additional definitions are located in the definition section of certain chapters or otherwise defined herein.

1. “Act” means R.I. Gen. Laws § 42-61-1, *et seq.*
2. “Casino Act” means R.I. Gen. Laws § 42-61.2-1, *et seq.*
3. “Director” means the Director of the State Lottery Division within the Department of Revenue as appointed in accordance with the Act and having the power and duties established in the Act and in the Casino Act.
4. “Division” means the State Lottery Division established within the Department of Revenue under the provisions of the Act and also known as the Rhode Island Lottery.
5. “Electronic Fund Transfer” means the transfer of funds from a Lottery Retailer’s account to the Division’s account by electronic means.
6. “Financial Institution” means and includes, but is not limited to, all banks, banking associations, trust companies, and brokerage institutions organized under the authority of this State, the United States, and/or any agencies thereof, including, but not limited to, the Securities and Exchange Commission.
7. “Lottery” means the activities authorized by R.I. Gen. Laws § 42-61-1, *et seq.* as carried out by the Director, the Division, and its officers and employees.
8. “Lottery Retailer” means a person or agent who has been licensed as a lottery sales agent to sell Lottery Tickets under the Act.
9. “Person” shall be construed to mean and include an individual, association, partnership, corporation, trust, estate, company, receiver, trustee, referee, or any other person acting in a fiduciary or representative capacity, whether appointed by a Court or otherwise, and any other combination of individuals. “Person” shall also be construed to mean and include all departments, commissions, agencies, and instrumentalities of the State, including counties, municipalities, agencies, and instrumentalities thereof.
10. “Play Slip” means a card used in marking a Player’s selected game plays in accordance with the applicable game rules.
11. “Player” means a natural Person who has attained the age of eighteen (18) who plays a Lottery game.
12. “State” means the State of Rhode Island.
13. “Ticket” means the physical ticket issued in connection with the Lottery game play sold to a Player and produced in a manner that meets the Division’s specifications for the Lottery offering issued or promoted by the Division in accordance with the Act and the applicable Lottery game rules.

## **CHAPTER TWO**

### **GENERAL PROVISIONS**

#### **2.1 SCOPE**

- A. These Rules and Regulations are established by the Division and govern the operation and administration of the Division as authorized by the Act and the Casino Act, including all related duties thereunder.

#### **2.2 PURPOSE**

- A. It shall be the responsibility of the Director to supervise and administer the operations of the Division. The Division will hold the Director harmless of all acts and decisions carried out within the guidelines of these Rules and Regulations, the Act, and the Casino Act; if a suit is instituted against the Director for carrying out the provisions of these Rules and Regulations, the Act, and/or the Casino Act, the Division shall pay all legal expenses and judgments against the Director.
- B. The purpose of the Division shall be to fulfill all requirements established by Rhode Island General Laws and to conduct the business of the Division in the public interest in an open and responsive manner.

#### **2.3 LOCATION**

- A. The Division's main office is located at 1425 Pontiac Avenue, Cranston, Rhode Island ("Headquarters").
- B. The Division has ancillary offices for internal operations at the gaming facility located at 100 Twin River Road in Lincoln, Rhode Island ("Lincoln Gaming Facility") and at the gaming facility located at 777 Tiverton Casino Boulevard in Tiverton, Rhode Island ("Tiverton Gaming Facility").

#### **2.4 AUTHORIZED GAMES AND DESCRIPTIONS**

##### **A. The Numbers**

1. The Numbers may utilize a payoff plan using two (2) digit, three (3) digit, four (4) digit, or any combination of these digits. Players can select their own numbers or elect a computer-generated "Quick Pick" selection.
2. Wagers for The Numbers may range from fifty cents (\$.50) to five dollars (\$5.00) per play.
3. Payoff for The Numbers may range, according to the wager(s) placed and the numbers combination selected, from twenty-five dollars (\$25.00) to twenty-five thousand dollars (\$25,000.00) per play.
4. Tickets for The Numbers can be purchased seven (7) days a week beginning at 5:00 a.m. Monday through Saturday and 7:00 a.m. on Sunday. Sales end at 12:45 a.m. Sunday through Saturday.
5. Drawings for The Numbers occur twice a day – Midday and Evening.

6. A Ticket for The Numbers may be canceled only on the same day of purchase and from the same terminal from which the Ticket was issued. Such cancelation must occur prior to the applicable drawing.
7. Prizes for The Numbers must be claimed within one (1) year of draw date.

**B. The Numbers: “Instant Match®” Feature**

1. The Instant Match® feature offers Players a chance to win up to five hundred dollars (\$500.00) instantly on a Ticket for The Numbers.
2. The Instant Match® feature costs an additional one dollar (\$1.00) per wager.
3. The Instant Match® feature is not available for “Quick Pick” selections.
4. When a Player selects the Instant Match® feature, the terminal automatically selects an additional set of numbers, which will appear on the Ticket below the numbers selected by the Player.
5. If any of the numbers automatically selected by the terminal match any of the numbers selected by the Player in any order, an Instant Match® cash prize is won.
6. An Instant Match® win on a Ticket for The Numbers can be cashed in immediately, and the terminal will issue an exchange Ticket for the same drawing.
7. A Ticket for The Numbers with the Instant Match® feature cannot be cancelled.

**C. The Numbers: Extended Play Feature**

1. The Extended Play feature offers players the option to purchase Tickets for The Numbers for seven (7) or thirty (30) consecutive days. The Extended Play feature is available for Midday only, Evening only, or for both daily drawings.
2. When a Player selects the Extended Play feature, the same numbers are used for all applicable drawings of The Numbers.
3. The Extended Play feature on a Ticket is effective on the day of purchase.
4. A Ticket for The Numbers with the Extended Play feature may be canceled only on the same day of purchase and from the same terminal from which the Ticket was issued. Such cancellation must occur prior to the initial drawing.

**D. Wild Money**

1. Wild Money is a five (5) out of thirty-eight (38) lotto-type progressive, jackpot game. This game has an “extra” ball feature with a minimum jackpot of twenty thousand dollars (\$20,000.00).
2. Each Wild Money wager costs one dollar (\$1.00).

3. The jackpot prize is awarded for matching five (5) of the first five (5) numbers drawn. The prize paid for matching four (4) of the first five (5) numbers plus the “extra” ball is one thousand five hundred dollars (\$1,500.00); matching four (4) of the first five (5) and no “extra” ball pays two hundred dollars (\$200.00); matching three (3) of the first five (5) numbers plus the “extra” ball, pays fifty dollars (\$50.00); matching three (3) of the first five (5) numbers and no “extra” ball, or two (2) of the first five (5) numbers plus the “extra” ball, pays five dollars (\$5.00); and matching one (1) out of the first five (5) numbers plus the “extra” ball, pays one dollar (\$1.00).
4. The holder of a winning Wild Money Ticket may win only one (1) prize per Ticket in connection with the winning numbers drawn and shall be entitled only to the prize won by those numbers in the highest matching category.
5. In the case of multiple Wild Money jackpot winners, the jackpot amount will be divided equally among all winners.
6. Tickets for Wild Money can be purchased seven (7) days a week beginning at 5:00 a.m. Monday through Saturday and 7:00 a.m. on Sunday. Sales end at 12:45 a.m. Sunday through Saturday.
7. A Ticket for Wild Money may be canceled only on the same day of purchase and from the same terminal from which the Ticket was issued. Such cancellation must occur prior to the drawing.
8. Wild Money offers a Multi Draw option, where the Player can elect to play the same numbers for three (3), seven (7), fourteen (14), twenty-one (21), or thirty (30) consecutive drawings. A Ticket for Wild Money with the Multi Draw option may be canceled only on the same day of purchase and from the same terminal from which the Ticket was issued. Such cancellation must occur prior to the initial drawing.
9. Prizes for Wild Money must be claimed within one (1) year of draw date.

#### **E. Keno**

1. Keno is a monitor game where the Player chooses from one (1) to ten (10) numbers (spots) from one (1) to eighty (80). Twenty (20) numbers will be drawn from the field of eighty (80). Players can select numbers on a Play Slip or elect a computer-generated “Quick Pick” selection.
2. The wagers for a single Keno draw may be one dollar (\$1.00), two dollars (\$2.00), five dollars (\$5.00), or ten dollars (\$10.00). The Player may place a wager for up to fifteen (15) consecutive draws. However, the maximum price for any Ticket may not exceed one hundred fifty dollars (\$150.00), except for the Keno “Plus” game, where the maximum price for any ticket may not exceed three hundred dollars (\$300.00), and the Keno “Overtime” game, which when played with Keno “Plus” has a maximum price of four hundred fifty dollars (\$450.00).
3. Keno draws take place every four (4) minutes.
4. Tickets for Keno can be purchased seven (7) days a week beginning at 5:00 a.m. Monday through Saturday and 7:00 a.m. on Sunday. Sales end at 12:45 a.m. Sunday through Saturday.
5. A Ticket for Keno can only be canceled on the same day and from the same terminal the Ticket was issued. Such cancellation must occur prior to the draw. A Keno Ticket with multiple draws can only be canceled before the Ticket’s first draw. Exchange Tickets cannot be canceled.

6. The payoff for a winning Keno Ticket shall depend upon the amount wagered and the number of correct spots chosen by the Player. The range of payoff may be from one dollar (\$1.00) to one hundred thousand dollars (\$100,000.00), depending on the wager, the number of spots chosen, and the number of spots correctly selected by the Player.
7. Prizes for Keno must be claimed within one (1) year of draw date.

**F. Keno: “Plus” Promotion**

1. The Keno “Plus” promotion is an extension of the Keno monitor game and is conducted in accordance with Keno game rules and other Division rules applicable to the Keno game except as may be amended by this Subsection F. This promotion will be conducted for a period of time as determined by the Division.
2. Players select their Keno numbers and check a box on the Play Slip indicating that the Player wishes to participate in the Keno “Plus” promotion.
3. The wager on the “Plus” feature must equal the Player’s Keno wager on the Play Slip; i.e., if the Player wagers one dollar (\$1.00) on Keno, the Player must wager one dollar (\$1.00) on the “Plus” feature.
4. The Keno “Plus” drawing is conducted just prior to the Keno drawing. The Keno monitor shows a spinning wheel, which, when it stops, will indicate to the Player whether the Keno drawing immediately following the “Plus” drawing will pay No Plus, 2X, 3X, 4X, 5X, or 10X any prize won by a Player.

**G. Keno: “Overtime” Promotion**

1. The Keno “Overtime” promotion is an extension of the Keno game and is conducted in accordance with Keno game rules and other Division rules applicable to the Keno game except as may be amended by this Subsection G. This promotion will be conducted for a period of time as determined by the Division.
2. Players select their Keno numbers and check a box on the Play Slip indicating that the Player wishes to participate in the Keno “Overtime” promotion.
3. The wager on the “Overtime” feature must equal the Player’s Keno wager on the Play Slip; i.e., if the Player wagers one dollar (\$1.00) on Keno, the Player must wager one dollar (\$1.00) on the “Overtime” feature.
4. After each twenty (20) number Keno draw, the “Overtime” round will begin, with the sixty (60) numbers not drawn being eliminated until ten (10) numbers remain.
5. If all or some of the numbers displayed on a Player’s ticket match the “Overtime” numbers, the player will win additional corresponding prizes, up to five hundred thousand dollars (\$500,000.00).

## **H. Bingo**

1. Bingo is a monitor game where the Player selects how many boards to play per game, how many consecutive games to play, and how much to wager per board.
2. Wagers for a single board may be one dollar (\$1.00), two dollars (\$2.00), five dollars (\$5.00), or ten dollars (\$10.00). The player may place a wager for up to five (5) consecutive games. The maximum wager for Bingo at any one time is one hundred fifty dollars (\$150.00).
3. All Bingo wagers are computer-generated “Quick Pick” only.
4. Thirty (30) numbered Bingo balls are drawn. The numbers will land on a call number and be highlighted in red. Players try to create a winning Rhode Island Lottery Bingo pattern based on the numbers drawn.
5. A new Bingo game takes place every eight (8) minutes.
6. Tickets for Bingo can be purchased seven (7) days a week beginning at 5:00 a.m. Monday through Saturday and 7:00 a.m. on Sunday. Sales end at 12:45 a.m. Sunday through Saturday.
7. A Ticket for Bingo can be canceled only from the same terminal of purchase, prior to the draw closing for that game. If multigame Bingo Tickets are purchased, a Player may play the first game and cancel the subsequent games before the draw close.
8. There are eight (8) different Rhode Island Lottery Bingo patterns offering cash prizes. If more than one pattern is created on a Bingo board, the highest prize shall prevail.
9. The payoff for the Bingo game shall depend upon the amount wagered and the Bingo pattern created. The range of payoff may be from one dollar (\$1.00) to one hundred thousand dollars (\$100,000.00).
10. Prizes must be claimed within one (1) year of draw date.

## **I. Powerball®/Power Play® (Multi-State Lottery Game)**

1. Tickets for Powerball®/Power Play® can be purchased seven (7) days a week beginning at 5:00 a.m. Monday through Saturday and 7:00 a.m. on Sunday. Sales end at 9:50 p.m. on Monday, Wednesday, and Saturday and at 12:45 a.m. on Sunday, Tuesday, Thursday, and Friday.
2. Powerball®/Power Play® Tickets cannot be canceled.
3. Prizes for Powerball®/Power Play® must be claimed within one (1) year of draw date.
4. For game description, wagering, and payoff, see Chapter 19 of these Rules and Regulations.

**J. Mega Millions®/Megaplier® (Multi-State Lottery Game)**

1. Tickets for Mega Millions®/Megaplier® can be purchased seven (7) days a week beginning at 5:00 a.m. Monday through Saturday and 7:00 a.m. on Sunday. Sales end at 9:50 p.m. on Tuesday and Friday and at 12:45 a.m. on Sunday, Monday, Wednesday, Thursday, and Saturday.
2. Mega Millions®/Megaplier® Tickets cannot be canceled.
3. Prizes for Mega Millions®/Megaplier® must be claimed within one (1) year of draw date.
4. For game description, wagering, and payoff, see Chapter 19 of these Rules and Regulations.

**K. Lucky for Life® (Multi-State Lottery Game)**

1. Tickets for Lucky for Life® can be purchased seven (7) days a week beginning at 5:00 a.m. Monday through Saturday and 7:00 a.m. on Sunday. Sales end at 9:30 p.m. Sunday through Saturday.
2. Lucky for Life® Tickets cannot be canceled.
3. Prizes Lucky for Life® must be claimed within one (1) year of draw date.
4. For game description, wagering, and payoff, see Chapter 21 of these Rules and Regulations.

**L. Instant Ticket Games**

1. Instant Ticket game play consists of revealing concealed numbers and/or symbols printed on an Instant Ticket by scratching the concealed game play area.
2. The Director, or the Director's designee, shall authorize and approve the design of Instant Ticket games with various themes, price points, and prize structures.
3. The prize payouts and overall odds for each Instant Ticket game shall be determined by the Division and will vary depending upon the particular Instant Ticket game.
4. Prizes for an Instant Ticket game must be claimed within one (1) year of the announced end-of-game date for such Instant Ticket game, which can be found on the Rhode Island Lottery website, [www.rilot.com](http://www.rilot.com).
5. Additional instructions, overall odds, and rules for a particular Instant Ticket game are printed on the Instant Ticket game and are hereby incorporated herein by reference.

### **M. iLottery**

1. iLottery games approved by the Director are available for qualified, registered Players to purchase via computers and/or mobile devices. Instructions on how to register for an iLottery account and purchase iLottery games can be found on the Rhode Island Lottery's website, www.rilot.com, or on the Rhode Island Lottery app, which is available for download on mobile devices.
2. The Rhode Island iLottery Terms and Conditions and Rhode Island iLottery Privacy Policy, as each may be amended from time to time, are hereby incorporated herein by reference.
3. The iLottery version of Keno plays as described in Subsection E-Keno, Subsection F-Keno Plus, and Subsection G, Keno Overtime of this Chapter.
4. iLottery Keno prizes must be claimed within one (1) year of draw date.
5. The Director, or his/her designee, shall authorize and approve the design of eInstants games with various themes, price points, and prize structures.
6. Each eInstants game play is described within the applicable eInstants game and consists of digitally revealing and/or matching numbers and/or symbols within the eInstants game. The instructions, overall odds, and rules for each eInstants game are published on the Rhode Island Lottery's website, www.rilot.com, or on the Rhode Island Lottery app.
7. iLottery eInstants prizes must be claimed within one (1) year of date won.

### **N. Video Lottery Games, Tables Games, Sports Wagering, and iGaming**

1. For game description, wagering, and payoff, see Chapter 20 of these Rules and Regulations.

### **O. Pull Tab Tickets**

1. Pull Tab Tickets are charitable Lottery games that can only be used for fundraising by charitable, not-for-profit organizations registered with the State's Secretary of State Office and licensed by the Division to sell such charitable Lottery games.
2. Pull Tab Ticket play consists of pulling off tabs to reveal concealed numbers and/or symbols in the game play area.
3. The Director shall authorize and approve the design, price point, and prize structure of Pull Tab Tickets. All Pull Tab Ticket packets shall have a selling price and net profit as set forth in the discretion of the Director.
4. Pull Tab Tickets shall be sold only by a Pull Tab Licensee as further provided in Chapter 10 of these Rules and Regulations.

## **2.5 REQUIREMENTS REGARDING INSTANT, ON-LINE, MONITOR, AND iLOTTERY GAMES**

- A. Tickets shall be sold only at the price set by the Director.

- B. It is the responsibility of the Player to verify at the time a Ticket is purchased that the Player received what was requested. All Ticket sales are final, unless otherwise provided in these Rules and Regulations.
- C. No Ticket may be sold after the commencement of a drawing. The date of the drawing shall be imprinted upon all Tickets except Instant Tickets.
- D. No Ticket shall be sold to any person under the age of eighteen (18) years old. However, this shall not be deemed to prohibit the purchase of a ticket for the purpose of making a gift by a person eighteen (18) years of age or older to a person less than that age. Any Lottery Retailer or licensee who knowingly sells or offers to sell a Ticket to any person under the age of eighteen (18) shall, upon conviction, be guilty of a misdemeanor.
- E. Unless otherwise provided under these Rules and Regulations, all Ticket sales shall be final, and a Lottery Retailer shall not accept Ticket returns. However, a holder may be entitled to a refund or may have a Ticket validated by Division by presenting the Ticket at Headquarters, if it falls within the classes described by Section 2.7 of these Rules and Regulations.

## **2.6 DRAWING TIMES AND LOCATION**

- A. The Director shall set the date, location, and time of each drawing per Lottery game, advance wagering, subscription wagering, and any other program consistent with the Act and these Rules and Regulations, which, at the Director's discretion, is in the best interest of the State and which keeps the Division competitive with the lotteries in other states.
- B. Tickets to be included in any drawing shall be only those issued by the Director for sale prior to the drawing date on said Ticket. Only such Tickets shall be eligible to win prizes therein.
- C. All drawings, if practical, shall be open to the public and to representatives of the news media. Monitor games are not practical to be open to the public and representatives of the news media. However, if requested, the procedure used shall be shown.

## **2.7 ERRONEOUS OR MUTILATED TICKETS**

- A. Erroneous Tickets are defined as those Tickets made out in error, printed in error, or with printing errors. An Erroneous Ticket is void on its face.
- B. Invalid Tickets are those Tickets: (i) that are mutilated, altered, unissued, stolen, reconstituted, miscut, defective, counterfeit, or incomplete in any manner; (ii) where the complete and visual imprint does not appear clearly in each designated position on the Ticket; (iii) that do not match the standards on file with the Division; and/or (iv) that fail any of Division's validation requirements. An Invalid Ticket is void unless it can be validated by Division, in the Division's sole discretion.
- C. Any Erroneous and/or Invalid Ticket is to be voided immediately by the Lottery Retailer and/or Division personnel, and the Director immediately notified. The Lottery Retailer shall inform the holder of an Erroneous and/or Invalid Ticket to take such Ticket to Headquarters.
- D. Credit for Erroneous or Invalid Tickets may be issued only upon authorization from the Director, in the Director's sole discretion, and shall be limited to the purchase price of the Ticket in question.

- E. A holder of an Invalid Ticket which is mutilated, defective, incomplete, or one where the complete and visual imprint does not appear clearly in each designated position, may win a prize if the holder elects to have it validated by Division personnel, as long as the Invalid Ticket can be visually identified as a valid Ticket, the security control number and/or the drawing date are legible, and the Ticket passes all validation tests required by the Division. If all criteria are verified to the Division's satisfaction, the Director may issue a prize credit. If any Invalid Ticket fails the validation process, the Ticket shall be deemed a non-winner; and the holder thereof shall not be entitled to reimbursement and shall be deemed to have played the Ticket out.

## **2.8 LOST TICKETS**

- A. The Division is not responsible for lost or stolen Tickets. Players must present a valid Ticket within the applicable time period in order to receive a prize.

## **2.9 WINNING NUMBERS LIST**

- A. The Division will make available a list of all winning numbers for the fifty-two (52) previous weeks.

## CHAPTER THREE

### DIRECTOR OF THE RHODE ISLAND LOTTERY

#### **3.1 QUALIFICATIONS AND APPOINTMENT**

- A. The Division shall be under the immediate supervision and direction of the Director who shall be qualified to administer an enterprise of the nature of a Lottery.
- B. The Director shall be appointed by the Governor with the advice and consent of the Senate. The appointment shall be reviewed or vetted by the Permanent Joint Committee on State Lottery (“Committee”) according to R.I. Gen. Laws § 42-61-3.
- C. The Director shall serve until the Director’s successor is appointed and qualified. Any vacancy occurring in the office of the Director shall be filled in the same manner as the original appointment.
- D. Pursuant to R.I. Gen. Laws § 42-6-4, in the case of a vacancy while the Senate is not in session, the Governor shall appoint a Director to hold the office until the next session thereof; provided, that no person should serve in such a position for more than three (3) legislative days after the Senate convenes unless that person’s name shall have been submitted to the Senate for its approval.
- E. The Director shall devote the Director’s entire time and attention to the duties of the Director’s office and shall not be engaged in any other profession or occupation. The Director shall receive any salary that the Director of the State’s Department of Revenue shall determine and shall be in the unclassified service.
- F. The Director shall be removable by the Governor, pursuant to the provisions of R.I. Gen. Laws § 36-1-7 and for cause only, and removal solely for partisan or personal reasons unrelated to capacity or fitness for the office shall be unlawful.

#### **3.2 POWERS AND DUTIES**

- A. The Director shall have the power, and it shall be the Director’s duty to:
  - 1. Supervise and administer the operation of the Lottery, Video Lottery Games, Table Games, Sports Wagering, and iGaming in accordance with Rhode Island General Laws, the Act, the Casino Act, and these Rules and Regulations;
  - 2. Act as chief administrative officer having general charge of the office and records and to employ necessary personnel to serve at the Director’s pleasure, who shall be in the unclassified service, and whose salaries shall be set by the Director of the Department of Revenue, pursuant to the provisions of R.I. Gen. Laws § 36-4-16;
  - 3. License qualified sales agents as Lottery Retailers to sell Lottery tickets who, in the Director’s opinion, will best serve the public convenience and promote the sale of Tickets or shares. The Director may require a bond from any licensed Lottery Retailer in an amount provided in these Rules and Regulations. Every licensed Lottery Retailer shall prominently display the license, or a copy of the license, issued by the Division as provided in these Rules and Regulations;

4. Confer regularly, as necessary or desirable, and not less than nine (9) times per year, with the Committee on the Lottery's operation and administration; make available for inspection by the Committee, upon request, all information and documents of the Division; advise the Committee and recommend those matters that the Director deems necessary and advisable to improve the operation and administration of the lotteries;
5. Suspend or revoke any license issued pursuant to Act, the Casino Act, or these Rules and Regulations;
6. Enter into contracts for the operation of the lotteries and into contracts for the promotion of lotteries;
7. Certify monthly to the Budget Officer, the Auditor General, the Committee, and to the Governor a full and complete statement of Lottery revenues, prize disbursements, and other expenses for the preceding month.
8. Ensure that monthly financial reports are prepared providing gross monthly revenues, prize disbursements, other expenses, net income, and the amount transferred to the General Fund for Keno and for all other Lottery operations. Submit this report to the State Budget Officer, the Auditor General, the Committee, the Legislative Fiscal Advisors, and the Governor no later than the twentieth (20<sup>th</sup>) business day following the close of the month. The monthly report shall be prepared in a manner prescribed by the members of the Revenue Estimating Conference;
9. At the end of each fiscal year, submit an annual report based upon the accrual system of accounting, which should include a full and complete statement of Lottery revenues, prize disbursements, and expenses to the Governor and the General Assembly, which report shall be a public document and shall be filed with the Secretary of State;
10. Carry on a continuous study and investigation of the state lotteries throughout the State, and the operation and administration of similar laws in effect in other states or countries. The Director shall continue to exercise the Director's authority to study, evaluate, and, where deemed feasible and advisable by the Director, implement lottery-related initiatives, including but not limited to, pilot programs for limited periods of time, with the goal of generating additional revenues to be transferred by the Lottery to the general fund pursuant to R.I. Gen. Laws § 42-61-15(a)(3). Each such initiative shall be objectively evaluated from time to time using measurable criteria to determine whether the initiative is generating revenue to be transferred by the Lottery to the general fund. Nothing herein shall be deemed to permit the implementation of an initiative that would be inconsistent with existing law or that would constitute an expansion of gambling requiring voter approval under applicable Rhode Island law;
11. In compliance with the provisions of chapter 2 of title 37, enter into contracts for the operation of a central communications system and technology providers, or any part thereof;
12. In compliance with the provisions of chapter 2 of title 37, enter into contracts for the provision of sports-wagering systems, facilities, and related technology necessary and/or desirable for the state-operated sports wagering to be hosted at Lincoln and the Tiverton gaming facilities, including technology related to the operation of on-premises remote sports wagering, or any part thereof;

13. In compliance with the provisions of chapter 2 of title 37, enter into contracts for the provision of server-based gaming systems, facilities, and related technology necessary and/or desirable for the state-operated online sports wagering; and
14. In compliance with the provisions of chapter 2 of title 37, enter into contracts for the provision of services and technology necessary or desirable for state-operated iGaming.

B. The Director shall promulgate rules and regulations, which shall include, but not be limited to the:

1. Price of tickets or shares in the lotteries.
2. Number and size of the prizes on the winning tickets or shares.
3. Manner of selecting the winning tickets or shares.
4. Manner of payment of prizes to the holders of winning tickets or shares.
5. Frequency of the drawings or selections of winning tickets or shares.
6. Number and types of location at which tickets or shares may be sold.
7. Method to be used in selling tickets or shares.
8. Licensing of Lottery Retailers to sell tickets or shares, except that persons under the age of eighteen (18) shall not be licensed as a Lottery Retailer.
9. Application/license fee to be charged to Lottery Retailers.
10. Manner in which the proceeds of the sale of Lottery tickets or shares are maintained, reported, and otherwise accounted for.
11. Manner and amount of compensation to be paid to Lottery Retailers necessary to provide for the adequate availability of tickets or shares to prospective buyers and for the convenience of the general public.
12. Apportionment of the total annual revenue accruing from the sale of Lottery tickets or shares and from all other sources for the payment of prizes to the holders of winning tickets or shares, for the payment of costs incurred in the operation and administration of the lotteries, including the expense of the Division and the costs resulting from any contract or contracts entered into for promotional, advertising, consulting, or operational services, or for the purchase or lease of facilities, Lottery equipment and materials, for the repayment of moneys appropriated to the Lottery Fund.
13. Manner, standards, and specification for a process of competitive bidding for Division purchases and contracts.
14. Criteria to be used in determining whether, based upon a criminal record check, an application for a license or renewal thereof shall be approved.

15. Recommendations and set policies for Video Lottery Games in accordance with the Casino Act, including but not limited to:
  - a. The licensing of technology providers capable of interfacing with a central communications system controlled by the Division;
  - b. Accounting procedures for determining the net terminal income from lottery video terminals, and unclaimed prizes and credits;
  - c. The type of video lottery games to be conducted;
  - d. The price to play each game and the prizes or credits to be awarded;
  - e. Financial reporting procedures for licensed video lottery retailers and control procedures in the event that any of these retailers should become insolvent;
  - f. Insurance and bonding by licensed video lottery retailers and technology providers;
  - g. The licensing of licensed video lottery retailers;
  - h. The contracting with technology providers;
  - i. The approval of a central communications system to provide auditing program information as approved by the Division. The communications system approved by the Division may not limit participation to only one manufacturer of video lottery machines by either cost of implementing the necessary program modifications to communicate or the inability to communicate with the central communication system;
  - j. Establishment of information system, operating procedures, reporting and accounting criteria in order to comply with the provisions of § 42-61.2-12; and
  - k. Any other matters necessary for Video Lottery Terminals or for the convenience of the public.
16. Standards and procedures for table gaming and associated equipment.
17. Standards, rules and regulations to govern the conduct of table games and the system of wagering associated with table games, including without limitation:
  - a. The object of the table game and method of play, including what constitutes win, loss or tie bets;
  - b. Physical characteristics of the table games and table-game equipment;
  - c. Wager and payout odds for each type of available wager;
  - d. The applicable inspection procedures for any of the following, as required by a table game:
    - i. Cards;
    - ii. Dice;
    - iii. Wheels and balls; and
    - iv. Other devices, equipment and accessories related to table games.
  - e. Procedures for the collection of bets and payouts, including requirements for internal revenue service purposes;
  - f. Procedures for handling suspected cheating or table-gaming irregularities; and
  - g. Procedures for handling any defective or malfunctioning table-game equipment.
18. Method for calculating net table-game revenue and standards for the daily counting and recording of cash received in the conduct of table games, and ensuring that internal controls are followed, including the maintenance of financial books and records and the conduct of annual audits at the expense of the table game retailer.

19. Number and type of table games authorized at a table-game retailer's facility, and all rules related thereto.
20. Establishing any table-game rule changes, table-game minimum and maximum wager changes, and changes to the type of table game being offered at a particular gaming table, including any notice by the table-game retailer to the public.
21. Requiring the table-game retailer to:
  - a. Provide written information at each table game about game rules, payoffs or winning wagers and other information as the Division may require;
  - b. Provide specifications approved by the Division to integrate and update the table-game retailer's surveillance system to cover all areas where table games are conducted and other areas as required by the Division. The specifications shall include provisions providing the Division and other persons authorized by the Division with onsite access to the system;
  - c. Designate one or more locations within the table-game retailer's facility to conduct table games;
  - d. Ensure that visibility in a table-game retailer's facility is not obstructed in any way that could interfere with the ability of the Division, the table-game retailer or other persons authorized under this section or by the Division to oversee the surveillance of the conduct of table games;
  - e. Ensure that the count room for table gaming has appropriate security for the counting and storage of cash;
  - f. Furnish each table game with a sign acceptable to the division indicating the permissible minimum and maximum wagers at the table game;
  - g. Adopt policies or procedures to prohibit any table-game equipment from being possessed, maintained or exhibited by any person on the premises of a table-game retailer's facility except in the areas of such facility where the conduct of table games is authorized or in a restricted area designated to be used for the inspection, service, repair or storage of table-game equipment by the table-game retailer or in an area used for employee training and instruction by the table-game retailer;
  - h. Ensure that drop boxes are brought into or removed from an area where table games are conducted or locked or unlocked in accordance with procedures established by the Division; and
  - i. Designate secure locations for the inspection, service, repair or storage of table-game equipment and for employee training and instruction to be approved by the Division.
22. Size and uniform color by denomination of table-game chips used in the conduct of table games, including tournaments, and a policy for the use of promotional or commemorative chips used in the conduct of certain table games. All types of table-game chips shall be approved by the Division prior to being used for play at a table game.
23. Procedure to be used by a table-game retailer to determine and extract a rake for the purposes of generating net, table-game revenue from nonbanking games.
24. Minimum standards relating to the acceptance of tips or gratuities by dealers at a table game, which shall include:

- a. The requirement that tips or gratuities accepted by dealers at banking table games be placed in a common pool for complete distribution pro rata among all dealers based on the daily collection of such tips or gratuities; provided however, the Division may establish an alternative distribution method for tips or gratuities at a banking table game upon submission by the table-game retailer of a proposal acceptable to the Division to modify the existing distribution method for tips or gratuities; and
  - b. The requirement that tips or gratuities accepted by dealers at nonbanking table games are not required to be pooled and may be retained by the dealers; provided however, the Division may establish an alternative distribution method for tips or gratuities at a nonbanking table game upon submission by the table-game retailer of a proposal acceptable to the Division to modify the existing distribution method for tips or gratuities.
25. Minimal proficiency requirements for table-game personnel, including without limitation table-game dealers.
26. Practices and procedures governing the conduct of table-game tournaments.
27. Appropriate eligibility requirements and standards for traditional table-game equipment suppliers.
28. Any other matters necessary for conducting table games.
29. Establishing standards and procedures for sports wagering and associated devices, equipment, and accessories, and shall include, but not be limited to:
- a. Approval of standards, rules, and regulations to govern the conduct of sports wagering and the system of wagering associated with sports wagering, including without limitation:
  - b. The objects of the sports wagering (i.e., the sporting events upon which sports-wagering bets may be accepted) and methods of play, including what constitutes win, loss, or tie bets;
  - c. The manner in which sports-wagering bets are received, payoffs are remitted, and point spreads, lines, and odds are determined for each type of available sports wagering bet;
  - d. Physical characteristics of any devices, equipment, and accessories related to sports wagering;
  - e. The applicable inspection procedures for any devices, equipment, and accessories related to sports wagering;
  - f. Procedures for the collection of bets and payoffs, including but not limited to, requirements for internal revenue service purposes;
  - g. Procedures for handling suspected cheating and sports-wagering irregularities;
  - h. Procedures for handling any defective or malfunctioning devices, equipment, and accessories related to sports wagering;
  - i. Procedures for investigation of patron complaints related to sports wagering;
  - j. Terms and conditions for online sports wagering;
  - k. Internal controls for all aspects of online sports wagering, including procedures for system integrity, system security, operations, accounting, and reporting of problem gamblers;
  - l. Operational controls for server-based gaming systems, software, and hardware utilized for online sports wagering, including, but not limited to, appearance, functionality, contents, collection, storage, and retention of data and security; and

- m. Operational controls for online gaming accounts, including, but not limited to, procedures for the establishment and closure of an online gaming account, funding of withdrawal of funds from an online gaming account, and generation of an account statement for a patron's online gaming account.
30. Establishing the method for calculating sports-wagering revenue and online sports-wagering revenue and standards for the daily counting and recording of cash and cash equivalents received in the conduct of sports wagering and ensuring that internal controls are followed and financial books and records are maintained and audits are conducted.
31. Establishing the number and type of sports-wagering bets authorized at the hosting facility, including any new sports-wagering bets or variations or composites of approved sports-wagering bets, and all rules related thereto.
32. Establishing any sports-wagering rule changes, sports-wagering minimum and maximum bet changes, and changes to the types of sports-wagering products offered at a particular hosting facility, including but not limited to, any new sports-wagering bets or variations or composites of approved sports-wagering bets, and including all rules related thereto.
33. Requiring the hosting facility and/or sports-wagering vendor to:
  - a. Provide written information at each sports-wagering location within the hosting facility about wagering rules, payoffs on winning sports wagers, and written information prominently displayed on any electronic platform available to the player through a server-based gaming system and other information as the Division may require;
  - b. Provide specifications approved by the Division to integrate and update the hosting facility's surveillance system to cover all areas within the hosting facility where sports wagering is conducted and other areas as required by the Division. The specifications shall include provisions providing the Division and other persons authorized by the Division with onsite access to the system;
  - c. Designate one or more locations within the hosting facility where sports-wagering bets are received;
  - d. Ensure that visibility in a hosting facility is not obstructed in any way that could interfere with the ability of the Division, the hosting facility, or other persons authorized under this section or by the Division to oversee the surveillance of the conduct of sports wagering;
  - e. Ensure that the count rooms for sports wagering have appropriate security for the counting and storage of cash;
  - f. Ensure that drop boxes are brought into or removed from an area where sports wagering is conducted or locked or unlocked in accordance with procedures established by the Division;
  - g. Designate secure locations for the inspection, service, repair, or storage of sports-wagering equipment and for employee training and instruction to be approved by the Division;
  - h. Establish standards prohibiting persons under eighteen (18) years of age from participating in sports wagering; and
  - i. Establish compulsive and problem gambling standards and/or programs pertaining to sports wagering consistent with the Casino Act.

34. Minimal proficiency requirements for those individuals accepting sports wagers and administering payoffs on winning sports wagers. The foregoing requirements of this subsection may be in addition to any rules or regulations of the Department of Business Regulation requiring licensing of personnel of state-operated gaming facilities;
35. Establishing appropriate eligibility requirements and standards for traditional sports-wagering equipment suppliers.
36. Any other matters necessary for conducting sports wagering.
37. Standards, rules, and regulations to govern the conduct of iGaming, including, without limitation:
  - a. Procedures for investigation of patron complaints related to iGaming;
  - b. Terms and conditions for iGaming;
  - c. Internal controls for all aspects of iGaming, including procedures for system integrity, system security, operations, accounting, and reporting of problem gamblers;
  - d. Operational controls for server-based gaming systems, software, and hardware utilized for iGaming, including, but not limited to, appearance, functionality, contents, collection, storage, and retention of data and security;
  - e. Operational controls for online gaming accounts, including, but not limited to procedures for the establishment and closure of an online gaming account, funding of withdrawal of funds from an online gaming account, and generation of an account statement for a patron's online gaming account; and
  - f. Age restrictions for online iGaming patrons, which shall prohibit players who not reached twenty-one (21) years of age.
38. Method for calculating online slot gaming revenue and online table gaming revenue and standards for the daily counting and recording of cash and cash equivalents received in the conduct of online slot games and online table games and ensuring that internal controls are followed and financial books and records are maintained and audits are conducted.
39. Requiring the iGaming platform vendor to provide written information prominently displayed on any electronic platform available to the patron through a server-based gaming system, regarding wagering rules, payoffs on winning wagers, deposits, withdrawals, and other information as the Division may require.
40. Any other matters necessary for conducting iGaming.

### **3.3 SUBPOENA POWER OF THE DIRECTOR**

- A. The State's Superior Court, upon petition of the Director after a hearing, may issue subpoenas to compel the attendance of witnesses and the production of documents, paper, books, records, and other evidence in any matter over which it has jurisdiction, control or supervision; if a person subpoenaed to attend the proceeding or hearing fails to obey the command of the subpoena without reasonable cause, or if a person in attendance in the proceeding or hearing refuses without lawful cause to be examined or to answer a legal or pertinent question or to exhibit any book account, record, or other document when ordered to do so by the court, that person may be punished for contempt of the court.

## CHAPTER FOUR

### LOTTERY RETAILERS – APPLICATION AND LICENSE

#### **4.1 APPLICATION FOR A LOTTERY RETAILER LICENSE**

- A. Any person interested in obtaining a license to be a Lottery Retailer must first submit a completed “Lottery Retailer License Application” with the Division.
- B. In accordance with R.I. Gen. Laws § 42-61-5, an applicant must submit to the Division a criminal Background Check as part of the Lottery Retailer license application process, in accordance with Chapter 11 of these Rules and Regulations.
- C. As part of the Division’s investigation and due diligence process, the Division may require additional information to be submitted by the applicant. The applicant must submit such additional information as required by the Division.
- D. If an applicant is a corporation, limited liability company, or any other legal form of business authorized to do business in the State, the applicant’s principal owner(s), officer(s), and/or other natural person(s) connected with said applicant and acceptable to the Division, shall assume joint and several liability with said applicant.

#### **4.2 ELIGIBILITY FOR LOTTERY RETAILER LICENSE**

- A. No license as a Lottery Retailer to sell Lottery Tickets shall be issued to any person to engage in the sale of Lottery Tickets as such person’s sole occupation or business.
- B. Before issuing any license, the Director shall consider such factors as the:
  - 1. Background of applicant and the applicant’s employees to determine if the applicant would be an appropriate seller of Tickets under the license;
  - 2. Financial responsibility and security of the applicant and the applicant’s business or activity;
  - 3. Accessibility of the applicant’s place of business or activity to the public;
  - 4. Sufficiency of existing licenses to serve the public interest;
  - 5. Volume of expected sales; and
  - 6. Any other factors pertaining to the public interest, welfare, convenience, or trust.

#### **4.3 ISSUANCE/RENEWAL OF LOTTERY RETAILER LICENSE**

- A. The Director shall, in accordance with the provisions of the Act and these Rules and Regulations, license as Lottery Retailers to sell Lottery tickets such persons as in the Director’s opinion will best serve the public convenience and promote the sale of Tickets or shares. The Director may also refuse to grant or suspend a license, which suspension shall be effective until a final judicial determination.

- B. Every holder of a license as a Lottery Retailer shall renew such license biennially pursuant to these Rules and Regulations.
- C. Applicants and Lottery Retailers shall pay to the Division a fee to be determined by the Director, upon application for and/or renewal of a Lottery Retailer license. Late renewal applications shall be subject to a fee of Fifty Dollars (\$50).

#### **4.4 INFORMATION UPDATE REQUIREMENT**

- A. An applicant or Lottery Retailer must notify the Division in writing no later than five (5) calendar days after an event that would affect the information submitted as part of the initial application or renewal.
- B. Any change in officer or ownership of a Lottery Retailer will require an updated application and must have prior approval from the Division.
- C. If a Lottery Retailer intends to move its location, the Director must be notified in writing at least sixty (60) days prior to such relocation. It shall be in the Director's sole discretion whether to continue licensing said Lottery Retailer based on such relocation.
- D. If a Lottery Retailer's business, location, and/or ownership as disclosed on the application and/or latest renewal substantially changes, the Division reserves the right to terminate the Lottery Retailer license through the action of the Director.

#### **4.5 LOTTERY RETAILER TRAINING AND DISPLAY REQUIREMENTS**

- A. Every new Lottery Retailer must attend the Division's training program for Lottery Retailers. To the extent additional training sessions are offered by the Division (such as with a new product launch, equipment upgrades, and appropriate sales techniques) every Lottery Retailer must attend and participate in such additional sessions. It is the Lottery Retailer's obligation to ensure that all current and future employees of the Lottery Retailer are properly trained in Lottery operations.
- B. Every Lottery Retailer shall prominently display the Lottery Retailer's issued license, or a copy thereof, in an area visible to the general public.
- C. Each Lottery Retailer shall maintain and display all promotional materials in conjunction with Ticket sales in accordance with the instructions issued by the Director.
- D. Every Lottery Retailer shall keep conspicuously posted on their premises the name and telephone number of a problem gambling helpline and a statement of its availability to offer assistance to Players. The Division shall supply each Lottery Retailer with the required notice.

#### **4.6 BONDING OF LOTTERY RETAILERS**

- A. The Director may require a bond from a Lottery Retailer in such amount as deemed appropriate by the Director.

#### **4.7 HEARINGS ON DENIAL, SUSPENSION, OR REVOCATION OF LOTTERY RETAILER LICENSE**

- A. The Director shall refuse to grant or shall suspend, pending a hearing before the Division, or revoke a license, if the applicant or Lottery Retailer has been:

1. Convicted of a felony or any crime substantially related to the occupation of a Lottery Retailer as further described in Chapter 11 of these Rules and Regulations;
  2. Engaging in gambling as a significant source of income;
  3. Convicted of violating any gambling statutes;
  4. Convicted of fraud or misrepresentation in any connection; and/or
  5. Found to have violated any rule, regulation, or order of the Division.
- B. The license of a Lottery Retailer may be suspended by the Director for any charge which may result in a conviction for conduct prescribed in Subsection 4.7(A)(1) – (A)(5), which suspension shall be effective until a final judicial determination.
- C. The Director shall refuse to grant, or shall suspend, pending a hearing before the Division, or revoke a license if the applicant or Lottery Retailer (and if the Lottery Retailer is a corporation, if any of its directors, officers, or controlling shareholders) is determined by the Director to have engaging any of the following:
1. Any of the directors, officers, or controlling shareholders has been found guilty of any of the activities specified in Subsection 4.7(A)(1) – (A)(5);
  2. It appears to the Director that due to the experience, character, or general fitness of the applicant, the Lottery Retailer, or any director, officer, or controlling shareholder of the Lottery Retailer, the granting or continued issuance of a license as a Lottery Retailer would be inconsistent with the public interest, convenience, or trust;
  3. The applicant or Lottery Retailer is not the owner or lessee of the business at which it will conduct a Lottery sales agency pursuant to the license applied for, or that any person, firm, association, or corporation other than the applicant or Lottery Retailer shares or will share in the profits of the applicant or Lottery Retailer, other than receiving dividends as a shareholder, or will participate in the management of the affairs of the applicant or the Lottery Retailer.
- D. The Lottery Retailer’s license may be immediately suspended, revoked, or renewal rejected for any of the following:
1. The Lottery Retailer’s application or renewal for a license contains knowingly false or misleading information;
  2. The Lottery Retailer violates any of the provisions of the Act, these Rules and Regulations, the Lottery Retailer’s Operating Procedures, instructions, and/or directions of the Director;
  3. The Lottery Retailer’s business address is changed;
  4. The Lottery Retailer and/or the Lottery Retailer’s employees commit any act that seriously impairs the Lottery Retailer’s reputation for honesty and integrity;
  5. The Lottery Retailer fails to maintain a reasonable level of sales as determined by the Director;

6. The Lottery Retailer does not display Lottery point-of-sale material in a manner that can be readily seen by the public or fails to make such materials readily available to the public;
  7. The Lottery Retailer is delinquent in making required accounting or fails to pay on schedule all moneys owed to the Division;
  8. The Lottery Retailer has been convicted of a felony or any crime substantially related to the occupation of a Lottery Retailer;
  9. The Lottery Retailer and/or the Lottery Retailer's employees have been arrested or convicted for bookmaking or other forms of illegal gambling;
  10. The Lottery Retailer has been found guilty of any fraud or misrepresentations;
  11. The Lottery Retailer fails to take reasonable security precautions with regard to the handling of Lottery tickets and other materials;
  12. The Director finds that the Lottery Retailer's experience, character, and general fitness are such that the Lottery Retailer's participation is inconsistent with the public interest, convenience, and necessity, or for any other reason within the permissible discretion of the Director;
  13. A Lottery Retailer is found to have accepted a Lottery wager by telephone or other prohibited means.
- E. Upon termination of a Lottery Retailer's license for any reason, the Lottery Retailer shall appear at the Division's Headquarters on a date designated by the Director, or the Director's designee, for the purpose of rendering the Lottery Retailer's final Lottery accounting;
- F. Upon notice of revocation, the Lottery Retailer shall surrender immediately to the Director, or the Director's designee, the Lottery Retailer's license and all Lottery equipment and materials supplied to the Lottery Retailer by the Division.

#### **4.8 LOTTERY RETAILER'S COMPENSATION**

- A. Lottery Retailers shall be entitled to a sales commission as follows:
1. 5% on Instant Ticket games;
  2. 8% on all on-line games;
  3. 1% of the prize value of Instant Ticket games validated at the Lottery Retailer's location; and
  4. 1% of the prize value of validated Instant Ticket games of one thousand dollars (\$1,000.00) or more sold at the Lottery Retailer's location.
- B. The Director may change percentages and may allow bonus amounts.
- C. The Director may implement a Sales Incentive Program for Lottery Retailers.

#### **4.9 SPECIAL LOTTERY RETAILER**

- A. The Director may, upon proper application, license special Lottery Retailers for a period up to ninety (90) days.
- B. A special license may be issued subject to the special conditions or limitations as the Director, in the Director's discretion, may deem prudent and consonant with the dignity of the Division and the general welfare of the people of the State of Rhode Island.
- C. These limitations or conditions may include, but are not limited to:
  - 1. Length of licensure period;
  - 2. Hours or days of sale;
  - 3. Location of sale;
  - 4. Specific persons who sell Lottery Tickets;
  - 5. Specific sporting, charitable, social, and other special events where Lottery Tickets may be sold.
- D. Retailers holding special Lottery licenses shall be subject to all Rules and Regulations of the Division not inconsistent with the Act.

#### **4.10 TRANSFER OF LOTTERY LICENSE**

- A. A Lottery license issued to a Lottery Retailer pursuant to these Rules and Regulations shall not be transferable.
- B. The Director must be notified in writing at least twenty (20) days prior to any proposed sale or transfer of any Lottery Retailer's business or the ownership thereof.
- C. If the new owner of a Lottery Retailer's business wishes to be a Lottery sales agent, the new owner must submit an application for, and successfully obtain, a license to be Lottery Retailer.
- D. In the event that a Lottery Retailer sells or transfers its business, the closing must include payment of all monies owed to the Division as a result of Lottery operations. No license shall be issued to the new owner unless all monies owed to the Division are paid in full.

#### **4.11 AVAILABILITY OF LOTTERY**

- A. Each Lottery Retailer shall make available Lottery offerings assigned to such Lottery Retailer for sale to the public at all times during the Lottery Retailer's normal business hours in accordance with these Rules and Regulations. Lottery retailers cannot confine sales or redemption of Lottery products to certain times or days of the week without prior approval of the Division.

## CHAPTER FIVE

### DEPOSIT OF LOTTERY FUNDS BY LOTTERY RETAILERS

#### 5.1 DEPOSIT OF LOTTERY FUNDS BY LOTTERY RETAILERS

- A. All proceeds from the sale of Lottery Tickets or shares received by a person in the capacity of a Lottery Retailer shall constitute a trust fund until paid to the Division and shall be subject to R.I. Gen. Laws § 42-61-6.
- B. A Lottery Retailer shall be personally liable for all proceeds, and failure to pay the Division moneys owed upon demand from such sales or misappropriation of such funds shall constitute embezzlement under R.I. Gen. Laws § 11-41-3, subject to enforcement and prosecution by the State Police and the Attorney General's Office.
- C. All Lottery Retailers are required to pay to the Division all moneys received by such Lottery Retailer from the sale of Lottery Tickets, less the amount, if any, retained as compensation for the sale of Tickets and for payment of prizes in accordance with these Rules and Regulations. All Lottery Retailers are required to file, with the Director, or the Director's designee, reports of their receipts and transactions in the sale of Lottery Tickets in such form and containing such information as the Director may require.
- D. In this connection, Lottery Retailers should refer to the "Retailer Operating Procedures" made available to Lottery Retailers by the Director.
- E. A Lottery Retailer shall keep current records of all operations in conformity with the Act, these Rules and Regulations, the Retailer Operating Procedures, and such other instructions as may be promulgated by the Director from time to time.
- F. A Lottery Retailer's Lottery operations and records shall be subject to inspection and audit by the Division, or its designated representatives, upon demand.
- G. A Lottery Retailer shall account to the Division for the proceeds from the Lottery Retailer's sales of all Lottery Tickets as follows:
  - 1. The Division requires electronic transfer of funds for all Lottery Retailers.
  - 2. The Lottery Retailer shall deposit all proceeds from sales of Lottery Tickets on Monday of each week or, in the event of a Monday holiday, on the first business day of the week during which banks in the State are open.
- H. All Instant Ticket games accepted by a Lottery Retailer from the Division are deemed to have been purchased by the Lottery Retailer once the book is activated, and the purchase price shall be paid to the Division, less the appropriate commission, and prize payment if any, in accordance with the Settlement Policy established by the Division.
- I. The Lottery Retailer is responsible for lost, stolen, missing, or loose Instant Ticket games not returned in undetached sequential order. If Instant Ticket games are sold out of sequence, the Lottery Retailer shall pay for all Tickets preceding the last Ticket sold out of sequence.

**5.2 BANKRUPTCY OR INSOLVENCY**

- A. In the event a petition in bankruptcy or insolvency proceedings are initiated involving a Lottery Retailer, the Lottery Retailer and the proceeds due to the Division shall be subject to R.I. Gen. Laws § 42-61-6.2, in addition to any other statutes or Rules and Regulations governing the conduct of Lottery Retailers.

## **CHAPTER SIX**

### **LOTTERY ACCOUNTS**

#### **6.1 LOTTERY ACCOUNTS**

- A. The Director shall require, by electronic fund transfer or any other method, any or all Lottery Retailers to deposit to the credit of the Lottery fund, in financial institutions designated by the Director, all moneys received by such Lottery Retailers from the sale of Lottery Tickets or shares, less the amount, if any, retained as compensation for the sale of the Tickets and for payment of prizes, and to file with the Director, or his/her designated depository, reports of the Lottery Retailer's respective receipts and transactions in the sale of Lottery Tickets in such form and containing such information as the Director may require.
- B. The Director may make such arrangements for any person, including a financial institution, to perform such functions, activities, or services in connection with the operation of the Lottery as the Director may deem advisable pursuant to the Act and these Rules and Regulations, and such functions, activities, and services shall constitute lawful functions, activities, and services of such person.
- C. The financial institution selected by the Director for safekeeping shall provide the Division with a monthly statement of all transactions made during the immediately preceding month.

#### **6.2 ASSIGNMENT OF LOTTERY RETAILERS TO FINANCIAL INSTITUTIONS**

- A. After a Lottery Retailer's application has been accepted and approved by the Director, the Lottery Retailer may be assigned to a financial institution.
- B. The financial institution shall be notified of the Lottery Retailer's authorization at the same time the Lottery Retailer receives notice of the Lottery Retailer's assignment.

## **CHAPTER SEVEN**

### **LOTTERY TICKET SAFEKEEPING**

#### **7.1 SAFEKEEPING PROCEDURES FOR ANNUITIES AND GOVERNMENT OFFERINGS**

- A. The Director may contract for the safekeeping and record keeping of all outstanding annuities and any other investment vehicles, such as, but not limited to, government securities, with a financial institution selected by the Division.

## **CHAPTER EIGHT**

### **CONSIGNMENT OF TICKETS TO LOTTERY RETAILERS**

#### **8.1 GENERAL PROCEDURES**

- A. The Division may consign Lottery Tickets to Lottery Retailers and shall collect Tickets, which the Lottery Retailers have not sold, only in accordance with these Rules and Regulations.
- B. The Division shall not distribute Tickets to a Lottery Retailer who is classified as a delinquent.
- C. Tickets shall be distributed to Lottery Retailers in quantities designated by the Director.

#### **8.2 AUTHORIZATION TO REQUEST TICKETS**

- A. The Lottery Retailer shall notify the Division of the names, addresses, and dates of birth of one or more persons in the Lottery Retailer's business authorized to request and receive delivery of Tickets from the Division. Only those persons identified by the Lottery Retailer shall be authorized to request and receive Tickets. Any such authorized individual must identify themselves to the Division's representative before requesting or receiving Tickets.

#### **8.3 LOTTERY RETAILER FORM**

- A. When picking up or returning Tickets, the Lottery Retailer shall conform to the information and instructions set forth in the "Retailer Operating Procedures" made available to Lottery Retailers by the Director.

#### **8.4 TICKETS STOLEN FROM LOTTERY RETAILER**

- A. If Tickets are stolen from a Lottery Retailer or while in transit to, from, or between the Division and the Lottery Retailer, the Director may, in the Director's sole discretion and upon good cause shown, provide for reimbursement to the party responsible for the Tickets that are stolen. The Lottery Retailer or any other party responsible for said Tickets shall report the theft of stolen tickets to the Director immediately upon knowledge or notification of said theft.
- B. Tickets that are stolen shall be removed from the prize pool in question and shall not, under any circumstances, be entitled to any prize.
- C. The Lottery Retailer or any other party responsible for the Tickets must be able to provide the Director with a series and pack number of the Tickets that are stolen.
- D. It is the responsibility of the Lottery Retailer to report the theft of Lottery Tickets to the local police department immediately.

## **CHAPTER NINE**

### **LIMITATIONS AND PROHIBITIONS**

#### **9.1 TICKET SALES RESTRICTIONS**

- A. No person shall sell a Ticket at a price other than that fixed by these Rules and Regulations.
- B. No person, other than a Lottery Retailer, shall sell Lottery Tickets except that nothing in this section shall be construed to prevent a Player from giving Lottery Tickets or shares to another as a gift.
- C. No person shall extend credit to Players for the purchase of Lottery Tickets. Pursuant to R.I. Gen. Laws § 11-19-3, all notes, obligations, securities, or promises whatsoever, given for the purchase of any lottery ticket or certificate, lottery policy, or of any document or paper taken or received for the purpose of enabling others to sell or dispose of lottery tickets or lottery policies, shall be null and void.

#### **9.2 PRIZES NON-ASSIGNABLE**

- A. No right of any person to a prize drawn shall be assignable, except that payment of any prize drawn may be paid to the estate of a deceased prizewinner, and except that any person, pursuant to an appropriate judicial order, may be paid according to said judicial order.
- B. The Director shall be discharged of all further liability upon payment of a prize pursuant to the Act and these Rules and Regulations.

#### **9.3 DIVISION - PURCHASER RESTRICTIONS**

- A. Employees of the Rhode Island Lottery and any immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) residing in the same household as the employee shall not purchase a Ticket or be eligible for a prize in any Rhode Island Lottery game, including, but not limited to, the Multi-State Lottery Games (such as Powerball® and Mega Millions®). This restriction also includes Video Lottery games, Table Games, Casino Gaming (including sports wagering, online sports wagering, and iGaming), pari-mutuel wagering, and/or simulcast wagering offered at the Lincoln Gaming Facility and the Tiverton Gaming Facility.
- B. No prize shall be paid to any of the following persons:
  - 1. Any officer or employee of the Division;
  - 2. Any immediate family member residing as a member of the same household in the principal place of abode of any of the foregoing persons; or
  - 3. Any gaming vendor and its employees doing business with the Division.

#### **9.5 LOTTERY RETAILER – PURCHASE AND PLAY PROHIBITIONS**

- A. Lottery Retailers are prohibited from purchasing and playing monitor games (such as Keno or Bingo) at their place of business. Lottery Retailers in violation of this prohibition shall not be entitled to any prize as a result of such play.

## CHAPTER TEN

### PULL TAB LICENSEE

#### **10.1 APPLICATION**

- A. Pursuant to R.I. Gen. Laws § 11-19-35, certain organization are permitted to sell Pull Tab Tickets.
- B. Qualified organizations interested in obtaining a Pull Tab License from the Division must complete the Division's "Application for License to Sell Charitable Lottery Games" and "Disclaimer" forms.
- C. As provided in R.I. Gen. Laws § 11-19-35, applicants must submit to the Division a criminal Background Check as part of Pull Tab License application process, in accordance with Chapter 11 of these Rules and Regulations.
- D. As part of the Division's investigation and due diligence process, the Division may require additional information to be submitted by the applicant. The applicant must submit such additional information as required by the Division.

#### **10.2 ELIGIBILITY FOR PULL TAB LICENSE**

- A. Eligibility for a Pull Tab License is limited to religious, fraternal, civic, educational, veterans, and charitable organizations.
- B. An eligible organization must be registered and be in good standing with the State's Secretary of State Office.
- C. Before issuing a Pull Tab License, the Director shall consider such factors as the:
  - 1. Background of applicant and the applicant's officers to determine if the applicant would be an appropriate seller of Pull Tab Tickets, including an evaluation of the applicant's criminal background check pursuant to Chapter 11 of these Rules and Regulations;
  - 2. Intended fundraising use of the earnings from sale Pull Tab Ticket sales;
  - 3. Accessibility of the applicant's place of business or activity to the public; and
  - 4. Any other factors pertaining to the public interest, welfare, convenience, or trust.

#### **10.3 ISSUANCE/RENEWAL OF A PULL TAB LICENSE**

- A. The Director shall, in accordance with the provisions of R.I. Gen. Laws § 11-19-35, the Act, and these Rules and Regulations, license as Pull Tab Licensees to sell Pull Tab Tickets such qualified organizations as in the Director's opinion will best serve the purpose under R.I. Gen. Laws § 11-19-35. The Director may also refuse to grant, suspend, or revoke a license, which suspension shall be effective until a final judicial determination.
- B. Every holder of a license as a Pull Tab Licensee shall renew such license annually pursuant to the Rules and Regulations of the Division.

#### **10.4 SALE AND DISTRIBUTION OF PULL TAB TICKETS**

- A. The Director shall set the fee for packets of Pull Tab Tickets.
- B. Upon payment of the fee by a Pull Tab Licensee, the Division shall consign Pull Tab Tickets to a Pull Tab Licensee.
- C. The Pull Tab Licensee shall be responsible for securing Pull Tab Tickets in manner that ensures the result of the Pull Tab Tickets are concealed until such time the Pull Tab Tickets are sold to the public.
- D. Pull Tab Tickets shall be sold by a Pull Tab Licensee only at a price determined by the Director.
- E. Pull Tab Tickets assigned by the Division to a Pull Tab Licensee are the sole responsibility of the Pull Tab Licensee and shall not be re-purchased by the Division.

#### **10.5 PAYMENT OF PULL TAB PRIZES**

- A. Pull Tab Licensees are solely responsible for the payment of any prizes resulting from the Pull Tab Tickets assigned to such Pull Tab Licensee.

#### **10.6 EARNINGS FROM PULL TAB TICKET SALES**

- A. A Pull Tab Licensee is authorized to retain net profits from the sale of Pull Tab Tickets assigned to such Pull Tab Licensee.
- B. A Pull Tab Licensee shall ensure that all earnings from the sale of Pull Tab Tickets are used for a charitable purpose, and that no part of net earnings inures the benefit of any private shareholder or individual.

## **CHAPTER ELEVEN**

### **BACKGROUND CHECK**

#### **11.1 DEFINITIONS**

- A. The following additional capitalized words and terms shall have the following meanings unless the context clearly indicates otherwise:
1. “Arrest” means any detaining, holding, or taking into custody by any police or other law enforcement authorities based on probable cause that a person has committed a crime.
  2. “Charge” means any indictment, complaint, information, summons, or other notice of the alleged commission of a crime.
  3. “Criminal History Record Information” or “CHRI” means information received by the Division, Rhode Island State Police, and/or Rhode Island Department of Attorney General from the Federal Bureau of Investigation (“FBI”).
  4. “Offense” means conviction for any felony, misdemeanor, Alford plea, a plea of nolo contendere, and/or a civil offense on a CHRI which is relevant to the type of license sought. Juvenile offenses will not be considered unless the juvenile has been charged as an adult.

#### **11.2 CRIMINAL BACKGROUND CHECK – RESULT AND FACTORS CONSIDERED**

- A. The Division shall consider an applicant’s criminal background as one of the factors in determining whether to issue a license, or renewal thereof, based on an application to sell Pull Tab Lottery Tickets pursuant to R.I. Gen. Laws § 11-19-35, an application to be a Lottery Retailer pursuant to R.I. Gen. Laws § 42-61-5, and an application to be a technology provider pursuant to R.I. Gen. Laws § 42-61.2-3.
- B. No person shall be disqualified from obtaining a license from the Division, solely or in part, because of a prior conviction of a crime(s), unless the underlying crime(s) substantially relates to the applicable license from the Division for which the person applies. Likewise, no license issued by the Division shall be suspended or revoked, solely or in part, because of a prior conviction of a crime(s), unless the underlying crime(s) substantially relates to the occupation to which the license issued by the Division applies.
- C. The Division shall consider whether the person’s underlying crime(s) substantially relates to the person’s ability, capacity, and fitness to perform the duties and discharge the responsibilities as a licensee of the Division. The Division shall also consider the State’s legitimate interest in providing equal access to employment for individuals who have past contact with the criminal justice system as well as the State’s legitimate interest in protecting the property, safety, and welfare of the specific individuals or the general public.
- D. With any application for license or renewal, the Division shall not consider CHRI related to: (i) juvenile adjudications; (ii) records of arrest not followed by a valid convictions; (iii) convictions that have been, pursuant to law, annulled or expunged; (iv) misdemeanor convictions for which no jail

sentence can be imposed; (v) a conviction that is not related to the occupation for which a license is being sought.

E. The types of CHRI that may warrant denial of application for a license or renewal of a license would include:

1. Convictions or Offenses that occurred within the last twenty (20) years; and
2. Arrests and/or Charges that occurred within the last ten (10) years.

F. Aggravating factors related to the CHRI to be considered by the Division in connection with an application for or renewal of a license include, but are not limited to:

1. Relevance and seriousness of the applicant's CHRI record to the type of license sought;
2. Number of Arrests, Charges, and/or Offenses on the applicant's CHRI that are relevant to the type of license sought;
3. Pattern of similar Arrests, Charges, and/or Offenses on the applicant's CHRI that are relevant to the type of license sought;
4. Evidence of significant harm to a victim(s) or community as reflected in the investigation of the applicant's CHRI;
5. Applicant's refusal, delay, or inadequate explanation of facts and circumstances of information reflected on CHRI or obtained during the investigation of information on the CHRI;
6. Applicant's refusal to acknowledge responsibility for Arrest and/or Charge and/or Offense;
7. Applicant's lack of cooperation with the Division's investigation;
8. Applicant's submission of false or misleading statements or evidence to the Division; and,
9. Applicant's intimidation of, or threats to, witnesses or others involved with the Division's investigation.

G. Mitigating factors related to the CHRI, which may be considered by the Division in connection with an application for or renewal of a license include, but are not limited to:

1. Relevance and seriousness of the applicant's CHRI record to the type of license sought;
2. Duration of time since the date of Arrest and/or Charge and/or Offense;
3. Lack of extensive relevant criminal history;
4. Lack of Arrests, Charges, or Offenses currently pending against licensee/applicant;
5. Lack of pattern of similar Offenses relevant to the license sought;
6. Age of the applicant at the time of Arrest, Charge, and/or Offense;

7. Documented evidence of the applicant's rehabilitation since Arrest, Charge, and/or Offense;
  8. Applicant's cooperation with the Division's investigation;
  9. No evidence of significant harm to a victim(s) or public as reflected in the investigation of applicant's CHRI;
  10. Documented evidence that the applicant has timely made any required restitution;
  11. Documented evidence of the applicant's understanding, acknowledgment, and remorse for Arrest, Charge, and/or Offense; and,
  12. Documented explanation by the applicant regarding circumstances related to Arrest, Charge, and/or Offense.
- H. The Division shall not disqualify a person who has been convicted of a crime(s) that substantially relates to the occupation to which the license issued by the Division applies, if the applicant can show competent evidence, to the Division's satisfaction, of sufficient rehabilitation and present fitness to perform the duties and discharge the responsibilities as a licensee of the Division. The Division shall consider the time elapsed since the conviction when determining sufficient rehabilitation, as well as evidence presented by the applicant regarding:
1. Completion of a period of at least two (2) years after release from imprisonment, or at least two (2) years after the sentencing date for a probation sentence not accompanied by incarceration, without subsequent conviction or pending criminal charges;
  2. The nature, seriousness, and relevance of the crime(s) for which convicted;
  3. All circumstances related to the crime(s), including mitigating circumstances surrounding the commission of the crime(s);
  4. The age of the applicant at the time the crime(s) was committed;
  5. Claims that the CHRI is in error or inadmissible pursuant to R.I. Gen. Laws § 28-5.1-14; and
  6. All other competent evidence of rehabilitation and present fitness presented, including, but not limited to, letters of reference by persons who have been in contact with the applicant since the applicant's release from any state or federal correctional institution.
- I. Upon review, evaluation, and investigation of the CHRI, the Division may deny the application for license or renewal application, grant the application for license or renewal application without conditions, grant the application for license or renewal application with conditions, suspend the license issued, or revoke the license issued.
- J. If the Division intends to deny, suspend, or revoke a license issued by the Division, solely or in part, because of a person's prior conviction of the crime, the Division shall notify the person in writing prior to the final decision. After receiving the notice of potential denial, suspension, or revocation, the person shall have thirty (30) business days to respond. The Division's notice shall include:

1. The specific conviction(s) that form the basis for the potential denial, suspension, or revocation and the rationale for deeming the conviction substantially related to the occupation;
  2. A copy of the conviction history report, if any, on which the Division relies;
  3. A statement that the applicant may provide evidence of mitigation or rehabilitation, as described in Subsection (H) of this section; and
  4. Instructions on how to respond to the potential denial, suspension, or revocation.
  5. After receiving the notice of potential denial, suspension, or revocation, the individual shall have thirty (30) business days to respond.
- K. If the Division denies, suspends, or revokes a licensee issued by the Division, solely or in part, because of the applicant's substantially related conviction, the Division shall issue a final written decision that addresses the considerations under Subsection (C) of this section and also includes, but is not limited to, the following:
1. The final decision, including the substantially related conviction(s) that form the basis for denial, suspension, or revocation and the rationale for occupation relatedness;
  2. The appeal process to the Director of the State's Department of Revenue; and
  3. The earliest date the person may reapply for license from the Division, which shall not be longer than two (2) years from the date of the final decision.

## CHAPTER TWELVE

### PROCEDURE FOR CLAIMING PRIZES

#### **12.1 CLAIM PROCEDURE**

- A. In order to claim any prize, a valid winning Ticket must be presented by the Ticket's legal owner within the time period required for the particular Lottery offering.
- B. No payment shall be made unless the Ticket meets the validation requirements of the Division, and the claimant successfully completes the Division's claim process in accordance with these Rules and Regulations.
- C. All prizes may be claimed at Headquarters, which is the principal claim center for all Lottery offerings under the Act.
- D. Certain prizes must be claimed at Headquarters, including, but not limited to, prizes in an amount that requires notification to the Internal Revenue Service and/or those prizes where required by the rules for the particular Lottery offering.
- E. Prizes related to iLottery games, up to an amount specified by the Director, may be credited to a Player's iLottery account automatically upon verification by the Division. Prizes related to iLottery games greater than the amount specified by the Director must be claimed at Headquarters. No payment shall be made unless the iLottery win meets the validation requirements of the Division and the claimant successfully completes the Division's claim process in accordance with these Rules and Regulations.
- F. Prizes may be paid by Lottery Retailers at amounts specified by the Director, at the Director's sole discretion, with proper validation and identification of the winner.
- G. The Director may designate additional claim centers for the Division and advertise their locations.
- H. All payment of prizes shall be made pursuant to all applicable State and Federal laws and regulations as well as these Rules and Regulations.

#### **12.2 INFORMATION TO BE FURNISHED BY PRIZE CLAIMANTS**

- A. When required by the Director, a claimant(s) must fully and accurately complete claim forms provided by the Division in order to claim a prize. The claimant(s) must also provide supporting documentation required by the Director, including, but not limited to, presenting a valid, government issued photo identification document.
- B. The claimant(s) of a winning Ticket or Lottery prize, before receiving payment of the prize, shall furnish the Division with the claimant's Social Security Number or any identifying/account number assigned to the claimant(s) by the Internal Revenue Service for federal income tax purposes as well as any identification data that is requested by the Director to satisfy any State or Federal requirements.

- C. The Director may, in the Director's discretion, require verification on the claim form by a claimant(s) that such person(s) is not an officer or employee of the Division or a person prohibited from claiming a prize.
- D. In any case where additional information is required to determine the validity of a Ticket and/or to determine that a person claiming a prize is the legal owner of the Ticket drawn for the prize and is entitled to receive payment of the prize, the Director may require the claimant to supply such further evidence as may be appropriate under the circumstances. Failure to provide such information or evidence by the claimant shall result in forfeiture of the prize.

### **12.3 WAIVER OF CONDITIONS**

- A. In the Director's sole discretion, the Director may waive compliance with any of the requirements of this Chapter in appropriate cases if the Director is satisfied that such compliance is unnecessary.

### **12.4 MULTIPLE CLAIMS**

- A. If a Player has ten (10) or more Tickets to claim at Headquarters, the Player must schedule an appointment with the Division's Customer Care department by calling 401-463-6500.

## **CHAPTER THIRTEEN**

### **PAYMENT OF PRIZES**

#### **13.1 MANNER OF PAYMENT OF PRIZES**

- A. All money prizes authorized to be paid by Lottery Retailers may be paid in cash or check.
- B. All major money prizes paid at Headquarters will be paid by check. Minor prizes and prize situations involving emergency payments may be paid in cash at the discretion of the Director.
- C. A prize payment shall be made only to the claimant(s) as indicated by the signature on the back of the Ticket, which must correspond with the name(s) and signature(s) on any claim forms required by the Division.

#### **13.2 TIME OF PRIZE PAYMENTS**

- A. The payment of prizes shall be awarded as soon as reasonably possible after the claimant has presented the Ticket, been identified, and successfully completed the validation process to the satisfaction of the Director.
- B. The payment of prizes to a claimant(s) opting for annuity payments, if applicable, shall be made annually on or about the anniversary date of claim or as otherwise provided in the rules associated with the particular Lottery offering.
- C. Upon validation by the Division, subscription winners will be paid automatically at the address on the subscription application.

#### **13.3 PAYMENT OF PRIZES – SET OFF PROVISIONS**

- A. The following set off provisions shall apply to the payment of any prizes or winning Ticket in excess of six hundred dollars (\$600.00):
  - 1. The Department of Human Services shall periodically, within each year, furnish the Director with a list or compilation of names of individuals, together with such other identifying information, who, as of the date of the list or compilation, have an unpaid child support order in excess of five hundred dollars (\$500.00) shown on the Rhode Island Family Court/Department of Human Service Child Support Enforcement Computer System (CSE System).
  - 2. The Department of Labor and Training shall periodically, within each year, furnish the Director with a list or compilation of names of individuals, together with any identifying information, who, as of the date of the list or compilation, have unpaid benefit overpayments and interest in excess of five hundred dollars (\$500.00).
  - 3. The Tax Administrator shall periodically, within each year, furnish the Director with a list or compilation of names of individuals, together with any other identifying information and in a form that the Director shall require, who, as of the date of the list or compilation, have unpaid taxes in excess of six hundred dollars (\$600.00).

4. The Director shall set off against the amount due in unpaid child support or benefit overpayments in excess of five hundred dollars (\$500.00) for any person entitled to receive such prize or winning ticket in excess of six hundred dollars (\$600.00), after State and Federal tax withholding, an amount up to the balance of such child support debt or unpaid benefit overpayments and interest. Payment shall be made directly to the Rhode Island Family Court or the Department of Labor and Training.
5. The Director shall set off against the amount due in unpaid taxes in excess of six hundred dollars (\$600.00) for any person entitled to receive such prize or winning ticket in excess of six hundred dollars (\$600.00), after State and Federal tax withholding, an amount up to the balance of such tax debt. Payment shall be made directly to the Tax Administrator.
6. The claim for child support arrearages by the Department of Human Services shall receive first priority, the claim for benefit overpayments and interest by the Department of Labor and Training shall take second priority, and the claim for taxes owed by the Tax Administrator shall take third priority.

#### **13.4 DISCHARGE OF LIABILITY UPON PAYMENT**

- A. The Division, Director, Lottery Retailers, officers, and employees shall be discharged of all liability upon payment of a prize to the holder of any winning Ticket.
- B. The Director's decision with respect to the validity of a winning Ticket and a claimant's right to a prize shall be final.
- C. In the event of any dispute between two (2) or more persons claiming to be the rightful owners/holders of any valid, winning Lottery Ticket, the Director may deposit the prize money in the Superior Court of the State of Rhode Island and shall thereafter be relieved of any further responsibility or liability with respect to such moneys.

#### **13.5 PRIZE PAYMENTS TO PERSONS UNDER EIGHTEEN (18) YEARS OF AGE**

- A. The payment of a prize for any valid, winning Ticket to a person under the age of eighteen (18) years old shall be made in accordance with the provisions of the "Rhode Island Uniform Transfers to Minors Act" pursuant to R.I. Gen. Laws § 18-7-1, *et. seq.*
- B. The Director shall be relieved of all further liability upon payment of a prize to a minor pursuant to this Subsection.

#### **13.6 PRIZE PAYMENTS TO PERSONS UNDER ANY OTHER LEGAL DISABILITY**

- A. If a person entitled to a prize on any winning ticket is under any other legal disability, the Director shall direct payment to the fiduciary responsible for such person pursuant to the laws of this State.
- B. The Director shall be relieved of all further liability upon payment of a prize to a person under a legal disability pursuant to this Subsection.

#### **13.7 PRIZES EXEMPT FROM CERTAIN RHODE ISLAND STATE TAXES**

- A. Prizes received pursuant to this Chapter shall be exempt from any sales or use tax.

## **CHAPTER FOURTEEN**

### **UNCLAIMED PRIZE MONEY**

#### **14.1 UNCLAIMED PRIZE MONEY**

- A. Unclaimed prize money shall be retained by the Director for one (1) year after the drawing date in which the prize was won or one (1) year after the announced end-of-game date for Instant Ticket games.
- B. If no claim is made for the prize money within such year, the prize money shall revert automatically to the Lottery Fund, as defined in Chapter 17 of these Rules and Regulations, and a winner shall have no claim to the prize.

## **CHAPTER FIFTEEN**

### **FORGERY AND COUNTERFEITING**

#### **15.1 PENALTIES FOR FORGERY AND COUNTERFEITING**

- A. Pursuant to R.I. Gen. Laws § 42-61-16, any person who, with intent to defraud, shall falsely make, alter, forge, utter, pass, or counterfeit a Lottery Ticket, shall be guilty of a felony punishable by imprisonment for not more than ten (10) years or by a fine of not more than one thousand dollars (\$1,000.00) or both.

## **CHAPTER SIXTEEN**

### **ADMINISTRATIVE PROCEDURES ACT EXEMPTION**

#### **16.1 EXEMPTION FROM ADMINISTRATIVE PROCEDURES ACT**

- A. Pursuant to R.I. Gen. Laws, § 42-35-18, the Division is exempt from the Administrative Procedures Act (R.I. Gen. Laws § 42-35-1, *et seq.*)

## CHAPTER SEVENTEEN

### RHODE ISLAND LOTTERY FUND

#### 17.1 LOTTERY FUND

- A. The Division shall deposit all revenues received from the sale of Lottery Ticket and license fees in the State's lottery fund ("Lottery Fund") under the custody of the State's General Treasurer, subject to the direction of the Division for the Division's use. Money shall be disbursed from the Lottery Fund pursuant to the order of the State's Controller ("Controller") pursuant to vouchers or invoices signed by the Director and certified by the State's Department of Administration through its director. The moneys in the Lottery Fund shall be allotted in the following order and only for the following purposes:
1. Establishing a prize fund from which payments of the prize awards shall be disbursed to holders of winning Lottery Tickets on checks signed by the Director and countersigned by the Controller or designee.
    - a. The amount of payments of prize awards to holders of winning Lottery Tickets shall be determined by the Division, but shall not be less than forty-five percent (45%) nor more than seventy-one percent (71%) of the total revenue accruing from the sale of Lottery Tickets; provided, however, that the amount of prize awards for the game of Keno shall be determined by the Director but shall not be less than forty-five percent (45%) nor more than seventy-two percent (72%) of the total revenue accruing from the sale of Keno Tickets.
  2. Payment of expenses incurred by the Division in the operation of the Lottery including, but not limited to, costs arising from contracts entered into by the Director for promotional, consulting, or operational services, salaries of professional, technical, and clerical assistants, purchase or lease of facilities, Lottery equipment, and materials; provided however, solely for the purpose of determining revenues remaining and available for transfer to the State's General Fund, expenses incurred by the Division's operating expenses shall reflect: (i) beginning in fiscal year 2015, the actuarially determined employer contribution to the Employees' Retirement System consistent with the state's adopted funding policy; and (ii) beginning in fiscal year 2018, the actuarially determined employer contribution to the State Employees and Electing Teachers' OPEB System consistent with the State's adopted funding policy. For financial reporting purposes, the Lottery Fund financial statements shall be prepared in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board.
  3. Payment into the State's General Revenue Fund of all revenues remaining in the Lottery Fund after the payments specified in Subsections 1 and 2 of this Section A, which shall be made on an estimated quarterly basis. Payments shall be made on the tenth (10<sup>th</sup>) business day following the close of the quarter except for the fourth (4<sup>th</sup>) quarter when payment shall be on the last business day.
- B. In addition to any other audit, the State's Auditor General ("Auditor General") shall conduct an annual post audit of the financial records and operations of the Lottery for the preceding year in accordance with generally accepted auditing standards and government auditing standards. In connection with the audit, the Auditor General may examine all records, files, and other documents of the Division, and any records of Lottery Retailers that pertain to their activities as lottery sales agents, for purposes of conducting the audit. The Auditor General, in addition to the annual post audit, may require or conduct any other audits or studies he/she deems appropriate, the costs of which shall be borne by the Division.

## CHAPTER EIGHTEEN

### PURCHASING PROCEDURE

#### **18.1 PREAMBLE**

- A. The Division through its public officers and employees must adhere to the highest standard of ethical conduct, respect the public trust and the rights of all persons, be open, accountable and responsive, avoid the appearance of impropriety, and not use their positions for private gain or advantage.
- B. In this respect, it is hereby declared the policy of the Division that all its public officers and employees shall adhere to the code of ethics and professional behavior as outlined in Part 3 of the State's Department of Administration Code of Ethics and Professional Behavior (220-RICR-30-00-3) of the Rhode Island Code of Regulations.
- C. The Division, through its existing internal purchasing function, shall adhere to the general principles, policies, and practices set forth in R.I. Gen. Laws § 37-2-1, *et. seq.*
  - 1. The Division will aim to make every effort possible to assure the participation of vendors that qualify as minority business enterprises, veterans owned business enterprises, and small disadvantaged businesses as outlined in the State's Department of Administration Procurement Regulations.

#### **18.2 PURCHASING PROCEDURE**

- A. Whenever any purchase or contract for any supplies, material, equipment, services, or property is made on behalf of the Division, such order shall be in accordance with the following procedure:
  - 1. All requests must be submitted to the Director, who is the Procurement Officer for the Division.
  - 2. All purchases made on behalf of the Division, with the exception of advertising media and media production, the price or consideration of which shall be two thousand five hundred dollars (\$2,500.00) or less, may be procured by the Procurement Officer on an informal bid basis.
  - 3. All purchases made on behalf of the Division, with the exception of advertising media and media production, the price or consideration of which shall be in excess of two thousand five hundred dollars (\$2,500.00), but amount to less than five thousand dollars (\$5,000.00), shall be made by the Procurement Officer on the basis of three (3) or more informal competitive bids, which must be submitted in writing. Upon receipt of said informal bids, any such contract shall be awarded to the lowest responsive bidder among them.
  - 4. No purchase request, which is essentially a unit under Paragraphs 2 and 3 hereunder, shall be divided for the purpose of evading the requirements of solicitation of competitive bids set forth therein or as set forth in Paragraphs hereafter.
  - 5. It shall be the responsibility of the Procurement Officer to:
    - a. Make all contracts for purchases of materials, supplies, services, equipment, and property on behalf of the Division, with the exception of advertising, media, and media production, the price consideration of which exceeds five thousand dollars (\$5,000.00) on the basis of

sealed bids, considering the unique nature of the Division procurement, such bids to be submitted, opened, and considered in public. All invitations to bid issued by the Division shall be listed on the Rhode Island Division of Purchases via the internet. The invitation for bids shall state whether the award shall be made on the basis of the lowest bid price or the lowest evaluated or responsive bid price. If the latter basis is used, the objective measurable criteria to be utilized shall be set forth in the invitation for bids, if available. Provided, however, the Procurement Officer is hereby authorized to extend an existing contract for periods of time not to exceed the initial terms if the public interest will best be served thereby.

- b. Issue regulations permitting or requiring the insertion, in contracts for the procurement of supplies or services, of appropriate clauses to enable the Procurement Officer to effect desired changes, modifications, and extensions to such contracts.
  - c. Ensure before a contract or contract extension is entered into that there exists sufficient funding to pay the cost thereof.
  - d. Reject any or all bids submitted to the Procurement Officer or extend an existing contract for a specific purpose if the Procurement Officer considers that the public interest will be best served thereby.
6. The requirement for competitive bidding may be dispensed with to allow emergency purchases upon the recommendation of the Procurement Officer.
- B. The Procurement Officer, in the best interest of the Division and in the Procurement Officer's discretion, may use the State's Purchasing Department, may use the State's Purchasing Department's Master Price Agreements, or may act independently in purchasing materials or services.

## CHAPTER NINETEEN

### MULTI-STATE LOTTERY ASSOCIATION RULES

#### PART I - POWERBALL®

##### 19.1 DEFINITIONS

A. The following definitions apply to this Chapter 19 in connection with Powerball® unless the context requires a different meaning or is otherwise inconsistent with the intention of the rules adopted by the Product Group (as defined in this Section):

1. “Advertised Grand Prize” means the estimated annuitized Grand Prize amount as determined by the MUSL Central Office by use of the MUSL Annuity Factor and communicated through the Selling Lotteries prior to the Grand Prize Drawing. The “Advertised Grand Prize” is not a guaranteed prize amount, and the actual Grand Prize amount may vary from the advertised amount, except in circumstances where there is a guaranteed Grand Prize amount as described herein.
2. “Computer Pick” or “Quick Pick” means the random selection of two-digit (2) numbers by the computer that appear on a Ticket or Ticketless Transaction and are played by a player in the Powerball® Game.
3. “Drawing” refers collectively to the formal draw event for randomly selecting the Winning Numbers, which determine the number of winners for each prize level of the Powerball® Game and the Power Play® multiplier.
4. “Game Board” or “Boards” means that area of the Play Slip which contains sets of numbered squares or circles to be marked by the player.
5. “Game Ticket” or “Ticket” means an acceptable evidence of Play, which is a Ticket produced in a manner that meets the specifications defined in the rules of each Selling Lottery and is a physical representation of the Play or Plays sold to the player or is a properly and validly registered Ticketless Transaction Play.
6. “Grand Prize” or “Jackpot” means the top prize of the Powerball® Game.
7. “Licensee Lottery” means a state lottery or lottery of a governmental unit, political subdivision or entity thereof which is not a Party Lottery but has agreed to comply with all applicable MUSL and Product Group requirements and has been authorized by the MUSL and by the Powerball® Product Group to sell the Powerball® Game.
8. “MUSL” means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.
9. “MUSL Annuity Factor” means the annuity factor as determined by the MUSL Central Office through a method approved by the MUSL Finance and Audit Committee and which is used as described herein.
10. “MUSL Board” means the governing body of the MUSL, which is comprised of the chief executive officer of each Party Lottery.

11. “On-Line Lottery Game” means a lottery game wherein a player selects numbers out of a larger predetermined set or sets of numbers.
12. “Party Lottery” or “Member Lottery” means a state lottery or lottery of a political subdivision or entity which has joined the MUSL and, in the context of these Product Group Rules, is authorized to sell the Powerball® Game. Unless otherwise indicated, “Party Lottery” or “Member Lottery” does not include “Licensee Lotteries.”
13. “Play” or “Bet” means the six (6) numbers, the first five (5) from a field of sixty-nine (69) and the last one (1) from a field of twenty-six (26) numbers that appear on a Ticket or communicated in a Ticketless Transaction as a single lettered selection and are to be played by a player in the Powerball® Game.
14. “Play Slip” or “Bet Slip” means a card used in marking a player’s Game Plays and containing one or more Boards.
15. “Product Group” or the “Group” means a group of lotteries, which has joined together to offer a product pursuant to the terms of the Multi-State Lottery Agreement and the Product Group’s own rules.
16. “Retailer” means a person or entity authorized by a Selling Lottery to sell lottery Plays.
17. “Selling Lottery” shall mean a lottery authorized by the Product Group to sell Powerball® Plays including Party Lotteries and Licensee Lotteries.
18. “Set Prize” also referred to as “low-tier prize” means all other prizes, except the Grand Prize, and, except in instances outlined in these Rules and Regulations, will be equal to the prize amount established by the MUSL Board for the prize level.
19. “Terminal” means a device authorized by a Selling Lottery to function in an on-line interactive mode with the gaming computer system for the purpose of issuing lottery Tickets and entering, receiving, and processing lottery transactions, including purchases, validating Tickets, and transmitting reports.
20. “Ticketless Transaction” shall include all Plays sold through subscription, internet, or non-standard Terminals.
21. “Winning Numbers” means the six (6) numbers, the first five (5) from a field of sixty-nine (69) numbers and the last one (1) from a field of twenty-six (26) numbers, randomly selected at each Drawing, which shall be used to determine winning Plays for the Powerball® Game contained on a Game Ticket or Ticketless Transaction.

## **19.2 POWERBALL® GAME DESCRIPTION**

- A. Powerball® is a five (5) out of sixty-nine (69) plus one (1) out of twenty-six (26) On-Line Lottery Game, drawn every Monday, Wednesday, and Saturday as part of the Powerball® Drawing event, which pays the Grand Prize, at the election of the player made in accordance with these Rules and Regulations or by a default election made in accordance with these Rules and Regulations, either on

an annuitized pari-mutuel basis or as a cash lump sum payment of the total funding held in the Grand Prize Pool for the winning Drawing on a pari-mutuel basis. Except as provided in these Rules and Regulations, all other prizes are paid on a single payment basis. Powerball® Winning Numbers applicable to determine Powerball® prizes will be determined in the Powerball® Drawing event.

- B. To play Powerball®, a player shall select, or elect a Computer Pick, five (5) different numbers, between one (1) and sixty-nine (69) and one (1) additional number between one (1) and twenty-six (26). The additional number may be the same as one of the first five (5) numbers selected by the player.
- C. Plays can be purchased for two dollars (\$2.00), including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a Play. Plays may be purchased from a Selling Lottery's approved sales outlet in a manner as approved by the Selling Lottery and in accordance with MUSL Rules.
- D. A Selling Lottery may offer Plays through discounts, rebates, or promotions, without Group approval, for a period not to exceed ninety (90) days in any six (6) month period. A Selling Lottery may offer other discounts, rebates, or promotions, as may be approved by the Group.
- E. Nothing in this rule shall prohibit a Selling Lottery from offering Plays as a prize in any other non-MUSL game or promotion operated by the Selling Lottery.
- F. Selling Lotteries that offer Plays as a prize or as part of an authorized discount, promotion, or rebate shall contribute to the prize pool the full amount assessed for a Play sold at the uniform price.

### **19.3 POWERBALL® - CLAIMS**

- A. Unless otherwise permitted by a Selling Lottery, a Ticket, subject to the validation requirements set forth in these Rules and Regulations, or properly registered Ticketless Transaction shall be the only proof of a Game Play or Plays. The submission of a winning Ticket to the issuing Selling Lottery or its authorized agent shall be the sole method of claiming a prize or prizes.
- B. A Play Slip has no pecuniary or prize value and shall not constitute evidence of Play purchase or of numbers selected. A Terminal-produced paper receipt has no pecuniary or prize value and shall not constitute evidence of a Play purchase or of numbers selected.

### **19.4 POWERBALL® - CANCELLATIONS PROHIBITED**

- A. A Play may not be voided or canceled by returning the Ticket or the Ticketless Transaction to the Retailer or to the Selling Lottery, including Tickets that are printed in error. No Ticket, which can be used to claim a prize, shall be returned to the Selling Lottery for credit. Tickets accepted by Retailers as returned Plays and which cannot be re-sold shall be deemed owned by the bearer thereof.

### **19.5 POWERBALL® - PLAYER RESPONSIBILITY**

- A. It shall be the sole responsibility of the player to verify the accuracy of the Game Play or Plays and other data printed on the Ticket or contained in a Ticketless Transaction. The placing of Plays is done at the player's own risk through the on-line Retailer, who is acting on behalf of the player in entering the Play or Plays.

## **19.6 POWERBALL® - ENTRY OF PLAYS**

- A. Plays may only be entered manually using the Lottery Terminal keypad or touch screen, or by means of a Play Slip provided by the Selling Lottery and hand-marked by the player, or by other such means approved by the Selling Lottery.
- B. Retailers shall not permit the use of facsimiles of Play Slips, copies of Play Slips, or other materials that are inserted into the Terminal's Play Slip reader that are not printed or approved by the Selling Lottery.
- C. Retailers shall not permit any device to be connected to a Selling Lottery Terminal to enter Plays, except as approved by the Selling Lottery.
- D. Subscription and Ticketless Transaction Plays may be registered by the Selling Lottery at a Selling Lottery processing site which meets the requirements established by the Product Group and the Security and Integrity Committee.

## **19.7 POWERBALL® - GRAND PRIZE ACCOUNT-TRANSFER OF FUNDS**

- A. Each Party Lottery shall transfer to the MUSL in trust an amount as determined by the MUSL and the Product Group to be its total proportionate share of the prize account, less actual low-tier prize liability. If this results in a negative amount, the MUSL Central Office shall transfer funds to the Party Lottery.
- B. If a Party Lottery's share exceeds its statutorily mandated prize payout, the MUSL may adjust the transfer amounts over a period of time to permit the payment of the Party Lottery's full share in a manner complying with the Party Lottery's prize payout statute.
- C. Funds shall be collected from each Party Lottery and Licensee Lottery weekly by wire transfer, electronic funds transfer, or other means acceptable to the Product Group. The amount to be transferred shall be calculated in accordance with Game rules. The Product Group shall determine collection days.
- D. Proceeds from advance sales may be held by the Party Lottery until the draw date for which the Play applies.
- E. Grand Prize amounts held by MUSL shall be transferred to the Selling Lottery immediately after the Selling Lottery validates the prize claim and after MUSL has collected the prize pool shares from all member lotteries.
- F. All funds to pay a Grand Prize that go unclaimed shall be returned to Selling Lotteries in proportion to sales by Selling Lotteries for the Grand Prize in question after the claiming period set by the Selling Lottery selling the winning Ticket expires.

## **19.8 POWERBALL® - PRIZE POOL**

- A. The prize pool for all prize categories shall consist of fifty percent (50%) of each Drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery Play, after the Prize Pool Accounts and Prize Reserve Accounts are funded to the amounts set by the Members of the Product Group in accordance with jurisdiction statute.

- B. Any amount remaining in the prize pool at the end of this Game shall be returned to all lotteries participating in the prize pool after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or expended in a manner as directed by the Members of the Product Group in accordance with jurisdiction statute.

#### **19.9 POWERBALL® - PRIZE POOL ACCOUNT AND PRIZE RESERVE ACCOUNT**

- A. An amount equal to up to five percent (5%) of a Party Lottery's sales, including any specific statutorily-mandated tax of a Party Lottery to be included in the price of a lottery Play, shall be deducted from a Party Lottery's Grand Prize Pool contribution and placed in trust in one or more Powerball® Prize Pool Accounts held by the Product Group at any time that the Prize Pool Accounts and Party Lottery's share of the Prize Reserve Account(s) is below the amounts designated by the Product Group.
- B. The Product Group has established the following Prize Reserve Accounts for the Powerball® Game: The Powerball® Prize Reserve Account, which is used to guarantee the payment of valid, but unanticipated, Grand Prize claims that may result from a system error or other reason; and the Powerball® Set Prize Reserve Account, which is used to fund deficiencies in low-tier Powerball® prize payments, subject to the limitations in these Rules and Regulations.
- C. The Product Group has established the following Prize Pool Accounts for the Powerball® Game: the Grand Prize Pool, which is used to fund the immediate Grand Prize, the Powerball® Set Prize Pool, which is used to fund the Powerball® Set Prize payments, and the Powerball® Set-Aside Account, which is used to guarantee payment of the minimum or starting Grand Prize. The Power Play® Prize Pool and Power Play® Pool Account are described in these Rules and Regulations. The Set Prize Pool holds the temporary balances that may result from having fewer than expected winners in the Powerball® Set Prize (aka low-tier prize) categories, and the source of the Set Prize Pool is the Party Lottery's weekly prize contributions less actual Powerball® Set Prize liability. The source of the Set-Aside Account funding shall be the prize reserve deduction until such time as the Set-Aside Account is fully funded. Once the Powerball® Prize Pool Accounts and the Party Lottery's share of the Powerball® Prize Reserve Accounts exceeds the designated amounts, the excess shall become part of the Grand Prize Pool.
- D. The Product Group, with approval of the Finance and Audit Committee, may establish a maximum balance for the Powerball® Prize Pool Accounts and Prize Reserve Account(s). The Product Group may determine to expend all or a portion of the funds in the Powerball® Prize Pool Accounts (except the Grand Prize Pool Account) and the Prize Reserve Accounts for the purpose of indemnifying the Party Lotteries and Licensee Lotteries in the payment of prizes to be made by the Selling Lotteries, subject to the approval of the Board; and for the payment of prizes or special prizes in the Game, limited to Prize Pool and Prize Reserve contributions from lotteries participating in the special prize promotion following review and comment of the Finance and Audit Committee.
- E. The Prize Reserve shares of a Party Lottery may be adjusted with refunds to the Party Lottery from the Prize Reserve Account(s) as may be needed to maintain the approved maximum balance and shares of the Party Lotteries.

- F. A Party Lottery may contribute to its share of Prize Reserve Accounts over time, but in the event of a draw down from the Reserve Account, a Party Lottery is responsible for its full percentage share of the account, whether or not it has been paid in full.
- G. Any amount remaining in the Powerball® Prize Pool Accounts or Prize Reserve Accounts when the Product Group declares the end of this Game shall be returned to the lotteries participating after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game or otherwise expended in a manner at the election of the individual Members of the Product Group in accordance with jurisdiction statute.

**19.10 POWERBALL® - EXPECTED PRIZE PAYOUT PERCENTAGES**

- A. The Grand Prize shall be determined on a pari-mutuel basis. Except as provided for in these Rules and Regulations, all other prizes awarded shall be paid as set cash prizes with the following expected prize payout percentages:

<b>Number of Matches per Play</b>	<b>Prize Payment</b>	<b>Prize Pool % Allocated to Prize</b>
5+1	Grand Prize	68.0131%
5+0	\$1,000,000	8.5558%
4+1	\$50,000	5.4757%
4+0	\$100	0.2738%
3+1	\$100	0.6899%
3+0	\$7	1.2074%
2+1	\$7	0.9981%
1+1	\$4	4.3489%
0+1	\$4	10.4373%

- B. The prize money allocated to the Grand Prize category shall be divided equally by the number of Plays winning the Grand Prize.
- C. For Party Lotteries, the Prize Pool percentage allocated to the Powerball® Set Prizes pool (the cash prizes of one million dollars (\$1,000,000.00) or less) shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Powerball® Set Prizes awarded in the current draw.
- D. If the total of the Powerball® Set Prizes (as multiplied by the respective Power Play® multiplier if applicable) awarded in a Drawing exceeds the percentage of the Prize Pool allocated to the Powerball® Set Prizes, then the amount needed to fund the Powerball® Set Prizes awarded, including Power Play® prizes, shall be drawn from the following sources, in the following order:
1. First, the amount allocated to the Powerball® Set Prizes and carried forward from previous draws, if any;
  2. Then, an amount from the Set Prize Reserve Account, if available, not to exceed forty million dollars (\$40,000,000.00) per Drawing; and
  3. Other amounts as agreed to by the Product Group in their sole discretion.

- E. If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded, including Power Play® prizes, then the highest Set Prize shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize shall become a pari-mutuel prize.
- F. This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this Rule shall be divided among the winning plays in proportion to their respective prize percentages. Powerball® Set Prizes and Power Play® prizes will be reduced by the same percentage.
- G. By agreement with the Licensee Lotteries, the Licensee Lotteries shall independently calculate their Set Prize pari-mutuel prize amounts. The Party Lotteries and the Licensee Lotteries shall then agree to set the pari-mutuel prize amounts for all lotteries selling the Game at the lesser of the independently calculated prize amounts.

**19.11 PROBABILITY OF WINNING POWERBALL® PRIZES**

- A. The following table sets forth the probability of winning and the probable distribution of winners in and among each prize category, based upon the total number of possible combinations in Powerball®. The Set Prize amount shall be the prizes set for all Selling Lotteries unless prohibited or limited by a jurisdiction’s statute or judicial requirements.

<b>Matches Per Ticket</b>	<b>Probability Winners</b>	<b>Distribution Probability</b>	<b>Probable/Set Prize Amount</b>
5+1	1	1:292,201,338.0000	Grand Prize
5+0	25	1:11,688,053.5200	\$1,000,000
4+1	320	1:913,129.1813	\$50,000
4+0	8,000	1:36,525.1673	\$100
3+1	20,160	1:14,494.1140	\$100
3+0	504,000	1:579.7646	\$7
2+1	416,640	1:701.3281	\$7
1+1	3,176,880	1:91.9775	\$4
0+1	7,624,512	1:38.3239	\$4
<b>Overall</b>	<b>11,750,538</b>	<b>1:24.8671</b>	

**19.12 POWERBALL® - PRIZE PAYMENT**

- A. Grand Prizes shall be paid at the election of the player made no later than sixty (60) days after the player becomes entitled to the prize, with either a per winner annuity or cash payment. If the payment election is not made at the time of purchase and is not made by the player within sixty (60) days after the player becomes entitled to the prize, then the prize shall be paid as an annuity prize.
- B. An election for an annuity payment made by a player before Ticket purchase or by system default or design may be changed to a cash payment at the election of the player until the expiration of sixty (60) days after the player becomes entitled to the prize.

- C. The election to take the cash payment may be made at the time of the prize claim or within sixty (60) days after the player becomes entitled to the prize. An election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn, or otherwise changed.
- D. Shares of the Grand Prize shall be determined by dividing the cash available in the Grand Prize pool equally among all winning Plays of the Grand Prize. Winner(s) who elect a cash payment shall be paid their share(s) in a single cash payment. The annuitized option prize shall be determined by multiplying a winner's share of the Grand Prize Pool by the MUSL Annuity Factor. The MUSL Annuity Factor is determined by the best total securities price obtained through a process as approved by the Finance and Audit Committee.
- E. Neither MUSL nor the Selling Lotteries shall be responsible or liable for changes in the advertised or estimated annuity prize amount and the actual amount purchased after the prize payment method is actually known to MUSL. In certain instances announced by the Product Group, the Grand Prize shall be a guaranteed amount and shall be determined pursuant to these Rules and Regulations. If individual shares of the cash held to fund an annuity are less than two hundred fifty thousand dollars (\$250,000.00), the Product Group, in its sole discretion, may elect to pay the winners their share of the cash held in the Grand Prize Pool.
- F. All annuitized prizes shall be paid annually in thirty (30) payments with the initial payment being made in cash followed by twenty-nine (29) payments funded by the annuity. Except as may be controlled by a Selling Lottery's governing statute, all annuitized prizes shall be paid annually in thirty (30) graduated payments (increasing each year) by a rate determined by the Product Group. Prize payments may be rounded down to the nearest one thousand dollars (\$1,000.00).
- G. Annual payments after the initial payment shall be made by the Selling Lottery on the anniversary date, or if such date falls on a non-business day, then the first business day following the anniversary date, of the selection of the Grand Prize Winning Numbers. Funds for the initial payment of an annuitized prize or the lump sum cash prize shall be made available by MUSL for payment by the Selling Lottery no earlier than the fifteenth (15<sup>th</sup>) calendar day (or the next banking day if the fifteenth (15<sup>th</sup>) day is a holiday) following the Drawing.
- H. If necessary, when the due date for the payment of a prize occurs before the receipt of funds in the Prize Pool trust sufficient to pay the prize, the transfer of funds for the payment of the full lump sum cash amount may be delayed pending receipt of funds from the Selling Lotteries
- I. A paying lottery may elect to make the initial payment from its own funds after validation, with notice to MUSL. If a Party Lottery purchases or holds the prize payment annuity for a prize won in that jurisdiction, that Party Lottery's game rules, and any prize payment agreement with the prize winner, shall indicate that the prize winner has no recourse on the MUSL or any other Party Lottery for payment of that prize.
- J. In the event of the death of a lottery winner during the annuity payment period, the MUSL Finance and Audit Committee, in its sole discretion, excepting a discretionary review by the Product Group, upon the petition of the estate of the lottery winner (the "Estate") to the lottery of the jurisdiction in which the deceased lottery winner purchased the winning Play, and subject to federal, state, district, or territorial applicable laws, may accelerate the payment of all of the remaining lottery proceeds to the Estate. If such determination is made, then securities and/or cash held to fund the deceased lottery winner's annuitized prize may be distributed to the Estate. The identification of the securities to fund

the annuitized prize shall be at the sole discretion of the Finance and Audit Committee or the Product Group.

**19.13 POWERBALL® - LOW-TIER PRIZES**

- A. All low-tier cash prizes (all prizes except the Grand Prize) shall be paid in cash through the Selling Lottery, which sold the winning Ticket(s). A Selling Lottery may begin paying low-tier cash prizes after receiving authorization to pay from the MUSL Central Office.
- B. If a Selling Lottery, due to jurisdictional law requirements, separately determines its low-tier cash prize amounts, it shall be solely responsible for its low-tier cash prize liability and may begin paying low-tier cash prizes after a Drawing when it determines appropriate to do so.

**19.14 POWERBALL® - PRIZES ROUNDED**

- A. Annuitized payments of the Grand Prize or a share of the Grand Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Grand Prize win shall be added to the first cash payment to the winner or winners. Prizes other than the Grand Prize under these Rules and Regulations may become single-payment, pari-mutuel prizes, or may be rounded down so that prizes can be paid in multiples of whole dollars.
- B. Except with regards to low-tier cash prizes paid by a Selling Lottery, which separately determines its low-tier cash prize amounts pursuant to these Rules and Regulations, breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next Drawing.

**19.15 POWERBALL® - PRIZE ROLLOVER**

- A. If the Grand Prize is not won in a Drawing, the prize money allocated for the Grand Prize shall roll over and be added to the Grand Prize Pool for the following Drawing.

**19.16 FUNDING OF GUARANTEED POWERBALL® PRIZES**

- A. The Product Group may offer guaranteed minimum Grand Prize amounts or minimum increases in the Grand Prize amount between Drawings or make other changes in the allocation of prize money where the Product Group finds that it would be in the best interest of the Game.
- B. If a minimum Grand Prize amount or a minimum increase in the Grand Prize amount between Drawings is offered by the Product Group, then the Grand Prize shares shall be determined as follows:
  - 1. If there are multiple Grand Prize winners during a single Drawing, each selecting the annuitized option prize, then a winner's share of the guaranteed annuitized Grand Prize shall be determined by dividing the guaranteed annuitized Grand Prize by the number of winning Plays.
  - 2. If there are multiple Grand Prize winners during a single Drawing and at least one (1) of the Grand Prize winners has elected the annuitized option prize, then the best bid submitted by MUSL's pre-approved qualified brokers shall determine the cash pool needed to fund the guaranteed annuitized Grand Prize.
  - 3. If no winner of the Grand Prize during a single Drawing has elected the annuitized option prize, then the amount of cash in the Grand Prize Pool shall be an amount equal to the guaranteed

annuitized amount divided by the MUSL Annuity Factor. Changes in the allocation of prize money shall be designed to retain approximately the same prize allocation percentages, over a year's time, set out in these Rules and Regulations.

4. Minimum guaranteed prizes or increases may be waived if the alternate funding mechanism set out in these Rules and Regulations becomes necessary.
5. Approval of the Group is required to change the guaranteed minimum Grand Prize amounts or minimum increases in the Grand Prize amount. The Group may increase, decrease, or eliminate the guaranteed minimum Grand Prize amount of any announced minimum Grand Prize increases effective at any time following the next drawing following the action taken by the Group.

**19.17 LIMITED TO HIGHEST POWERBALL® PRIZE WON**

- A. The holder of a winning Play may win only one (1) prize per Play in connection with the Winning Numbers drawn and shall be entitled only to the prize won by those numbers in the highest matching prize category.

**19.18 POWERBALL® - PRIZE CLAIM PERIOD**

- A. Prize claims shall be submitted within the period set by the Selling Lottery selling the Play. If no such claim period is established, all Grand Prize claims shall be made within one hundred eighty (180) days after the Drawing date.

**19.19 POWERBALL® - TICKET VALIDATION**

- A. To be a valid Play and eligible to receive a prize, a Play's Ticket or Ticketless Transaction shall satisfy all the requirements established by a Selling Lottery for validation of winning Plays sold through its on-line system and any other validation requirements adopted by the Product Group, the MUSL Board and published as the Confidential MUSL Minimum Game Security Standards.
- B. The MUSL and the Selling Lotteries shall not be responsible for Tickets or Ticketless Transactions that are altered in any manner.

**19.20 POWERBALL® - TICKET RESPONSIBILITY**

- A. Prize claim procedures shall be governed by the rules of the Selling Lottery. The MUSL and the Selling Lotteries shall not be responsible for prizes that are not claimed following the proper procedures as determined by the Selling Lottery.
- B. Until such time as a signature, or if permitted by state or district law, a mark or printed name, is placed on a Ticket in the area designated for signature, mark, or name, a Ticket shall be owned by the bearer of the Ticket.
- C. When a signature, mark, or name is placed on the Ticket in the place designated, the person who has registered the Ticket, or if not registered, whose signature, mark, or name appears in such area, shall be the owner of the Ticket and shall be entitled (subject to the validation requirements listed in these Rules and Regulations, and state, district, or jurisdiction statute) to any prize attributable thereto.

- D. The manner of payment of prizes for valid winning Tickets bearing multiple signatures, marks, or names shall be determined by the rules of the Party Lottery making the prize payment.
- E. The Product Group, the MUSL, and the Party Lotteries shall not be responsible for lost or stolen Tickets.
- F. A receipt for a Ticketless Transaction Play has no value and is not evidence of a Play. A Ticketless Transaction Play is valid when registered with the Selling Lottery in accordance with Selling Lottery rules, and the person or, if permitted by the Selling Lottery rules, the persons registering the Play shall be the owner of the Ticketless Transaction Play.

**19.21 POWERBALL® - INELIGIBLE PLAYERS**

- A. A Play or share for a MUSL Game issued by the MUSL or any of its Party Lotteries shall not be purchased by, and a prize won by any such Play or share shall not be paid to:
  - 1. A MUSL employee, officer, or director;
  - 2. A contractor or consultant under agreement with the MUSL to review the MUSL audit and security procedures;
  - 3. An employee of an independent accounting firm under contract with MUSL to observe Drawings or site operations and actually assigned to the MUSL account, and all partners, shareholders, or owners in the local office of the firm;
  - 4. An immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described above and residing in the same household;
  - 5. Those persons designated by a Selling Lottery's law as ineligible to play its games shall also be ineligible to play the MUSL Game.

**19.22 POWERBALL® - APPLICABLE LAW**

- A. In purchasing a Play, the purchaser agrees to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the Selling Lottery where the Play was purchased.

**19.23 SPECIAL GAME RULES - POWERBALL® POWER PLAY® PROMOTION**

- A. The Powerball® Power Play® promotion is a limited extension of the Powerball® Game and is conducted in accordance with the Powerball® Game rules and other Selling Lottery rules applicable to the Powerball® Game except as may be amended herein. The promotion will begin at a time announced by the Selling Lottery and will continue until discontinued by the Lottery.
- B. The promotion will offer to the owners of a qualifying Play a chance to multiply or increase the amount of any of the eight (8) lump sum Set Prizes (the lump sum prizes normally paying four dollars (\$4.00) to one million dollars (\$1,000,000.00)) won in a Drawing held during the promotion. The Grand Prize is not a Set Prize and will not be multiplied or increased.

- C. A qualifying Play is any single Powerball® Play for which the player pays an extra dollar for the Power Play® option Play and which is recorded at the Selling Lottery's central computer as a qualifying Play.
- D. Except as provided in these Rules and Regulations, a qualifying Play, which wins one (1) of seven (7) lowest Set Prizes (excluding the Match 5+0 prize), will be multiplied by the number selected, either two (2), three (3), four (4), five (5), or sometimes ten (10) in a separate random Power Play® Drawing announced during the official Powerball® Drawing show. The announced Match 5+0 prize, for players selecting the Power Play® option, shall be paid two million dollars (\$2,000,000.00), unless a higher, limited promotional dollar amount is announced by the Group.
- E. MUSL will conduct a separate random Power Play® Drawing and announce results during each of the regular Powerball® Drawings held during the promotion. During each Powerball® Drawing, a single number two (2), three (3), four (4), or five (5), shall be drawn. The ten multiplier (10X) will be available for Drawings in which the initially advertised annuitized Grand Prize amount is one hundred fifty million dollars (\$150,000,000.00) or less. The amount of Match 5+0 prize, for players selecting the Power Play® shall be two million dollars (\$2,000,000.00) unless a higher limited promotional dollar amount is announced by the Group.
- F. As set forth in these Rules and Regulations, fifty percent (50%) of each draw's sales shall be collected for the payment of prizes. In Drawings where the ten multiplier (10X) is available, the expected payout for all prize categories shall consist of up to forty-nine and nine hundred sixty-nine thousandths percent (49.969%) of each Drawing period's sales, including any specific statutorily-mandated tax of a Selling Lottery to be included in the price of a lottery Ticket. In Drawings where the ten multiplier (10X) is not available, the expected payout for all prize categories shall consist of up to forty-five and nine hundred thirty-four thousandths percent (45.934%) of each Drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery Ticket. The prize payout percentage per draw may vary. The Power Play® prize pool shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Power Play® prizes awarded in the current draw and held in the Power Play® Pool Account.
- G. In Drawings where the ten multiplier (10X) is available, an additional thirty-one thousandths percent (0.031%) of sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery Ticket, may be collected and placed in trust in the Power Play® Pool Account, for the purpose of paying Power Play® prizes. In Drawings where the ten multiplier (10X) is not available, four and sixty-six thousandths percent (4.066%) of sales, including any specific statutorily-mandated tax of a Selling Lottery to be included in the price of a lottery Ticket, may be collected and placed in trust in the Power Play® Pool Account, for the purpose of paying Power Play® prizes. Any amount remaining in the Power Play® Pool Account at the end of this Game shall be returned to all lotteries participating in the account after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or expended in a manner as directed by the Members of the Product Group in accordance with jurisdiction statute.
- H. Except as provided in these Rules and Regulations, all prizes awarded shall be paid as lump sum Set Prizes. Instead of the Powerball® Set Prize amounts, qualifying Power Play® Plays will pay the amounts shown below. In certain rare instances, the Powerball® Set Prize amount may be less than the amount shown. In such case, the eight (8) lowest Power Play® prizes will be changed to an amount announced after the draw. For example, if the Match 4+1 Powerball® Set Prize amount of fifty thousand dollars (\$50,000.00) becomes twenty-five thousand dollars (\$25,000.00) under the rules of

the Powerball® Game and a five multiplier (5X) Power Play® is selected, then a Power Play® player winning that prize amount would win one hundred twenty-five thousand dollars (\$125,000.00).

Match	Prize	5X	4X	3X	2X
5+0	\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
4+1	\$50,000	\$250,000	\$200,000	\$150,000	\$100,000
4+0	\$100	\$500	\$400	\$300	\$200
3+1	\$100	\$500	\$400	\$300	\$200
3+0	\$7	\$35	\$28	\$21	\$14
2+1	\$7	\$35	\$28	\$21	\$14
1+1	\$4	\$20	\$16	\$12	\$8
0+1	\$4	\$20	\$16	\$12	\$8

On advertised annuity jackpots of one hundred fifty million dollars (\$150,000,000.00) or less, the ten multiplier (10X) shall be available.

Match	Prize	10X
5+0	\$1,000,000	\$2,000,000
4+1	\$50,000	\$500,000
4+0	\$100	\$1,000
3+1	\$100	\$1,000
3+0	\$7	\$70
2+1	\$7	\$70
1+1	\$4	\$40
0+1	\$4	\$40

- I. The following table sets forth the probability of the various Power Play® numbers being drawn during a single Powerball® Drawing, except that the Power Play® amount for the Match 5+0 prize will be two million dollars (\$2,000,000.00).

10X Available	
Power Play®	Probability
10X	1:43
5X	2:43
4X	3:43
3X	13:43
2X	24:43

10X Not Available	
Power Play®	Probability
5X	2:42
4X	3:42
3X	13:42
2X	24:42

- J. The Group may elect to run limited promotions that may modify the multiplier feature.
- K. Power Play® does not apply to the Powerball® Grand Prize. Except as provided in these Rules and Regulations, a Power Play® Match 5+0 prize is set at two million dollars (\$2,000,000.00), regardless of the multiplier selected.
- L. For Party Lotteries, the prize pool percentage allocated to the Power Play® Set Prizes shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Set Prizes awarded in the current draw.

- M. For Party Lotteries, if the total of the original Powerball® Set Prizes and the Power Play® Set Prizes awarded in a Drawing exceeds the percentage of the prize pools allocated to the Set Prizes, then the amount needed to fund the Set Prizes (including the Power Play® prize amounts) awarded shall be drawn from the following sources, in the following order:
1. First, the amount allocated to the Set Prizes and carried forward from previous draws, if any;
  2. Then, an amount from the Powerball® Set Prize Reserve Account, if available in the account, not to exceed forty million dollars (\$40,000,000.00) per Drawing; and
  3. Other amounts as agreed to by the Product Group in their sole discretion.
- N. If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded (including Power Play® prize amounts), then the highest Set Prize (including the Power Play® prize amounts) shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize, including the Power Play® prize amounts, shall become a pari-mutuel prize. This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this rule shall be divided among the winning Plays in proportion to their respective prize percentages.
- O. By agreement with the Licensee Lotteries, the Licensee Lotteries shall independently calculate their set pari-mutuel prize amounts, including the Power Play® prize amounts. The Party Lotteries and the Licensee Lotteries shall then agree to set the pari-mutuel prize amounts for all lotteries selling the Game at the lesser of the independently calculated prize amounts.
- P. All Power Play® prizes shall be paid in one lump sum through the Selling Lottery that sold the winning Ticket(s). A Selling Lottery may begin paying Power Play® prizes after receiving authorization to pay from the MUSL Central Office.
- Q. Prizes which, under these Rules and Regulations, may become pari-mutuel prizes, may be rounded down so that prizes can be paid in whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next Drawing.

## **PART II - MEGA MILLIONS®**

### **19.24 DEFINITIONS**

- A. The following definitions apply to this Chapter 19 in connection with Mega Millions® unless the context requires a different meaning or is otherwise inconsistent with the intention of the rules adopted by the Product Group (as defined in this Section):
1. “Computer Pick” or “Quick Pick” means the random selection of two (2) digit numbers by the computer system and which appear on a ticket and are played by a player in the game.
  2. “Drawing” means the formal process of selecting winning numbers, which determines the number of winners for each prize level of the game.

3. “Game Board” or “Boards” means that area of the Play Slip which contains two (2) sets of numbered squares to be marked by the player, one (1) set containing seventy (70) squares, numbers one (1) through seventy (70), and the second set containing twenty-five (25) squares, numbers one (1) through twenty-five (25).
4. “Game Ticket” or “Ticket” means an acceptable evidence of Play, which is a ticket produced by a Terminal which meets the specifications defined in the rules of each Party Lottery or is a properly and validly registered subscription Play.
5. “Grand Prize” or “Jackpot” means the top prize of the Mega Millions® game. The annuity Grand Prize is an amount that would be paid in thirty (30) graduated annual installments, with the annual payments increasing by five percent (5%) each year.
6. “Mega Millions® Finance Committee” means a Committee of the Mega Millions® Lotteries that determines the Grand Prize Jackpot amount (cash value option and annuity).
7. “Mega Millions® Lottery or Lotteries” means those Lotteries that have joined under the Mega Millions® Lottery Agreement; the group of Lotteries that has reached a Cross Selling Agreement with this MUSL Product Group for the selling of the Mega Millions® Game.
8. “Megaplier®” shall refer to the Megaplier® promotion described in these Rules and Regulations.
9. “MUSL” means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.
10. “MUSL Board” means the governing body of the MUSL which is comprised of the chief executive officer of each Party Lottery.
11. “On-Line Lottery Game” means a Lottery game wherein a player selects numbers out of a larger predetermined set or sets of numbers.
12. “Participating Lottery” or “Selling Lottery” means a state Lottery or Lottery of a political subdivision or entity that is participating in selling the Mega Millions® game and that may be a member of MUSL or the Mega Millions® Lotteries.
13. “Party Lottery” means a state Lottery or Lottery of a political subdivision or entity, which has joined the MUSL and, in the context of these Product Group Rules, has joined in selling the games offered by the MUSL Mega Millions® Product Group.
14. “Play” or “Bet” means the six (6) numbers, the first five (5) from a field of seventy (70) and the last one (1) from a field of twenty-five (25) numbers that appear on a ticket as a single lettered selection and are to be played by a player in the game. Each Play is played separately in determining matches to winning numbers and prize amounts.
15. “Play Slip” or “Bet Slip” means a card used in marking a player’s game Plays and containing one or more Boards.

16. “Product Group” means a group of Lotteries that has joined together to offer the Mega Millions® Lottery game pursuant to the terms of the Cross-Selling Agreement with the Mega Millions® Lotteries, the Multi-State Lottery Agreement, and the Group’s own rules.
17. “Retailer” means a person or entity authorized by a Party Lottery to sell Lottery tickets.
18. “Set Prize”, also referred to as “low-tier prize”, means all other prizes except the Grand Prize that are advertised to be paid by a single cash payment and, except in instances outlined in these Rules and Regulation, will be equal to the prize amount established by the MUSL Board for the prize level.
19. “Terminal” means a device authorized by a Party Lottery to function in an on-line, interactive mode with the Lottery’s computer system for the purpose of issuing Lottery tickets and entering, receiving, and processing Lottery transactions, including purchases, validating tickets, and transmitting reports.
20. “Winning Numbers” means the six (6) numbers, the first five (5) from a field of seventy (70) and the last one (1) from a field of twenty-five (25) numbers, randomly selected at each drawing, that shall be used to determine winning Plays contained on a game ticket.

#### **19.25 MEGA MILLIONS® - GAME DESCRIPTION**

- A. Mega Millions® is a five (5) out of seventy (70) plus one (1) out of twenty-five (25) On-Line Lottery Game, drawn on the day(s), time(s), and location(s) as determined by the Mega Millions® Lotteries, and which pays the Grand Prize, at the election of the player made in accordance with these Rules and Regulations or by a default election made in accordance with these Rules and Regulations, either on a graduated annual pari-mutuel basis or as a cash value option using a rate determined by the Mega Millions® Finance Committee on a pari-mutuel basis. Except as provided in these Rules and Regulations, all other prizes are paid on a set cash basis.
- B. To play Mega Millions®, a player shall select (or computer pick) five (5) different numbers, from one (1) through seventy (70) and one (1) additional number from one (1) through twenty-five (25) for input into a Terminal. The additional number may be the same as one (1) of the first five (5) numbers selected by the player. The player may select a set of five (5) numbers and one (1) additional number by communicating the six (6) numbers to the Retailer or by marking six (6) numbered squares in any one (1) Game Board on a Play Slip and submitting the Play Slip to the Retailer or by requesting a “Quick Pick” from the Retailer. The Retailer will then issue a ticket. Tickets can be purchased from a player-activated Terminal by use of a touch screen or by inserting a Play Slip into the machine. Tickets may also be purchased through a Lottery ticketless transaction process system where allowed.

#### **19.26 MEGA MILLIONS® - PRICE AND SALE OF TICKETS**

- A. Mega Millions® tickets can be purchased for two dollars (\$2.00) including any specific statutorily mandated tax of a Party Lottery to be included in the price of a Lottery Play.
- B. A Party Lottery may offer tickets through discounts, rebates, or promotions, without Product Group approval, for a period not to exceed ninety (90) days in any six (6) month period, as long as the full prize share is paid to the Product Group, without discount, and after a notice advising all Group members of the terms and dates of the offering.

- C. Nothing in this Rule shall prohibit a Party Lottery from offering tickets as a prize in any other non-MUSL game or promotion operated by the Party Lottery after advising all Group members of the terms and dates of the offering. A Selling Lottery may offer other discounts, rebates, or promotions as may be approved by the Product Group.
- D. Party Lotteries that offer tickets as a prize or as part of an authorized discount, promotion, or rebate shall contribute to the Prize Pool the full amount assessed for a ticket sold at the uniform price.
- E. No Party Lottery shall directly and knowingly sell a Play or combination of Plays to any person or entity that would guarantee such purchaser a Grand Prize win.

**19.27 MEGA MILLIONS® - CLAIMS**

- A. A ticket (subject to the validation requirements set forth in these Rules and Regulations) shall be the only proof of a game Play or Plays, and the submission of a winning ticket to the issuing Party Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. A Play Slip has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected. A Terminal produced paper receipt has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected.

**19.28 MEGA MILLIONS® - CANCELLATIONS PROHIBITED**

- A. A ticket may not be voided or canceled by returning the ticket to the selling Retailer or to the Lottery, including tickets that are printed in error. No ticket, which can be used to claim a prize, shall be returned to the Lottery for credit. Tickets accepted by Retailers as returned tickets and which cannot be re-sold shall be deemed owned by the bearer thereof.

**19.29 MEGA MILLIONS® - PLAYER RESPONSIBILITY**

- A. It shall be the sole responsibility of the player to verify the accuracy of the game Play or Plays and other data printed on the ticket. The placing of Plays is done at the player's own risk through the on-line Retailer, who is acting on behalf of the player in entering the Play or Plays.

**19.30 MEGA MILLIONS® - ENTRY OF PLAYS**

- A. Plays may only be entered manually using the Lottery Terminal keypad or touch screen or by means of a Play Slip provided by the Party Lottery and hand-marked by the player, or by other such means approved by the Party Lottery.
- B. Retailers shall not permit the use of facsimiles of Play Slips, copies of Play Slips, or other materials that are inserted into the Terminal's Play Slip reader that are not printed or approved by the Party Lottery.
- C. Retailers shall not permit any device to be physically or wirelessly connected to a Party Lottery Terminal to enter Plays, except as approved by the Party Lottery.
- D. Ticketless transaction Plays may be registered by the Lottery at a Lottery processing site which meets the requirements established by the Product Group and the MUSL Board.

### **19.31 MEGA MILLIONS® - MAXIMUM PURCHASE**

- A. Except for subscription Play purchase, the maximum number of consecutive drawings on a single ticket purchase is twenty-six (26). The maximum number of consecutive drawings encompassed by a subscription Play purchase is one hundred four (104).
- B. In the event of a matrix change, the Party Lottery that issued the subscription will determine the option(s) available to subscription purchasers from that Party Lottery for the balance of Plays remaining on their subscriptions effective as of the date of the matrix change.
- C. Except as provided for in these Rules and Regulations, game Play information for a subscription may be edited by a Party Lottery only when an error in the numbers entered has been identified, a change in the frequency of drawings occurs, or a change in the game matrix occurs. A subscription may be edited to correct an error in the numbers entered before the time of the first drawing for which the subscription is effective. Liability for any number entered in error is limited to the Party Lottery that entered the number in error. For a change in the game matrix, or for errors in the numbers entered that are identified after the first drawing under the subscription, the Party Lottery may correct the subscription game Play prospectively for the remaining number of draws on the subscription. The only other condition under which subscription game Play may be edited is to correct the subscription end date if there is a change in the frequency of Mega Millions® drawings.

### **19.32 MEGA MILLIONS® - PRIZE POOL ACCOUNTS AND PRIZE RESERVE ACCOUNTS**

- A. The Prize Pool for all prize categories offered by the Party Lotteries shall consist of up to fifty-five percent (55%) of each drawing period's sales, including any specific statutorily-mandated tax of a Party Lottery to be included in the price of a Mega Millions® ticket, and inclusive of contributions to the Prize Pool Accounts and the Prize Reserve Accounts, but may be higher or lower based upon the number of winners at each prize level, as well as the funding required to meet a guaranteed annuity Grand Prize as may be required in these Rules and Regulations. Any amount remaining in the Prize Pool or Reserves and set aside for the Party Lotteries at the end of the game shall be carried forward to a replacement game or expended in a manner as directed by the Product Group in accordance with jurisdictional law.
- B. The Product Group has established the Prize Pool accounts for the Mega Millions® game. The Grand Prize Pool, which is used to fund the immediate Grand Prize. The Set-Aside Pool, which is used to fund the payment of the awarded minimum starting annuity Grand Prize and the minimum annuity Grand Prize increase, if necessary, as may be set by the Product Group. The source of the Set-Aside Pool funding shall accumulate from the difference between the amount in the Grand Prize Pool at the time of a Grand Prize win and the amount needed to fund Grand Prize payments as determined by the Mega Millions® Lotteries. The Set Prize Pool is used to fund the Set Prizes. The Set Prize Pool shall hold the temporary balances that may result from having fewer than expected winners in the Set Prize (Low-Tier Prize) categories. The source of the Set Prize Pool is the Party Lottery's weekly prize contributions less actual Set Prize liability.
- C. The Prize Reserve Account is used to guarantee the payment of valid, but unanticipated, Grand Prize claims that may result from a system error or other reason, to fund deficiencies in the Set-Aside Pool, and to fund pari-mutuel prize deficiencies as defined and limited in these Rules and Regulations.

- D. The Product Group shall set maximum balance amounts or balance limiter triggers for the Prize Pool Accounts and Prize Reserve Account, which are subject to review by the MUSL Board Finance and Audit Committee.
- E. The Product Group may determine to expend all or a portion of the funds in the Prize Pool Accounts (except the Grand Prize Pool Account) and the Prize Reserve Accounts (1) for the purpose of indemnifying the Party Lotteries in the payment of prizes to be made by the Selling Lotteries, and (2) for the payment of prizes or special prizes in the game; limited to the Prize Pool and Prize Reserve contributions from Lotteries participating in the special prize promotion, subject to the approval of the Board's Finance and Audit Committee or that Committee's failure to object after being given two weeks' notice of the planned action, which actions may be appealed to the full Board by the Product Group.
- F. The Prize Reserve share of a Party Lottery may be adjusted with refunds to the Party Lottery from the Prize Reserve Account as may be needed to maintain the approved maximum balance and shares of the Party Lotteries. Any amount remaining in the Prize Pool Accounts or Prize Reserve Account at the end of this game shall be carried forward to a replacement game or expended in a manner as directed by the Members of the Product Group in accordance with jurisdiction law.

**19.33 MEGA MILLIONS® - GRAND PRIZE ACCOUNT**

- A. The contribution rate to the Grand Prize Pool shall be 37.6509% of sales. Each Party Lottery shall transfer to the MUSL in trust an amount as determined by the MUSL and the Product Group to be its total proportionate share of the Mega Millions® prize pool less actual Mega Millions® low-tier prize liability. If this results in a negative amount, the MUSL central office shall transfer funds to the Party Lottery. If a Party Lottery's share exceeds its statutorily mandated prize payout, the MUSL may adjust the transfer amounts over a period of time to permit the payment of the Party Lottery's full share in a manner complying with the Party Lottery's prize payout laws. In the event of a win at a MUSL Lottery, the Mega Millions® Clearinghouse shall collect the total proportionate share of the Grand Prize Pool from the Mega Millions® Lotteries and shall transfer that amount to MUSL within fifteen (15) calendar days from the date of the winning draw.
- B. Grand Prize amounts held by MUSL shall be transferred to a Lottery having a winner in the Mega Millions® game on a schedule approved by the Product Group and after MUSL has collected the Prize Pool shares from all participating Lotteries selling the Mega Millions® game.

**19.34 MEGA MILLIONS® - PRIZE RESERVE ACCOUNT**

- A. An amount up to five percent (5%) of a Party Lottery's sales, including any specific statutorily-mandated tax of a Party Lottery to be included in the price of a Lottery ticket, shall be added to a Party Lottery's Grand Prize Pool contribution and placed in trust in one (1) or more Prize Pool accounts and Prize Reserve Accounts held by the Product Group at any time that the Prize Pool accounts and Party Lottery's share of the Prize Reserve Account(s) is below the amounts designated by the Product Group.

**19.35 MEGA MILLIONS® - EXPECTED PRIZE PAYOUT PERCENTAGES**

- A. The Grand Prize shall be determined on a pari-mutuel basis. Except as provided in these Rules and Regulations all other prizes awarded shall be paid as set cash prizes with the following expected prize

payout percentages, which do not include an additional amount contributed to or held in Prize Reserves, although the prize payout percentages per draw may vary:

<b>Number of Matches per Play</b>	<b>Prize Payment</b>	<b>Prize Pool % Allocated to Prize</b>
5+1	Grand Prize	75.3018%
5+0	\$1,000,000	7.9319%
4+1	\$10,000	1.0742%
4+0	\$500	1.2889%
3+1	\$200	1.3749%
3+0	\$10	1.6498%
2+1	\$10	1.4436%
1+1	\$4	4.4752%
0+1	\$2	5.4597%

- B. The Grand Prize amount shall be divided equally by the number of Plays winning the Grand Prize.
- C. The Set Prize Pool percentage allocated to the Set Prizes (the cash prizes of one million dollars (\$1,000,000.00) or less) shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Set Prizes awarded in the current draw.

**19.36 MEGA MILLIONS® - PARI-MUTUEL PRIZE DETERMINATIONS**

- A. Except as otherwise provided for in these Rules and Regulations, if the total of the Set Prizes (as multiplied by the respective Megaplier® number if applicable) awarded in a drawing exceeds the percentage of the Prize Pool allocated to the Set Prizes, then the amount needed to fund the Set Prizes, including Megaplier® prizes, awarded shall be drawn from the following sources, in the following order: (1) the amount available in the Set Prize Pool and the Megaplier® Prize Pool if any; and (2) an amount from the Prize Reserve Account, if available, not to exceed forty million dollars (\$40,000,000.00) per drawing.
- B. If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded, including Megaplier® prizes, then the highest Set Prize shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize shall become a pari-mutuel prize. This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this Rule shall be divided among the winning Plays in proportion to their respective prize percentages. Mega Millions® and Megaplier® prizes will be reduced by the same percentage.
- C. By agreement with the Mega Millions® Lotteries, the Mega Millions® Lotteries shall independently calculate their set pari-mutuel prize amounts. The Party Lotteries and the Mega Millions® Lotteries shall then agree to set the pari-mutuel prize amount for all Lotteries selling the game at the lesser of the independently calculated prize amounts.
- D. Except as may be required in these Rules and Regulations, the official advertised Grand Prize annuity amount is subject to change based on sales forecasts and/or actual sales.

- E. Subject to the laws and rules governing each Party Lottery, the number of prize categories and the allocation of the prize fund among the prize categories may be changed at the discretion of the Mega Millions® Lotteries, for promotional purposes. Such change shall be announced by the Mega Millions® Lotteries.

**19.37 MEGA MILLIONS® - PROBABILITY OF WINNING**

- A. The following table sets forth the probability of winning and the probable distribution of winners in and among each prize category, based upon the total number of possible combinations in Mega Millions®.

<b>Matches Per Ticket</b>	<b>Probability Winners</b>	<b>Distribution Probability</b>	<b>Probable/Set Prize Amount</b>
5+1	1	1:302,575,350	Grand Prize
5+0	24	1:12,607,306	\$1,000,000
4+1	325	1:931,001	\$10,000
4+0	7,800	1:38,792	\$500
3+1	20,800	1:14,547	\$200
3+0	499,200	1:606	\$10
2+1	436,800	1:693	\$10
1+1	3,385,200	1:789	\$4
0+1	8,259,888	1:789	\$2
<b>Overall</b>	<b>12,610,038</b>	<b>1:24</b>	

**19.38 MEGA MILLIONS® - PRIZE PAYMENT**

- A. The prize money allocated from the current Mega Millions® Prize Pool for the Grand Prize, plus any previous portions of prize money allocated to the Grand Prize category in which no matching Plays were sold, will be divided equally among all Grand Prize winners in all Participating Lotteries.
- B. The annuity Grand Prize will be paid in thirty (30) graduated annual installments. Grand Prizes won shall be funded by the Selling Lotteries in accordance with the formula set by the Mega Millions® Lotteries. The Mega Millions® Lotteries may set a minimum guaranteed annuity Grand Prize amount that shall be advertised by the selling Lotteries as the starting guaranteed annuity Grand Prize amount.
- C. If in any Mega Millions® drawing there are no Mega Millions® Plays which qualify for the Grand Prize category, the portion of the prize fund allocated to such Grand Prize category shall remain in the jackpot prize category and be added to the amount allocated for the Grand Prize category in the next consecutive Mega Millions® drawing.
- D. Unless there is a different Party Lottery rule, Grand Prizes shall be paid, at the election of the player made no later than sixty (60) days after the player becomes entitled to the prize, with either a per winner annuity or cash payment. If the payment election is not made by the player within sixty (60) days after becoming entitled to the prize, then the prize shall be paid as an annuity prize. The election to take the cash payment may be made within sixty (60) days after the player becomes entitled to the prize. An election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn, or otherwise changed.

- E. In the event a prize winner selects the cash value option, the prize winner's share shall be paid in a single payment upon completion of internal validation procedures. The cash option amount shall be determined by the Product Group.
- F. Graduated annual payment option jackpot prizes shall be paid in thirty (30) graduated annual installments upon completion of internal validations procedures. The subsequent twenty-nine (29) payments shall be paid graduated annually to coincide with the month of the Federal auction date at which the bonds were purchased to the fund the annuity, with graduated annual installments defined in the Mega Millions® Lotteries' Finance and Operations Procedures. Payments shall escalate by a factor of five percent (5%) annually, and annual payments shall be rounded to the nearest even one thousand dollar (\$1,000.00) increment. All such payments shall be made within seven (7) days of the anniversary of the annual auction date.
- G. If individual shares of the cash held to fund an annuity is less than two hundred fifty thousand dollars (\$250,000.00), the Product Group, in its sole discretion, may elect to pay the winners their share of the cash held in the Grand Prize Pool.
- H. Funds for the initial payment of an annuitized prize or the lump sum cash prize shall be made available by MUSL for payment by the Party Lottery on a schedule approved by the Product Group. If necessary, when the due date for the payment of a prize occurs before the receipt of funds in the Prize Pool trust sufficient to pay the prize, the transfer of funds for the payment of the full lump sum cash amount may be delayed pending receipt of funds from the Party Lotteries or other Lotteries participating in the Mega Millions® game. A Party Lottery may elect to make the initial payment from its own funds after validation, with notice to MUSL.
- I. In the event of the death of a Lottery winner during the annuity payment period, the MUSL Finance and Audit Committee, in its sole discretion, excepting a discretionary review by the Product Group, upon the petition of the estate of the Lottery winner (the "Estate") to the Lottery of the jurisdiction in which the deceased Lottery winner purchased the winning Play, and subject to federal, state, district, or territorial applicable laws, may accelerate the payment of all of the remaining Lottery proceeds to the Estate. If such a determination is made, then securities and/or cash held to fund the deceased Lottery winner's annuitized prize may be distributed to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the Finance and Audit Committee or the Product Group.

#### **19.39 MEGA MILLIONS® - LOW-TIER PRIZES**

- A. All low-tier cash prizes (all prizes except the Grand Prize) shall be paid in cash through the Party Lottery which sold the winning Play(s). A Party Lottery may begin paying low-tier cash prizes after receiving authorization to pay from the MUSL central office.

#### **19.40 MEGA MILLIONS® - PRIZES ROUNDED**

- A. Annuitized payments of the Grand Prize or a share of the Grand Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Grand Prize win shall be added to the first cash payment to the winner or winners. Prizes other than the Grand Prize, which under these Rules and Regulations may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the Prize Pool for the next drawing.

**19.41 MEGA MILLIONS® - ROLLOVER**

- A. If the Grand Prize is not won in a drawing, the prize money allocated for the Grand Prize shall roll over and be added to the Grand Prize Pool for the following drawing.

**19.42 MEGA MILLIONS® - LIMITED TO HIGHEST PRIZE**

- A. The holder of a winning Play may win only one (1) prize per Play in connection with the winning numbers drawn and shall be entitled only to the prize won by those numbers in the highest matching prize category.

**19.43 MEGA MILLIONS® - PRIZE CLAIM PERIOD**

- A. Prize claims shall be submitted within the period set by the Party Lottery selling the Play. If no such claim period is established, all Grand Prize claims shall be made within one hundred eighty (180) days after the drawing date.

**19.44 MEGA MILLIONS® - TICKET VALIDATION**

- A. To be a valid Play and eligible to receive a prize, a ticket shall satisfy all the requirements established by the Party Lottery for validation of winning Plays sold through its computer gaming system and any other validation requirements adopted by the Product Group, the MUSL Board and published as the Confidential MUSL Minimum Game Security Standards. The MUSL and the Party Lotteries shall not be responsible for tickets which are altered in any manner.
- B. Under no circumstances shall a claim be paid for the Grand Prize or the second prize without an official Mega Millions® ticket (or subscription) matching all game Play, serial number, and other validation data residing in the selling Party Lottery's gaming system computer; and such ticket (or subscription) shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming such prize.
- C. In addition to the above, in order to be deemed a valid, winning Mega Millions® ticket, all of the following conditions must be met:
1. The validation data must be present in its entirety and must correspond, using the computer validation file, to the number selections printed on the ticket for the drawing date(s) printed on the ticket.
  2. The ticket must be intact.
  3. The ticket must not be mutilated, altered, reconstituted, or tampered with in any manner.
  4. The ticket must not be counterfeit or an exact duplicate of another winning ticket.
  5. The ticket must have been issued by an authorized Mega Millions® agent, sales agent, or Retailer on official paper stock of the selling Party Lottery, or otherwise printed in compliance with MUSL Rule.
  6. The ticket must not have been stolen, to the knowledge of the Party Lottery.

7. The ticket must be submitted for payment in accordance with these Rules and Regulations.
  8. The Play data must have been recorded on the computer gaming system prior to the drawing, and the Play data must match this computer record in every respect. In the event of a contradiction between information as printed on the ticket and as accepted by the Party Lottery computer gaming system, the wager accepted by the Party Lottery computer gaming system shall be a valid wager.
  9. The player or computer number selections, validation data, and the drawing date(s) of an apparent winning Play must appear on the official file of winning Plays, and a Play with the exact date must not have been previously paid.
  10. The Play must not be misregistered, and the Play's ticket must not be defectively printed, or printed or produced in error to an extent that it cannot be processed by the Party Lottery that issued the Play.
  11. In submitting a Mega Millions® Play for validation, the claimant agrees to abide by applicable laws, all rules and regulations, instructions, conditions, and final decisions of the Director of the Party Lottery that issued the Play.
  12. There must not be any other breach of these Mega Millions® Rules in relation to the Play, which, in the opinion of the Director of the Party Lottery that issued the Play, justifies invalidation.
  13. The Play must be submitted to the Party Lottery that issued it.
- D. An official Mega Millions® ticket submitted for validation which fails any of the preceding validation conditions shall be considered void, subject to the following determinations:
1. In all cases of doubt, the determination of the Party Lottery, which sold the Mega Millions® Play, shall be final and binding; however, the Party Lottery may, at its option, replace an invalid ticket with a Mega Millions® Play of equivalent sales price.
  2. In the event a defective ticket is purchased, or in the event the Party Lottery determines to adjust an error, the claimant's sole and exclusive remedy shall be the replacement of such defective or erroneous ticket(s) with a Mega Millions® Play of equivalent sales price.
  3. In the event a Mega Millions® Play is not paid by a Party Lottery, and a dispute occurs as to whether the Play is a winning Play, the Party Lottery may, at its option, replace the Play as provided in Item No. 1 above. This shall be the sole and exclusive remedy of the claimant unless the laws or regulations governing the Party Lottery provide for further administrative review.

#### **19.45 MEGA MILLIONS® - TICKET RESPONSIBILITY**

- A. Prize claim procedures shall be governed by the rules of the Selling Lottery. The MUSL and the Selling Lotteries shall not be responsible for prizes that are not claimed following the proper procedures as determined by the Selling Lottery.

- B. The manner of payment of prizes for valid winning tickets bearing multiple signatures, marks, or names shall be determined by the rules of the Party Lottery making the prize payment.
- C. The Product Group, the MUSL, and the Party Lotteries shall not be responsible for lost or stolen tickets.
- D. A receipt for a ticketless transaction Play has no value and is not evidence of a Play. A ticketless transaction Play is valid when registered with the Lottery in accordance with Lottery rules and the person or, if permitted by the Lottery rules, the persons registering the Play shall be the owner of the ticketless transaction Play.
- E. The Party Lotteries shall not be responsible to a prize claimant for Mega Millions® Plays redeemed in error by a Mega Millions® agent, sales agent, or Retailer.
- F. Winners are determined by the numbers drawn and certified by the independent auditor responsible for auditing the Mega Millions® draw. MUSL and the Party Lotteries are not responsible for Mega Millions® winning numbers reported in error.

**19.46 MEGA MILLIONS® - INELIGIBLE PLAYERS**

- A. A Play or share for a MUSL game issued by the MUSL, or any of its Party Lotteries, shall not be purchased by, and a prize won by any such Play or share shall not be paid to:
  - 1. MUSL employee, officer, or director,
  - 2. A contractor or consultant under agreement with the MUSL to review MUSL audit and security procedures,
  - 3. An employee of an independent accounting firm under contract with MUSL to observe drawings or site operations and actually assigned to the MUSL account and all partners, shareholders, or owners in the local office of the firm, or
  - 4. An immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in Nos. 1, 2, and 3 and residing in the same household.
- B. Those persons designated by a Party Lottery's law as ineligible to play its games shall also be ineligible to play the MUSL game.
- C. A Play or share of the Mega Millions® game may not be purchased in any Lottery jurisdiction by any Party Lottery board member, commissioner, officer, employee, or parent, stepparent, child, stepchild, spouse, or sibling residing as a member of the same household in the principal place of residence of any such person. Prizes shall not be paid to any persons prohibited from playing Mega Millions® in a particular jurisdiction by rules, governing law, or any contract executed by the Selling Lottery.

**19.47 MEGA MILLIONS® - APPLICABLE LAW**

- A. In purchasing a Play, or attempting to claim a prize, the purchasers and prize claimants agree to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the

Party Lottery where the Play was purchased, and by directives and determinations of the Director of the Party Lottery.

- B. The player shall be bound to all applicable provisions in the Mega Millions® Finance and Operations Procedures.
- C. The prize claimant agrees that, as its sole and exclusive remedy, claims arising out of a Mega Millions® Play can only be pursued against the Party Lottery of Play purchase. Litigation, if any, shall only be maintained within the jurisdiction in which the Mega Millions® Play was purchased and only against the Party Lottery that issued the Play.
- D. Nothing in this Rule shall be construed as a waiver of any defense or claim a Party Lottery may have in the event a player pursues litigation against the Party Lottery, its officers, or employees. All decisions made by a Party Lottery, including the declaration of prizes and the payment thereof and the interpretation of Mega Millions® Rules, shall be final and binding on all purchasers and on every person making a claim in respect thereof, but only in the jurisdiction where the Mega Millions® Play was issued.

#### **19.48 SPECIAL GAME RULES - MEGA MILLIONS® MEGAPLIER® PROMOTION**

- A. The Mega Millions® Megaplier® promotion is a limited extension of the Mega Millions® game and is conducted in accordance with the Mega Millions® game Rules and other Lottery rules applicable to the Mega Millions® game, except as amended herein.
- B. The promotion will begin at a time announced by the Party Lottery and will continue until discontinued by the Lottery. The promotion will offer to the owners of a qualifying Play a chance to multiply or increase the amount of any of the eight (8) lump sum Set Prizes (the lump sum prizes normally paying two dollars (\$2.00) to one million dollars (\$1,000,000.00)) won in a drawing held during the promotion. The Grand Prize is not a Set Prize and will not be multiplied or increased.
- C. A qualifying Play is any single Mega Millions® Play for which the player pays an extra dollar for the Megaplier® option Play and which is recorded at the Party Lottery's computer gaming system as a qualifying Play.
- D. A qualifying Play that wins one of the lump sum Set Prizes will be multiplied by the number selected, either two (2), three (3), four (4), or five (5) in a separate random Megaplier® drawing announced in a manner approved by the Product Group.
- E. MUSL will either itself conduct, or authorize a U.S. Lottery to conduct on its behalf, a separate random Megaplier® drawing. Before each Mega Millions® drawing, a single number, two (2), three (3), four (4), or five (5), shall be drawn. The Mega Millions® Group may change one (1) or more of these multiplier numbers from time to time. In the event the multiplier drawing does not occur prior to the Mega Millions® drawing, the multiplier number will be a five (5), which shall solely be determined by the Lottery authorized to conduct the Megaplier® drawing.

#### **19.49 MEGAPLIER® PRIZE POOL**

- A. The Megaplier® Prize Pool shall be used to fund Megaplier® prizes. The Megaplier® Prize Pool shall hold the temporary balances that may result from having fewer than expected winning Megaplier® Plays. The source of the Megaplier® Prize Pool is the Party Lottery's weekly prize

contributions less actual Megaplier® Prize liability. Prize payout percentages per draw may vary. The Megaplier® Prize Pool shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Megaplier® prizes awarded in the current draw. Up to fifty-five percent (55%) of each drawing period's sales, as determined by the Game Group, including any specific statutorily mandated tax of a Party Lottery to be included in the price of a Lottery ticket, shall be collected for the payment of Megaplier® prizes.

- B. Any amount not used to pay for multiplied prizes may be collected and placed in the Megaplier® Prize Pool until the Prize Pool Account reaches the amount designated by the Product Group. Any amount remaining in the Megaplier® Prize Pool Account at the end of this game shall be carried forward to a replacement game or expended in a manner as directed by the Members of the Product Group in accordance with jurisdiction law.
- C. Except as provided in these Rules and Regulations, all prizes awarded shall be paid as lump sum Set Prizes. Instead of the Mega Millions® Set Prize amounts, qualifying Megaplier® Plays will pay the amounts shown below when matched with the Megaplier® number drawn:

Match	Prize	2X	3X	4X	5X
5+0	\$1,000,000	\$2,000,000	\$3,000,000	\$4,000,000	\$5,000,000
4+1	\$10,000	\$20,000	\$30,000	\$40,000	\$50,000
4+0	\$500	\$1,000	\$1,500	\$2,000	\$2,500
3+1	\$200	\$400	\$600	\$800	\$1,000
3+0	\$10	\$20	\$30	\$40	\$50
2+1	\$10	\$20	\$30	\$40	\$50
1+1	\$4	\$8	\$12	\$16	\$20
0+1	\$2	\$4	\$6	\$8	\$10

- D. In certain rare instances, the Mega Millions® Set Prize amount may be less than the amount shown above. In such cases, the Megaplier® prizes will be a multiple of the changed Mega Millions® prize amount announced after the draw. For example, if the Match 4+1 Mega Millions® Set Prize amount of ten thousand dollars (\$10,000.00) becomes two thousand dollars (\$2,000.00) under the rules of the Mega Millions® game, then a Megaplier® player winning that prize amount with a four times (4X) multiplier would win eight thousand dollars (\$8,000.00), two thousand dollars (\$2,000.00) multiplied by four (4).

**19.50 MEGA MILLIONS® - PROBABILITY OF WINNING**

- A. The following table sets forth the probability of the various Megaplier® numbers being drawn during a single Mega Millions® drawing. The Group may elect to run limited promotions that may modify the multiplier features.

Megaplier® Number	Probability of Prize Increase
5X	1:15
4X	3:15
3X	6:15
2X	5:15

- B. Megaplier® does not apply to the Mega Millions® Grand Prize.

#### **19.51 LIMITATION ON PAYMENT OF MEGAPLIER® PRIZES**

- A. The Prize Pool percentage allocated to the Megaplier® Set Prizes shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Set Prizes awarded in the current draw or may be held in a Prize Reserve Account.
- B. If the total of the original Mega Millions® Set Prizes and the Megaplier® Set Prizes awarded in a drawing exceeds the percentage of the Prize Pools allocated to the Set Prizes, the amount needed to fund the Set Prizes (including the Megaplier® prize amounts) awarded shall be drawn from the following sources, in the following order: (1) the amount allocated to the Set Prize Pool and the Megaplier® Prize Pool if any; (2) an amount from the Prize Reserve Accounts if available in the account, not to exceed forty million dollars (\$40,000,000.00) per drawing.
- C. If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded (including the Megaplier® prize amounts), then the highest Set Prize (including the Megaplier® prize amounts) shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize (including the Megaplier® prize amounts) shall become a pari-mutuel prize. This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this Rule shall be divided among the winning Plays in proportion to their respective prize percentages. Mega Millions® and Megaplier® prizes will be reduced by the same percentage.
- D. By agreement with the Mega Millions® Lotteries, the Mega Millions® Lotteries shall independently calculate their set pari-mutuel prize amounts, including the Megaplier® prize amounts. The Party Lotteries and the Mega Millions® Lotteries shall then agree to set the pari-mutuel prize amounts for all Lotteries selling the game at the lesser of the independently calculated prize amounts.

#### **19.52 MEGA MILLIONS® - PRIZE PAYMENT**

- A. All Megaplier® prizes shall be paid in one (1) lump sum through the Party Lottery that sold the winning Play(s). A Party Lottery may begin paying Megaplier® prizes after receiving authorization to pay from the MUSL central office.
- B. Prizes which, under these Rules and Regulations, may become pari-mutuel prizes, may be rounded down so that prizes can be paid in whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the Megaplier® Prize Pool for the next drawing.

## CHAPTER TWENTY

### THE CASINO ACT: VIDEO LOTTERY, TABLE GAMES, SPORTS WAGERING, AND iGAMING

#### 20.1. DEFINITIONS

- A. The following additional definitions apply to this Chapter 20 pursuant to the Casino Act unless the context requires a different meaning:
1. “Cash” means United States currency and coin.
  2. “Casino Gaming” means any and all table and casino-style Games played with cards, dice, or equipment, for money, credit, or any representative of value; including, but not limited to, roulette, blackjack, big six, craps, poker, baccarat, pai gow, any banking or percentage game, or any other game or device included within the definition of Class III Gaming as that term is defined in Section 2703(8) of Title 25 of the United States Code and which is approved by the State through the Division.
  3. “DBR” means the State of Rhode Island’s Department of Business Regulation, Division of Gaming and Athletics Licensing, and/or any successor in interest thereto.
  4. “Facility” or “Facilities” means the gaming facility located at 100 Twin River Road in Lincoln, Rhode Island (“Lincoln Gaming Facility”) and/or at the gaming facility located at 777 Tiverton Casino Boulevard in Tiverton, Rhode Island (“Tiverton Gaming Facility”).
  5. “GEU” means the Gaming Enforcement Unit established within the Rhode Island State Police pursuant to R.I. Gen. Laws § 42-61.3-1 and/or any successor in interest thereto.
  6. “Licensed Class III Gaming Retailer” means a retailer authorized to conduct Class III Gaming pursuant to R.I. Gen. Laws §§ 42-61.2-2.1 and 42-61.2-2.3.
  7. “Pari-Mutuel Licensee” means any entity licensed pursuant to R.I. Gen. Laws § 41-3.1-3 and/or pursuant to R.I. Gen. Laws § 41-7-3.
  8. “Premises” means the building and grounds occupied by a Pari-Mutuel Licensee, Video Lottery Retailer, Table Game Retailer, and/or Class III Gaming Retailer Licensee including those areas not normally open to the public.
  9. “Video Lottery Retailer” means a Pari-Mutuel Licensee specifically licensed by the Division to conduct Video Lottery Games pursuant to R.I. Gen. Laws § 42-61.2-2.
  10. “Table Game Retailer” means a retailer authorized to conduct Table Gaming pursuant to R.I. Gen. Laws §§ 42-61.2-2.1 and 42-61.2-2.3.

## **20.2. CASINO ACT - APPROVAL OF RETAILERS**

- A. Any Pari-Mutuel Licensee desiring to obtain approval as a Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer pursuant to the Casino Act shall apply to the Division on forms specified by the Director from time to time. Such application form shall require the Pari-Mutuel Licensee to furnish the following:
1. The Pari-Mutuel Licensee's legal name, form of entity (e.g. general or limited partnership, corporation, etc.), the names, addresses, social security numbers and dates of birth of its stockholders (other than a holder of less than five percent (5%) of the issued and outstanding capital stock if such stock is publicly traded), directors, officers, partners, or other owners, and principal supervisory employees;
  2. Certified copies of its charter or partnership agreement;
  3. The name, address, social security number, or employer identification number, and date of birth of the record owner of the Premises, the information required by Number 1 above with respect to all Persons having an ownership interest in the Premises and copies of all agreements pursuant to which the Pari-Mutuel Licensee occupies the Premises, copies of all documents relating to the Premises including, without limitation, all mortgages, deeds of trust, bonds, debentures, pledges of corporate stock and voting trust agreements;
  4. The information required by Number 1 as to any operator or any business conducted by such Pari-Mutuel Licensee and any other contractor of such Pari-Mutuel Licensee which has received compensation from such Pari-Mutuel Licensee in excess of fifty thousand dollars (\$50,000.00) in any of the three (3) preceding fiscal years together with a copy of all agreements between such Pari-Mutuel Licensee and such operator or contractor and a statement of all compensation paid to such operator or contractor;
  5. Copies of the Pari-Mutuel Licensee audited financial statements for the preceding three (3) fiscal years and a copy of internally prepared financial statements for the current fiscal year as at the close of the most recent fiscal quarter;
  6. Copies of all insurance policies insuring the Pari-Mutuel Licensee and the Premises;
  7. Such other information as the Director may require.
- B. The Director shall cause a Background Check, in accordance with Chapter 11 of these Rules and Regulations, to be conducted with respect to the Pari-Mutuel Licensee, its officers, directors, stockholders (other than a holder of less than five percent (5%) of the Pari-Mutuel Licensee's issued and outstanding capital stock, if such stock is publicly traded), partners, other owners, and principal supervisory employees, its operators, and major contractors; and with respect to any other Person having an ownership interest in the Premises, its officers, directors, stockholders, partners, or other owners. Notwithstanding the preceding sentence, the Division, in its discretion, may rely on the results of a substantially similar background investigation performed for the benefit of any department of any state government or any agency, board, or commission thereof. The results of the background investigation must meet the criteria set forth in these Rules and Regulations and must be satisfactory to the Division, in its sole discretion, prior to the issuance of its approval.

- C. As a condition of the issuance of an approval, the Pari-Mutuel Licensee must agree in writing to abide by these Rules and Regulations and all applicable policies and procedures of the Division as promulgated from time to time.
- D. Upon the determination that a Pari-Mutuel Licensee has satisfied all requirements of law, these Rules and Regulations, and all applicable policies and procedures of the Division, the Director shall issue a written approval of the Pari-Mutuel Licensee as a Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer.
- E. Any violation of law, these Rules and Regulations, or the policies and procedures of the Division by a Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall be grounds for limitation, conditioning, restriction, suspension, or revocation of approval of the Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer by the Division.

### **20.3. GENERAL PROVISIONS RELATED TO THE CASINO ACT**

- A. The Division is authorized to operate, conduct, and control video lotteries and Casino Gaming at the Facilities. In furtherance thereof, the Division shall have full operational control to operate the Facilities and the authority to make all decisions about all aspects of the functioning of the business enterprise.
- B. The Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall adhere to these Rules and Regulations as well as all established and/or approved policies and procedures applicable to the Retailer's conduct and operations. The Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall also supervise their employees and their activities to ensure compliance with these Rules and Regulations and all applicable policies and procedures.
- C. The Premises of the Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall be open for inspection by authorized Division representatives and/or by local or State law enforcement personnel whenever the business is open to the public or for a private party.
- D. The Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall attend all meetings, seminars, and training sessions required by the Division.
- E. The Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall submit to the Director their internal procedures and administrative and accounting controls, which shall conform to these Rules and Regulations, all applicable policies and procedures of the Division, and any other requirements specified by the Director; and shall be otherwise satisfactory to the Director in his/her sole discretion.
- F. The Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall furnish to the Director complete information pertaining to any change in ownership of such licensed entity or the owner of the licensed entity's premises (other than a change in ownership by an owner of less than five percent (5%) of the issued and outstanding capital stock of the Retailer (or premises owner if such stock is publicly traded)) at least one hundred twenty (120) days prior to such transfer; and any such change is subject to the prior approval of the Division.

- G. The Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall reimburse and pay to the Division (or to such other entities as the Division may identify) all reasonable costs and expenses associated with the Division's review of the business or operations of the licensed entity, including, but not limited to, such items as ongoing auditing, legal, investigation services, compulsive and problem gambling programs, and other related matters.
- H. The Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall provide secure, segregated facilities, as required by the Division, on the licensed entity's Premises for the exclusive use of the Division staff and the GEU. Such space shall be located proximate to the gaming floor and shall include surveillance equipment, monitors with full camera control capability, as well as other office equipment that may be deemed necessary by the Division. The location and size of the space shall be subject to the approval of the Division.
- I. The Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall adhere to all Rules and Regulations and applicable policies and procedures established for the collection, counting, and recording of Cash received in the conduct of Video Lottery Games and Casino Gaming.
- J. The Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall submit, for approval by the Division, proposed policies, procedures, rules and regulations of all proposed promotions and tournaments in accordance with Section 20.5 of these Rules and Regulations.

#### **20.4. CASINO ACT - RESPONSIBLE GAMBLING**

- A. A Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall develop and implement a comprehensive self-exclusion program. Information on this program shall be posted at the licensed entity's Premise and on the licensed entity's website. A Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall also keep conspicuously posted on their Premises the name and telephone number of the Division-sponsored Problem Gambling Helpline and a statement of its availability to offer assistance. The Division shall supply the required notice.
- B. A person who is prohibited from gaming in a gaming establishment due to the player self-exclusion program shall not collect any winnings or recover losses arising as a result of prohibited gaming activity by said person. Winnings from a self-excluded person, after the deduction of taxes and other applicable withholdings, shall be forfeited to the Division. The Division shall forward such forfeited winnings, up to one hundred fifty thousand dollars (\$150,000) per year, to the Rhode Island Council on Problem Gambling for its use for research, education, and prevention of teenage gambling addiction, with the balance to be transferred by the Division to the General Fund.
- C. The Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall offer a problem gambling awareness program for employees, player self-exclusion programs, promotion of the Division-sponsored Problem Gambling Helpline, and education on responsible gambling and prevention of problem gambling. The Video Lottery Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall modify their existing compulsive and problem gambling programs to include table games, sports wagering, and iGaming to the extent such games are authorized at the Facilities or through the internet or a mobile application. The Video Lottery

Retailer, Table Game Retailer, and/or Licensed Class III Gaming Retailer shall reimburse and pay to the Division no less than two hundred thousand dollars (\$200,000.00) in aggregate annually for the compulsive and problem gambling programs established by the Division and not less than fifty thousand dollars (\$50,000) in the aggregate annually for education and prevention programs. The contribution from each Facility shall be determined by the Division.

#### **20.5. CASINO ACT - TOURNAMENTS AND PROMOTIONS**

- A. A request for approval of a gaming tournament and/or promotion shall be made in writing and received by the Division in advance of the announcement of the commencement date of the tournament and/or promotion. The request for approval shall contain a complete description of the tournament and/or promotion; the manner of entry; a description of those Persons eligible to enter the tournament and/or promotion; the entry fee assessed, if any; the prizes to be awarded; the manner in which the prizes are to be awarded; and the dates of the tournament and/or promotion. The Division may request additional information prior to rendering a decision. Any changes to previously approved tournaments and/or promotions must be submitted to the Division for approval in advance of the commencement of the tournament and/or promotion.
- B. A gaming tournament and/or promotion is a contest or event wherein Persons may participate in drawings, and/or play a Game or Games previously authorized by the Division to determine the winner of a prize or prizes. A gaming tournament and/or promotion shall include, but is not limited to, any contest or event wherein an entry fee may or may not be required to play a Game previously approved by the Division. An entry fee shall include any fee paid directly or indirectly by, or on behalf of, the Person participating in the tournament and/or promotion.
- C. All entry fees and costs associated with tournaments and/or promotions shall be reported to the Division in a manner approved by the Director. All entry fees, other than a buy-in amount which is used to pay Cash prizes, shall be included in the calculation of gross revenue, and no fees associated with holding the tournament and/or promotion shall be deducted.

#### **20.6. CASINO ACT - PLAYER RESTRICTIONS**

- A. Employees of the Rhode Island Lottery and any immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) residing in the same household as the employee shall not play, wager, or in any way participate or be eligible for a prize in any game offerings under the Casino Act, or pari-mutuel and/or simulcast wagering, etc. offered at the Facilities.

#### **20.7. PAYMENT OF PRIZES UNDER THE CASINO ACT— SET OFF FOR CHILD SUPPORT DEBTS**

- A. The following set off provisions shall apply to the payment of any prize requiring the issuance of Internal Revenue Service Form W-2G by a Video Lottery Retailer (whether or not a Table Game Retailer) to a patron:
  - 1. The Division shall furnish a Video Lottery Retailer with a list or compilation of names of individuals, together with such identifying information, who, as of the date of the list or compilation, have an unpaid child support order in excess of five hundred dollars (\$500.00) shown on the Rhode Island Family Court/Department of Human Service Child Support Enforcement Computer System (CSE System).

2. The Video Lottery Retailer shall use the information provided by the Division so as to identify a person entitled to receive a prize requiring the issuance of Internal Revenue Service Form W-2G who has an unpaid child support order(s) arrearage(s).
3. The Video Lottery Retailer shall set off against the amount due to such person an amount up to the balance of the child support arrearages. The Video Lottery Retailer shall make prompt payment to the Rhode Island Family Court in connection with such a set off.
4. The Video Lottery Retailer shall pay the person the remaining balance of the prize amount, if any, after reduction of the amount set off above for child support.
5. The Division, the Director, and the Video Lottery Retailer shall be discharged of all further liability upon payment of a prize pursuant to this Section. Except in the case of gross negligence, the Division, the Director, and the Video Lottery Retailer shall not be liable to any party or person for failure to make such a set-off.
6. Any party aggrieved by any action taken under this Section may within thirty (30) days of the withholding of the payment by the Director seek judicial review in the Rhode Island Family Court, which may, in its discretion, issue a temporary order prohibiting the disbursement of funds under this Section, pending final adjudication.

#### **20.8. CASINO ACT - ENFORCEMENT**

- A. In accordance with R.I. Gen. Laws § 42-61.2-13, the Director, in the Director's discretion, may impose an administrative penalty of not more than one thousand dollars (\$1,000.00) for each violation of any rule, regulation, policy, procedure, or any administrative order issued pursuant to R.I. Gen. Laws §§ 42-61.2-2.1 or 42-61.2-3.1. Each day of continued violation shall be considered as a separate violation if the violator has knowledge of the facts constituting the violation and knows or should know that such facts constitute or may constitute a violation. Lack of knowledge regarding such facts or violation shall not be a defense to a continued violation with respect to the first day of its occurrence. Written notice detailing the nature of the violation, the penalty amount, and effective date of the penalty will be provided by the Director. Penalties take effect upon notification. A written request for a hearing must be submitted in writing to the Director within thirty (30) days of notification of violation.
- B. The Director, in the Director's discretion, may endeavor to obtain compliance with the requirements of this chapter by written administrative order. Such order shall be provided to the responsible party, specify the complaint, and propose a time for correction of the violation.
- C. The Director shall enforce these Rules and Regulations. Such enforcement shall include, but not be limited to, referral of suspected criminal activity to the GEU for investigation.
- D. Any interest, costs, or expenses collected under this section shall be appropriated to the Division for administrative purposes.
- E. Any penalty imposed by the Division pursuant to R.I. Gen. Laws § 42-61.2-13 shall be appealable to Superior Court.

## **PART I – VIDEO LOTTERY**

### **20.9. DEFINITIONS**

- A. The following additional definitions apply to this Chapter 20 in connection Video Lottery provided pursuant to the Casino Act unless the context requires a different meaning.
1. “Cash Voucher” means the receipt issued from a Video Lottery Terminal for the payment by a Retailer of Credits. “Central Computer System Hardware” shall mean the hardware to support all required Video Lottery Terminals. The Central Computer System Provider will provide additional hardware if and when such becomes necessary to support all required Video Lottery Terminals, and as such additional hardware is provided, it shall also be “Central Computer System Hardware.”
  2. “Central Communication System” means a system approved by the Division, linking all Video Lottery Terminals at a licensed video lottery retailer location to provide auditing program information and any other information determined by the Division. In addition, the central communications system must provide all computer hardware and related software necessary for the establishment and implementation of a comprehensive system as required by the Division.
  3. “Central Computer System Provider” or “CCSP” means a Person with whom the Division has contracted for the purpose of providing and maintaining a Central Communication System and the related facilities management services with respect to and servicing the Video Lottery Terminals.
  4. “Central Site” shall mean the site where the Video Lottery Central Computer System shall be located, which shall be at a data center approved by the Division.
  5. “Certification” means the authorization by the Division in accordance with its inspection and approval process of Terminals and Video Lottery Games.
  6. “Communications Network Equipment” shall mean the equipment necessary to support all required Video Lottery Terminals. CCSP will provide additional equipment if and when such equipment becomes necessary to support all required Video Lottery Terminals, and as such additional equipment is provided, it shall also be “Communications Network Equipment.”
  7. “Credit” or “Video Lottery Credit” means the opportunity provided to a Player to play a Video Lottery Game or redeem the Credit for Cash.
  8. “Display” means the visual presentation of a Video Lottery Game feature shown on the screen of a Terminal.
  9. “In-State Progressive Game” means a progressive grand prize (jackpot) game offered at the two Facilities in Rhode Island in conjunction with a base Video Lottery Game.
  10. “Player” means a natural Person who has attained the age of eighteen (18) who plays a Video Lottery Game.
  11. “Progressive Game” means a game where a percentage of every wager played on a progressive game is contributed to a growing jackpot prize amount. Factors affecting the jackpot amount are the contribution percent, Player participation, and the structure of the hit probability.

12. “Simultaneous Win” means a win immediately following a jackpot win on a linked Progressive Game, but before jackpot signage has been reset. The subsequent jackpot win shall be the reset jackpot amount as recorded on an approved jackpot management system
13. “Software” shall mean the CCSP Software, all documentation related thereto, all updates, enhancements, and modifications of either, and all additional CCSP Software and related documentation that the CCSP may provide to the Division during the term of the agreement for use in connection with the Video Lottery Central Computer System.
14. “Technology Provider” means any individual, partnership, corporation, or association that designs, manufactures, installs, maintains, distributes, or supplies Video Lottery Terminals or associated equipment for the sale or use in this State.
15. “Terminal” or “Video Lottery Terminal” means any electronic computerized Video Lottery Game machine that upon insertion of Cash, tickets, or tokens enables a Player to play a Video Lottery Game authorized by the Division, and which uses a video Display and microprocessors in which by chance, the Player may receive free games or Credits that can be redeemed for Cash. The term “Terminal” does not include a machine that directly dispenses coins, Cash, or tokens.
16. “Video Lottery Game” means lottery games, as approved by the Division, played on Video Lottery Terminals controlled by the Division.
17. “Video Lottery Game Event Outcome” means the result of a Video Lottery Game achieved by a Player at a Terminal.
18. “VLCC System” shall mean, collectively, the Central Computer System hardware, the communications network equipment, the validation and management terminals and the Software.

**20.10. VIDEO LOTTERY - GENERAL PROVISIONS**

- A. Pursuant to R.I. Gen. Laws § 42-61.2-2, Video Lottery Terminals may only be installed and operated at the Facilities of a Pari Mutuel Licensee and such Terminals must be specifically approved by the Director.
- B. A Video Lottery Retailer shall not permit any visibly intoxicated person or any person under eighteen (18) years of age to play a Video Lottery Game.
- C. A Video Lottery Retailer shall assume responsibility for the proper and immediate redemption of all Credits. However, no Credits may be redeemed by a Person under eighteen (18) years of age.
- D. A Video Lottery Retailer shall provide dedicated power and a proper Video Lottery Terminal environment in accordance with the specifications of the Division.
- E. A Video Lottery Retailers shall designate, for Division approval, locations within the Facility for placement of Video Lottery Terminals.
- F. A Video Lottery Retailer shall ensure that the count rooms for Video Lottery Games have appropriate security for the counting and storage of Cash.

## **20.11. VIDEO LOTTERY – ACCOUNTING PROCEDURES**

- A. The CCSP shall develop and provide an accounting mechanism for the Video Lottery Game system, which mechanism shall achieve compliance with the standards of integrity and control established by the Division.
- B. Each Video Lottery Retailer shall submit to the Director a comprehensive program for Cash management, which must be approved by the Director prior to commencement of Video Lottery play. Such system shall provide, among other things, for the segregation of all funds relating to Video Lottery, Table Games, and Sports Wagering in trust for the Division in such a manner that legal counsel and the Auditor General shall approve to ensure that such funds shall at all times remain the sole property of the Division.
- C. Each Video Lottery Retailer, the CCSP, and all Technology Providers shall submit to the Director such financial and operating information as the Director shall require from time to time at such times and in such format as the Director shall specify.
- D. The Division or its designated agents shall have the right to audit the books and records including, without limitation, tax returns, of any Retailer, the CCSP, and each Technology Provider.

## **20.12. VIDEO LOTTERY - GAME REQUIREMENTS AND CREDIT PRICE**

- A. The Director shall authorize such Video Lottery Games to be played on the Premises as the Director shall determine, from time to time, to be in the best interest of the Division.
- B. In the discretion of the Director, Video Lottery Games offered may be based on Credits between one cent (\$.01) and one hundred dollars (\$100.00) each. The amount of the maximum bet for any single Video Lottery Game Event Outcome shall be set by the Director. Each Video Lottery Game must display the amount wagered and the amount awarded for each possible winning occurrence based on the number of Credits wagered. The percentage payout of each Terminal shall be established by the Director from time to time at the Director's discretion based on marketing data furnished to the Director by the CCSP. Each Video Lottery Game must provide a method for Players to view payout tables.
- C. A Video Lottery Retailer shall redeem Cash Vouchers presented by a Player in accordance with procedures presented by the Video Lottery Retailer and approved by the Director prior to the opening of the Premises for Video Lottery Game play. Such procedures may be modified by the Director at any time.
- D. Cash Vouchers may be redeemed by a Player:
  - 1. At the designated place on the Premises where the Video Lottery Game issuing the Cash Voucher is located during the one (1) year redeeming period commencing on the date the Cash Voucher was issued.
  - 2. No Cash Voucher shall be redeemed more than one (1) year from the date of issuance.
  - 3. Funds reserved for the payment of a Cash Voucher shall revert to the General Fund of the State one (1) year and one (1) day from the date of issuance of the Cash Voucher.

- E. In the case of a simultaneous win on an In-State Progressive Game (i.e. a second jackpot win within a five (5) second time period of the first hit, as recorded by the Central Computer System), the jackpot amount shall be paid to both parties. Any hit after the five (5) second time period will pay the new jackpot amount as calculated by the Central Computer System.
- F. In the event of a discrepancy between an In-State Progressive Game jackpot amount shown on the metered signage and the Central Computer System, the jackpot amount calculated by the Central Computer System shall always prevail.
- G. In the event a Progressive Game jackpot is won, the amount won shall be the amount as recorded on the approved jackpot management system, regardless of whether that amount recorded on the jackpot management system is accurately reflected on the jackpot signage or on the Video Lottery Terminal jackpot meters.

**20.13. TRANSPORTATION OF VIDEO LOTTERY TERMINALS**

- A. No Person shall ship or transport a Video Lottery Terminal into the State without authorization for such transport from the Director. Transporting or shipping into the State means the starting point is outside the State and terminates in the State.
- B. The written authorization required under Subsection A shall accompany, at all times, any Video Lottery Terminal in transport and shall include the:
  - 1. Serial number of each Terminal being transported;
  - 2. Full name and address of the Person from whom the Terminal was obtained; and
  - 3. Full name and address of the Facility and Person to whom the Terminal is being sent or transported.
- C. All Terminals are to be transported in locked, sealed, and exclusive-use trucks. The Division's designated employee must be present to witness the breaking of the seals on shipments into and within the State.
- D. No Terminal being transported shall have any game chips installed.
- E. All keys to the Terminals shall be presented to the Division's designated employee upon delivery.
- F. Any movement of Terminals within or between the Facilities must be pre-approved by the Division.

**20.14. APPROVAL OF VIDEO LOTTERY RETAILERS, CCSP, AND TECHNOLOGY PROVIDERS**

- A. No Video Lottery Retailer shall be approved, and no contract shall be awarded to the CCSP nor any license issued to a Technology Provider until the Director determines that the proposed Video Lottery Retailer, CCSP, or Technology Provider, meets all the following qualifications:
  - 1. The applicant, its officers, directors, stockholders, partners, other owners, principal supervisory employees, its operator or contractor, as applicable, and any Person having an interest in the Premises are of good character, honesty, and integrity.

2. The applicant, its officers, directors, stockholders, partners, other owners, principal supervisory employees, its operator or contractor, as applicable, and any Person having an interest in the Premises are Persons whose backgrounds, including criminal, civil, and financial records, reputation, and associations do not pose a threat to the public interest of the State or to the security and integrity of the Division.
3. The applicant demonstrates business ability and experience to establish, operate, and maintain the business for the type of contract for which the application is made and for this purpose provides the Division a sworn notarized statement that the applicant:
  - a. Has not entered, and does not intend to enter, into any joint venture, partnership, or teaming agreement in order to fulfill its obligations, without prior approval of the Director;
  - b. Has not engaged, and does not intend to engage, any subcontractors, without prior approval of the Director;
  - c. Is not acting as a distributor of products manufactured by another entity, without prior approval of the Director;
  - d. Has not entered, and does not intend to enter now or in the future, into any agreement whereunder the proceeds of any agreements with the Division would be shared with one or more other Persons or entities, without prior approval of the Director.
4. The applicant demonstrates adequate financing for the business proposed under the type of contract for which the application is made. The Director shall consider whether financing is from a source that meets the qualifications of this section and is in an amount sufficient to ensure the likelihood of success in the performance of the contract.
5. The Division may deny approval as a Video Lottery Retailer to any Pari-Mutuel Licensee, may refuse to award a contract to any Technology Provider, and may decline to award a contract to a CCSP in the event that the proposed Video Lottery Retailer, Technology Provider or CCSP, or any of their respective officers, directors, shareholders, other owners, partners, principal supervisory employees, its operator or contractor, as applicable:
  - a. Has been convicted of any crime in any jurisdiction;
  - b. Has been convicted of any gambling offense in any jurisdiction;
  - c. Is subject to a civil judgment based in whole or in part upon conduct which allegedly constituted a crime, which judgment is not subject to appeal;
  - d. Failed to disclose any material fact to the Division or its authorized agents during the Background Check or any subsequent background or security investigation;
  - e. Makes a misstatement or untrue statements of a material fact;
  - f. Associates with Persons of known criminal background, or Persons of disreputable character that may adversely affect the general credibility, security, integrity, honesty, fairness, or reputation of the Division.

- g. The Division determines that any aspect of the applicant's past conduct would adversely affect the integrity, security, honesty, or fairness of the Division.
  - h. In evaluating whether to deny a Video Lottery and/or Table Game Retailer license or contract based on subdivisions one (1), two (2), and three (3) of this section, the Division may consider the following factors:
    - i. The nature and severity of the conduct that constituted the offense or crime;
    - ii. The time that has passed since satisfactory completion of the sentence, probation imposed, or payment of fine;
    - iii. The number of offenses or crimes; and
    - iv. Any extenuating circumstances that affect or reduce the impact of the offense or crime on the security, integrity, honesty, and fairness of the Division.
- B. The Director's determination on whether a proposed Video Lottery Retailer or Technology Provider shall be approved or an award made to a CCSP shall be final.

**20.15. SELECTION OF CENTRAL COMMUNICATIONS SYSTEM PROVIDER**

- A. The Division hereby finds that competitive sealed bidding is not a practicable or advisable method of selection of a CCSP in that:
- 1. Because the compensation of the CCSP has been set by statute, specifications cannot be prepared that permit the award on the basis of either the lowest bid price or the lowest evaluated bid price; and
  - 2. Optional offers as to the type and scope of the services to be provided are in the best interest of the Division.
- B. The Division shall issue a Request for Proposals ("RFP") for the CCSP to a list of known vendors identified by the Director. The RFP shall:
- 1. Include the evaluation factors upon which the award shall be made and their relative importance;
  - 2. Give notice of the possibility that the award may be made on the basis of the initial response;
  - 3. Give notice that responders must submit to a Background Check, the cost of which must be borne by the responder;
  - 4. Indicate that responders may be required to demonstrate a Central Communications System at a mutually agreeable site; and
  - 5. Contain such other information, as the Director deems appropriate.

- C. Responses to the RFP timely received shall be evaluated by an Evaluation Committee of three (3) members appointed by the Director. The Evaluation Committee shall require each responder to furnish the information required in these Rules and Regulations. The Evaluation Committee shall make a written recommendation to the Director.
- D. Upon receipt of the recommendations of the Evaluation Committee, the Director shall select a CCSP. In such selection, priority may be given to applicants who have demonstrated an ability to perform in accordance with time constraints established by the Division.
- E. The Director shall cause a Background Check to be conducted with respect to the selected CCSP, its officers, directors, stockholders (other than a holder of less than five percent (5%) of the responder's issued and outstanding capital stock if such stock is publicly traded), partners, or other owners. The results of the Background Check must meet the criteria set forth in these Rules and Regulations and must be satisfactory to the Director in his/her sole discretion, prior to the award of a contract to the CCSP. All costs of the Background Check shall be borne by the responder.
- F. The CCSP shall furnish such bonds and provide evidence of such insurance as the Director shall require from time to time in such amounts and issued by such companies, as the Director shall approve.
- G. All Terminals must be connected to a Central Communications System capable of providing the Director with auditing and other information of such types and at such intervals as the Director shall deem necessary for the integrity and security of the Video Lottery Game system consistent with the high standards of the Division.
- H. The Central Communications System shall provide a dedicated communications link to the Terminals in a continually polling mode and must be capable of validating all Cash Vouchers and authorizing payment thereof from a Central Communications System validation file.
- I. CCSP shall design the VLCC System to support the Video Lottery Terminals, and the CCSP shall install, implement, operate, and maintain, on behalf of the Division, the VLCC System. The Division may employ the services of an independent technical testing laboratory expert to test any part of the Central System at the CCSP's expense.
- J. In the course of performing the functions set forth in Section I above, the CCSP shall provide the Division with the following services:
  - 1. Define requirements for the Central Site, accomplish necessary Central Site improvements, and furnish the Central Site. Following installation of the VLCC system, CCSP shall operate and maintain the Central Site;
  - 2. Provide a disaster recovery system approved by the Division;
  - 3. Provide, or cause to be provided, maintenance services with respect to the Central Computer System Hardware, the Communications Network Equipment, the validation and management terminals, and the Software;
  - 4. Provide, or cause to be provided, field service maintenance (i.e., in the field terminal and module swapping and preventative maintenance) with respect to all Video Lottery Terminals connected to the VLCC System, regardless of manufacturer.

- K. The Division, and not the CCSP, shall determine the quantities, distribution, and placement of Video Lottery Terminals between and within the licensed Video Lottery Retailer locations.
- L. Any violation of law or of these Rules and Regulations or any applicable policies and procedures of the Division by the CCSP shall be grounds for limitation, conditioning, restriction, suspension, or cancellation of the contract between the CCSP and the Division.
- M. The Division may terminate any agreement by notice to the CCSP in the event of any of the following:
1. CCSP voluntarily liquidates, enters into receivership, or files a petition under any chapter of the U.S. Bankruptcy Code;
  2. CCSP is the subject of an involuntary bankruptcy petition and fails to have such petition dismissed, vacated, voided, or otherwise removed within sixty (60) days after its filing;
  3. CCSP breaches a material provision of this agreement and fails to cure such breach within forty-five (45) days after receipt by the CCSP of notice specifying such breach; or,
  4. Any material statement, representation or warranty intentionally made or furnished by the CCSP proves to be materially false or misleading; the Division suffers a loss in relying on such material statement, representation, or warranty; and the CCSP fails to remedy such loss within thirty (30) days after receipt from the Division of notice specifying the statement, representation or warranty that was materially false or misleading and the loss suffered as a result.
- N. The Division, throughout the term of any agreement with the CCSP or any extensions thereof, shall have the CCSP maintain insurance coverage, in such amounts as in its discretion is necessary, in the following categories:
1. General Liability Insurance
  2. Property Insurance
  3. Errors and Omissions Insurance
  4. Automobile Liability Insurance
  5. Crime Insurance
- O. All bonds and insurance coverage, required under these Rules and Regulations, shall be issued by companies qualified to do business in the State of Rhode Island.
- P. The Division may enter into an agreement for the assessment of liquidated damages for non-performance or non-compliance with any contractual obligation entered into with the CCSP.
- Q. No agreement between the CCSP and the Division may be assigned without the prior written consent of the Division.

## **20.16. SELECTION OF TECHNOLOGY PROVIDERS**

- A. As needed, the Director shall issue an RFP for Technology Providers.
- B. The Director shall consider Technology Providers based on the following:
  - 1. Ability to interface with the Central Communication System;
  - 2. Experience;
  - 3. Financial stability;
  - 4. Technical and management abilities; and
  - 5. Maximum revenue generation.
- C. Responses to the RFP timely received shall be evaluated by an Evaluation Committee of three (3) members appointed by the Director. The Evaluation Committee shall require each responder to furnish the information required in these Rules and Regulations. The Evaluation Committee shall make a written recommendation to the Director.
- D. The Director shall require the Technology Provider to disclose its legal name, form of entity (e.g. general or limited partnership, corporation, etc.), the names, addresses, social security numbers, and dates of birth of its directors, officers, and stockholders (other than a holder of less than five percent (5%) of the applicant's issued and outstanding capital stock if such stock is publicly traded), partners, other owners, and principal supervisory employees.
- E. The Director shall cause a Background Check to be conducted in accordance with these Rules and Regulations with respect to each application for a license, its officers, directors, stockholders (other than a holder of less than five percent (5%) of the applicant's issued and outstanding capital stock if such stock is publicly traded), partners, other owners, and principal supervisory employees. The results of the Background Check must meet the criteria set forth in these Rules and Regulations and must be satisfactory to the Director in his/her sole discretion prior to the granting of a license. All costs of the background investigation shall be borne by the responder.
- F. Technology Provider shall submit copies of its audited financial statements for the preceding three (3) fiscal years and a copy of internally prepared financial statements for the current fiscal year as at the close of the most recent fiscal quarter.
- G. Technology Provider shall disclose the identity of all customers to whom it has furnished Video Lottery Games or other gambling equipment within the three (3) years immediately preceding the date of application.
- H. Technology Provider shall provide a list of all Persons with whom the Provider has a communications protocol agreement.
- I. Technology Provider shall disclose the names, addresses, and compensation paid to any attorney, retailer, lobbyist, accountant, or other Person who has assisted the Technology Provider in its efforts to become a licensed Technology Provider.

- J. Any violation of law or of the Rules and Regulations and/or Policies and Procedures of the Division by a licensed Technology Provider shall be the grounds for limitation, restriction, suspension, or revocation of its license.
- K. The Director shall enter into contracts with that number of Technology Providers as the Director shall determine; pursuant to which the Technology Providers shall furnish that number of Terminals for such Video Lottery Games as the Director shall recommend from time to time based on the needs of the Division.
- L. All contracts with Technology Providers shall include, without limitation, the following provisions:
1. The Technology Provider must furnish a Person to work with the Lottery to provide assistance as needed in establishing, planning, and executing acceptance tests. The Technology Provider's assistance may be requested in troubleshooting communication and technical problems that are discovered when Terminals are initially placed at a Video Lottery Retailer.
  2. The Technology Provider must submit Terminal illustrations, schematics, block diagrams, circuit analysis, technical and operational manuals, program source codes, and hexadecimal dumps (the compiled computer program represented in base 16 format), and any other information requested by the Director for purposes of analyzing and testing the Terminal. All Terminals must be capable of accepting coins, and/or tokens and/or currency. Currency in the denominations of five dollars (\$5.00), ten dollars (\$10.00), twenty dollars (\$20.00), fifty dollars (\$50.00) and one hundred dollars (\$100.00) shall be acceptable.
  3. For testing, examination, and analysis purposes, the Technology Provider must furnish working models of a Terminal, associated equipment, and documentation at locations designated by the Director. The Technology Provider shall pay all costs of any testing, examination, analysis, and transportation of the Terminals. The testing, examination, and analysis of the Terminals may include entire dismantling of the Terminal and some tests that may result in damage or destruction to one or more electronic components of the Terminal. The Division and its Video Lottery Retailers shall have no liability for any such damage or destruction. The Division may require that the Technology Provider provide specialized equipment or the Division may employ the services of an independent technical laboratory expert to test the Terminal at the Technology Provider's expense.
  4. Technology Providers must submit all hardware, software, and test equipment necessary for testing their Terminals.
  5. No Terminal shall be put into use prior to Certification of its model by the Director.
  6. Technology Providers shall agree to promptly report any violation or any facts or circumstances that may result in a violation of these Rules and Regulations and/or policies and procedures; provide immediate access to all its records and its physical premises for inspection at the request of the Director; attend all trade shows or conferences as required by the Director; provide the Director with keys and locks subject to the Director's specifications for each approved Terminal.
  7. Technology Providers will provide spare modules (CRT's, printers, bill and coin acceptors, CPU boards, etc.) to the CCSP and provide training on the maintenance of their Terminals. Broken modules will be returned to the Technology Provider for repair or replacement on an as-needed basis.

8. Technology Providers must agree to modify their hardware and software to accommodate Video Lottery Game changes directed by the Division from time to time.
  9. Technology Providers must provide such bonds and provide evidence of such insurance as the Director shall require from time to time and in such amounts and issued by such companies as the Director shall approve. All bonds and insurance coverage, required under these Rules and Regulations, shall be issued by companies qualified to do business in the State of Rhode Island.
  10. Technology Providers must be qualified to do business in Rhode Island.
  11. Technology Providers shall be allowed to conduct promotions, including lottery-like promotions, subject to the approval of the Director and those that the Director shall recommend from time to time, based on the convenience and needs of the public.
- M. Each Terminal certified by the Director must conform to the exact specifications of the Terminal model tested and certified by the Director.
- N. Technology Providers shall be solely liable for any claims, loss, cost, damage, liability, or expense arising out of any hardware or software malfunction resulting in the wrongful award or denial of Credits or any error on the Cash Voucher and will hold harmless the Division, the State of Rhode Island, the CCSP, the applicable Retailer, and their respective retailers, employees, officers, and directors.

## **PART II – TABLE GAMING**

### **20.17. DEFINITIONS**

- A. The following additional definitions apply to this Chapter 20 in connection with Table Gaming provided pursuant to the Casino Act unless the context requires a different meaning.
1. “Chip” means a small disk issued by the Retailer representing a set value that is used for making Table Game wagers and is redeemable only for Cash or the Table Game Retailer’s check.
  2. “Counterfeit Chip” means a Chip that has not been approved under these Rules and Regulations.
  3. “Free Play Coupon” means a promotional item in paper or plastic form with a fixed stated play value issued and used by a Table Game Retailer, and the stated value of which is used or included in the amount of a patron’s wager in determining the amount that the patron receives as a result of a winning wager.
  4. “Match Play Coupon” means a promotional item in paper or plastic form with a fixed stated play ratio and value that is issued and used by a Table Game Retailer, and the stated value of which, when presented by a patron with Chips, which are in the stated ratio in value to the stated value of the promotional item, is included in the amount of the patron’s wager in determining the amount the patron receives as a result of a winning wager made with gaming Chips and their accompanying promotional item.

5. “Pit” means the area of arrangement of a group of gaming tables in which Casino Gaming personnel administer and supervise the live Table Games played at the grouping of tables.
6. “Player” means a natural Person who has attained the age of eighteen (18) who plays a Table Game.
7. “Rake” means a set fee or percentage of Cash, and Chips representing Cash, wagered in the playing of a non-banking Table Game assessed by a Table Game Retailer for providing the services of a dealer, gaming table or location, to allow the play of any non-banking Table Game.
8. “Table Game” or “Table Gaming” means that type of Casino Gaming in which Table Games are played for Cash, or Chips representing Cash, using cards, dice, or equipment and conducted by one or more live persons.

**20.18. TABLE GAMING - GENERAL REQUIREMENTS**

- A. The Premises of a Table Game Retailer/Licensed Class III Gaming Retailer shall be open for inspection by authorized Division representatives or by local or State law enforcement personnel whenever the business is open to the public or for a private party.
- B. A Table Game Retailer/Licensed Class III Gaming Retailer shall not permit any visibly intoxicated person or any person under eighteen (18) years of age to play a Table Game.
- C. A Table Game Retailer/Licensed Class III Gaming Retailer shall attend all meetings, seminars, and training sessions required by the Division.
- D. A Table Game Retailer/Licensed Class III Gaming Retailer shall assume responsibility for the proper and immediate redemption of all Credits. However, no Credits may be redeemed by a Person under eighteen (18) years of age.
- E. A Table Game Retailer/Licensed Class III Gaming Retailer shall designate, for Division approval, one or more locations within a Facility to conduct Table Games.
- F. A Table Game Retailer/Licensed Class III Gaming Retailer shall submit, for approval by the Division prior to use, all types of Table Game Chips, including size and uniform color by denomination, cards, dice, wheels, balls and other equipment and accessories related to Table Games, including promotions and tournaments; and a policy for the use of promotional or commemorative Chips, cards, dice, wheels, balls, and other equipment used in the conduct of certain Table Games.
- G. A Table Game Retailer/Licensed Class III Gaming Retailer shall provide specifications, for approval by the Division, to integrate and update the Retailer’s surveillance system to cover all areas where Table Games are conducted and other areas as required by the Division. The specifications shall include provisions providing the Division, and other Persons authorized by the Division, with onsite access to the system.

- H. A Table Game Retailer/Licensed Class III Gaming Retailer shall ensure that visibility in a Facility is not obstructed in any way that could interfere with the ability of the Division, the Retailer, or other Persons authorized by the Division to oversee the surveillance of the conduct of Table Games.
- I. A Table Game Retailer/Licensed Class III Gaming Retailer shall adopt policies and procedures, for approval by the Division, to prohibit any Table Game equipment from being possessed, maintained, or exhibited by any Person on the Premises except in the areas within a Facility where Table Games are conducted, or in a restricted area designated to be used for the inspection, service, repair, or storage of Table Game equipment by the Retailer, or in an area used for employee training.
- J. A Table Game Retailer/Licensed Class III Gaming Retailer shall establish minimum standards, for approval by the Division, relating to the acceptance of tips or gratuities by dealers. Tips or gratuities accepted by dealers at banking Table Games shall be placed in a common pool for complete distribution pro rata among all dealers on the daily collection of such tips or gratuities. Tips or gratuities accepted by dealers at non-banking Table Games are not required to be pooled and may be retained by the dealers. The Retailer may submit, for approval by the Division, alternative methods of distribution for tips or gratuities for both banking and non-banking Table Games.
- K. A Table Game Retailer/Licensed Class III Gaming Retailer shall submit to the Director its internal procedures and administrative and accounting controls, which shall conform to these Rules and Regulations and policies and procedures of the Division and be otherwise satisfactory to the Director in the Director's sole discretion, and such other requirements as shall be specified by the Director.
- L. A Table Game Retailer/Licensed Class III Gaming Retailer shall furnish to the Director complete information pertaining to any change in ownership of the Retailer or the owner of the Premises (other than a change in ownership by an owner of less than five percent (5%) of the issued and outstanding capital stock of the Retailer (or Premises owner if such stock is publicly traded) at least one hundred twenty (120) days prior to such transfer; and any such change is subject to the prior approval of the Division.
- M. A Table Game Retailer/Licensed Class III Gaming Retailer shall reimburse and pay to the Division (or to such other entities as the Division may identify) all reasonable costs and expenses associated with the Division's review of the business or operations of the Retailer, including, but not limited to, such items as ongoing auditing, legal, investigation services, compulsive and problem gambling programs, and other related matters.
- N. A Table Game Retailer/Licensed Class III Gaming Retailer shall provide secure, segregated facilities, as required by the Division, on the Premises for the exclusive use of the Division staff and the GEU. Such space shall be located proximate to the gaming floor and shall include surveillance equipment, monitors with full camera control capability, as well as other office equipment that may be deemed necessary by the Division. The location and size of the space shall be subject to the approval of the Division.
- O. A Table Game Retailer/Licensed Class III Gaming Retailer shall ensure that the count rooms for Table Games have appropriate security for the counting and storage of Cash.

**20.19. TABLE GAMING - ACCOUNTING PROCEDURES**

- A. Each Table Game Retailer/Licensed Class III Gaming Retailer shall submit to the Director a comprehensive program for Cash management, which must be approved by the Director prior to commencement of Table Game play. Such system shall provide, among other things, for the segregation of all funds relating to Table Games in trust for the Division in such a manner that legal counsel and the Auditor General shall approve to ensure that such funds shall at all times remain the sole property of the Division.
- B. Each Table Game Retailer/Licensed Class III Gaming Retailer shall submit to the Director such financial and operating information as the Director shall require from time to time at such times and in such format as the Director shall specify.
- C. The Division or its designated agents shall have the right to audit the books and records including, without limitation, tax returns, of any Table Game Retailer/Licensed Class III Gaming Retailer.

**20.20. TABLE GAMING - REQUIREMENTS AND PRICE**

- A. Each Table Game Retailer/Licensed Class III Gaming Retailer shall be required to provide written information at each Table Game about Game rules, payoffs or winning wagers and other information as the Division may require.
- B. The minimum and maximum wagers permitted at any authorized Table Game shall be approved by the Division.
- C. Each Table Game Retailer/Licensed Class III Gaming Retailer shall furnish each Table Game with a sign acceptable to the Director indicating the permissible minimum and maximum wagers at the Table Game. Poker Tables shall also include a sign describing the type and amount of Rake to be collected.

**20.21. TABLE GAMING - EQUIPMENT REQUIREMENTS**

- A. No vendors shall be allowed to supply Table Game equipment and/or supplies without approval of the Director and vendor's ability to successfully complete the required licensing process.
- B. Vendors must submit to a Background Check as part of the licensing application process, the cost of which must be borne by the applicant.
- C. No Table Game equipment and/or supplies may be purchased, leased, or otherwise obtained for use by the Table Game Retailer without the prior approval of the Director.

**20.22. TABLE GAMING - TRANSPORTATION AND DELIVERY OF EQUIPMENT AND SUPPLIES**

- A. All Table Games, roulette wheels, Chip bankrolls, and roulette non-value Chips are to be transported and delivered as follows:
  - 1. Items to be transported in dedicated, sealed trucks from the manufacturer directly to the Table Game Facility.
  - 2. Upon departure, the manufacturer shall e-mail the serial numbers of the trucks' seals to both the Table Game Facility and the Division's designees.

3. Upon arrival, the Table Game Facility Surveillance Department shall be notified and instructed to provide coverage of the delivery. A Division's designee and the Facility's Director of Table Games shall inspect the truck seals to confirm serial numbers prior to cutting the seals.
  4. Serial numbers on the Tables brought into the Table Game Facility shall be inspected and recorded, and a report shall be compiled and provided to the Division's designee and the Facility's Director of Table Games.
  5. Chip bankrolls shall be stored in a designated area approved by the Division for secure storage until inspection by the Division's designee and by the auditor from an independent certified public accounting firm representing the Facility for complete and accurate accounting of Chips. All bankrolls shall then be placed in a designated secure storage area approved by the Division.
  6. Roulette wheels shall be stored in an area pre-approved by the Division for secure storage until inspection and then placement on the gaming floor.
- B. Card and dice shipments will be by commercial freight carriers on a regular basis from the manufacturer to the Table Game Facility's loading dock.
- C. The Surveillance Department shall be notified and instructed to provide coverage of a delivery described in Sections A and B above. The Facility's Casino Shift Manager and Division's designee shall be notified of the delivery and inspect the packages for tampering. If tampering is detected, the Facility's Director of Table Games shall be immediately notified. If no tampering is detected, the shipment shall be moved to an area approved by the Division for secure storage.

## **PART III – SPORTS WAGERING and ONLINE SPORTS WAGERING**

### **20.23. DEFINITIONS**

- A. The following additional definitions apply to this Chapter 20 in connection with Sports Wagering and Online Sports Wagering provided pursuant to the Casino Act unless the context requires a different meaning:
1. "Certification" means the authorization by the Division in accordance with its inspection and approval process of Sports Wagering Machines, equipment, etc.
  2. "Collegiate Sports or Athletic Event" means a Sporting Event offered or sponsored by or played in connection with, a public or private institution that offers educational services beyond the secondary level, but shall not include a collegiate sports contest or collegiate athletic event that takes place in Rhode Island or a sports contest or athletic event in which any Rhode Island college team participates regardless of where the event takes place unless such contest or event is part of a Collegiate Tournament.
  3. "Collegiate Tournament" means a series of Collegiate Sports or Athletic Events involving four (4) or more collegiate teams that make up a single unit of competition.

4. “Electronic Sports Wagering Ticket” means the electronic record generated and maintained by the Sports Wagering System in connection with Online Sports Wagering, resulting from a Player’s wager placed on a Sports Event using a Mobile Device.
5. “Maximum Wager Limit” means the maximum amount that can be wagered on a single Sports Event wager, be it head-to-head or Parlay, as determined by the Director.
6. “Minimum Wager Limit” means the minimum amount that can be wagered on a single Sports Event wager, be it head-to-head or Parlay, as determined by the Director.
7. “Mobile Device” means a device, approved by the Division, used to engage in Online Sports Wagering within the boundaries of the State of Rhode Island.
8. “Online Gaming Account” or “Sports Betting Account” means an account opened by a Player in accordance with the Sportsbook Rhode Island’s Terms and Conditions that such Player shall use for the deposit and withdrawal of funds used for Online Sports Wagering. The Sports Wagering Service Provider shall maintain an electronic ledger for a Player wherein information relative to such Player’s use and play is recorded on behalf of the Player including, but not limited to, transactions such as deposits, withdrawals, debits, credits, service or other transaction-related charges authorized by the Player, and adjustment to the Online Gaming Account. The term Online Gaming Account does not include an electronic ledger used solely by a Class III Gaming Retailer Licensee to track reward points or credits or similar benefits issued by such Licensee to a Player and not obtained by the Player through the payment of cash or cash equivalent even if such reward points or credits or similar benefits are redeemable for cash.
9. “Online Sports Wagering” means engaging in the act of Sports Wagering by the placing of wagers on Sporting Events or a combination of Sporting Events, or on the individual performance statistics of athletes in a Sporting Event or a combination of Sporting Events, over the internet through computers, mobile applications on Mobile Devices or other interactive devices approved by the Division, which wagers are accepted by a Server-Based Gaming System located at the premises of a hosting facility authorized to accept sports wagers and administer payoffs of winning sports wagers, all such wagers shall be deemed to be placed and accepted at the premises of a hosting facility.
10. “Payoff” when used in connection with Sports Wagering or Online Sports Wagering means cash or cash equivalents paid to a Player as a result of the Player’s winning a Sports Wager. A Payoff is a type of prize, as the term prize is used in R.I. Gen. Laws § 42-61-1, *et. seq.*, R.I. Gen. Laws § 42-61.2-1, *et seq.*, and R.I. Gen. Laws § 42-61.3-1, *et. seq.*
11. “Player” means a natural Person who has attained the age of eighteen (18) who engaged in Sports Wagering or Online Sports Wagering.
12. “Risk Manager” means the entity or person, contracted by the Division or a Sports Wagering Service Provider, which provides the bookmaking and risk management services for purpose of accepting wagers on collegiate or professional Sporting Events or athletic events, or other similar events.

13. “Secure Personal Identification” means a method of uniquely identifying a Player through which a Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer may verify access to, or use of, an Online Gaming Account.
14. “Server-Based Gaming System” means all hardware, software, and communications devices that comprise a system utilized for the purpose of offering an electronic platform located at the Facilities used in connection with the process of placing and accepting Sports Wagering and Online Sports Wagering wagers.
15. “Sportsbook Rhode Island” means, as applicable, the physical location or locations within a Facility where sports wagers are placed by Players in person or the related website or mobile application where Players can conduct Online Sports Wagering.
16. “Sporting Event” or “Sports Event” means any professional sport or athletic Event, any Olympic or international sports competition or event, and any Collegiate Sport or Athletic Event, and any other event authorized by the Division or any portion thereof, including, but not limited to, the individual performance statistics of athletes in a Sports Event or combination of Sports Events, except “Sports Event” shall not include: (i) The individual performance statistics of athletes in a collegiate sports or athletic event which is part of a collegiate tournament (a) that takes place in Rhode Island or (b) in which any Rhode Island college team participates regardless of where the event takes place; or (ii) any other prohibited sporting event as determined by the Division.
17. “Sports Wagering” means the business of accepting wagers on Sporting Events or a combination of Sporting Events, or on the individual performance statistics of athletes in a Sporting Event or a combination of Sporting Events, by any system or method of wagering. The term includes, but is not limited to, exchange wagering, parlays, over-under, moneyline, pools, and straight bets; and the term includes the placement of such bets and wagers.
18. “Sports Wagering Machine” means any machine, including a Self-Service Sports Wagering Kiosk, which issues Sports Wagering Tickets. A machine shall be considered a Sports Wagering Machine notwithstanding the use of an electronic credit system making the deposit of bills, coins, or tokens unnecessary.
19. “Sports Wagering Platform” means a combination of hardware and software, or other technology designed and used to manage, conduct, and record Online Sports Wagering activity as approved by the Division. The term includes any emerging or new technology deployed to advance the management, conducting, and operation Online Sports Wagering as approved by the Division.
20. “Sports Wagering Service Provider” means an entity with whom the Division has contracted for the purpose of providing goods or services, on the Division’s behalf, related to Sports Wagering and Online Sports Wagering, the related Sports Wagering Systems and/or providing and maintaining a central communication system, and the related management Facilities with respect to operating and servicing Sports Wagering Machines.
21. “Sports Wagering System” means the system(s) provided by a Sports Wagering Service Provider that consists of Sports Wagering and Online Sports Wagering products, risk management, operations, and support services.

22. “Sports Wagering Ticket” means the physical ticket receipt issued in connection with Sports Wagering by a Sports Wagering Machine to document a Player’s wager on a Sports Event.
23. “Unusual Betting Activity” means abnormal wagering activity exhibited by Players and deemed by the Sports Wagering Service Provider, Facilities, or the Division as a potential indicator of suspicious activity. Such activity may include the size of a Player’s wager or increased wagering and/or volume on a particular Sport Event or wager type.

**20.24. SPORTS WAGERING/ONLINE SPORTS WAGERING - GENERAL PROVISIONS**

- A. The Division shall implement, operate, conduct, and control Sports Wagering and Online Sports Wagering, which is authorized on the Premises of a Licensed Class III Gaming Retailer in conformance with approved operational procedures.
- B. A Sports Wagering Service Provider/Licensed Class III Gaming Retailer shall adhere to these Rules and Regulations as well as all established and/or approved policies and procedures applicable to their respective conduct and operations in connection with Sports Wagering and Online Sports Wagering. The Sports Wagering Service Provider shall also supervise their employees and their activities to ensure compliance with these Rules and all applicable policies and procedures.
- C. As related to Sports Wagering and Online Sports Wagering, the Sports Wagering Service Provider shall submit to the Director their internal procedures and administrative and accounting controls, which shall conform to these Rules and Regulations, all applicable policies and procedures of the Division, and any other requirements specified by the Director; and shall be otherwise satisfactory to the Director in his/her sole discretion.
- D. Sportsbook Rhode Island’s Sports Wagering House Rules, Online Sports Wagering House Rules, Terms and Conditions, Account Wagering Rules, Privacy Policy, and Official Promotion Rules, as each may be amended from time to time, are hereby incorporated by reference into these Rules and Regulations.
- E. In connection with Sports Wagering and/or Online Sports Wagering, the Director will determine the types of wagers that will be offered; the Minimum Wager Limit and Maximum Wager Limit on any available wager; the locations within the Facilities where Players may cash a winning Sports Wagering Ticket or request a withdrawal from a Player’s Online Gaming Account (if available), and the days and hours of operation for Sportsbook Rhode Island located within a Facility.
- F. Players shall be at least eighteen (18) years of age to engage in Sports Wagering and/or Online Sports Wagering. In the event a person under the age of eighteen (18) attempts to place a wager or claim any winning Payoff at a Facility, the Facility will treat the wager as void, and the person shall not be entitled to any winning Payoff, or a refund of the amount bet. This policy prohibiting persons underage and persons illegally entering the Premises from placing a wager or winning prizes shall be prominently displayed on the Premises of each Facility. Any mobile application or website offering Online Sports Wagering must have appropriate mechanisms in place to prevent underage Players from establishing and using an Online Gaming Account.
- G. Players may be required to provide identification and/or verification of information prior to engaging in Sports Wagering or Online Sports Wagering and during any claim process established for claiming a winning wager.

- H. All wagers will be deemed to have been accepted from the Player placing the wager only and not on behalf of any other person or entity.
- I. Sports Wagering and Online Sports Wagering shall be based on bills, coins, bonus bet vouchers, or credits, and the wagering limits shall be set by the Division after consultation with a Sports Wagering Service Provider and/or Risk Manager.
- J. For all wagers, the Sports Wagering System must have the capability to make a print, electronic, or other approved record (as applicable) of the entire transaction.
- K. For Online Sports Wagering, the Sports Wagering System's record of a Player's accepted wager(s) shall be deemed to be the transaction of record, and such records shall be made available to the Player upon request.
- L. The Division reserves the right to accept or refuse any wager or delete or limit any selection(s) prior to the acceptance of any wager.
- M. Once a Player places a wager and Sportsbook Rhode Island accepts the wager, such wager will not be altered or voided prior to the start of the Sporting Event, except at the sole discretion of the Division.
- N. Sportsbook Rhode Island shall make available to the Division a complete record of all point spreads, odds, final scores, and related betting proposition statistics to protect both the Player and Sportsbook Rhode Island in case of any obvious computer, mechanical, technical, or human error. In the event that such an obvious error(s) occurs, Sportsbook Rhode Island reserves the right to pay out the wager(s) at the correct lines/odds, as determined by the marketplace comparison at the time of the placement of the wager(s), or to refund the wager(s), subject to approval from the Division.
- O. In the event of a dispute that cannot be resolved by Sportsbook Rhode Island, a Player may submit a written appeal to the Division. The decision of the Division shall be final.
- P. Computer-generated point spreads/odds shall determine winners, losers, ties, and payout odds.
- Q. The Division reserves the right to add, delete, or change its rules and/or payoff odds.
- R. The Division does not recognize defaults prior to the start of a Sporting Event, suspended games, result changes, protests, overturned decisions, etc., for wagering purposes.
- S. Wagering rules and conditions are subject to change. If there is a conflict between a stipulation on an odds sheet/display and these Rules and Regulations, the stipulation on the odds sheet/display will prevail.
- T. Deposits, withdrawals, and payoffs of ten thousand dollars (\$10,000.00) or more may be delayed until the next banking day and/or may require the Player to present additional information to the Sports Wagering Service Provider.
- U. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall ensure that the count rooms for Cash collected in connection with Sports Wagering have appropriate security for the counting and storage of Cash.

## **20.25. SPORTS WAGERING/ONLINE SPORTS WAGERING – ACCEPTANCE OF WAGERS**

- A. A Sports Wagering Service Provider and/or a Licensed Class III Gaming Retailer may accept Sports Wagers as to which of the participating contestants will win specified Sports Events and as to whether the total points scored in a specified game, match, or similar Sports Event will be higher or lower than a number specified for that Sports Event.
- B. A Sports Wagering Service Provider and/or a Licensed Class III Gaming Retailer shall not knowingly accept money or its equivalent ostensibly as a wager upon a Sports Event whose outcome has already been determined. A Sports Wagering Service Provider and/or a Licensed Class III Gaming Retailer shall not accept a wager on a Sports Event unless the date and time at which the outcome of the Sports Event is determined can be confirmed from reliable sources satisfactory to the Director or from records created and maintained by a Sports Wagering Service Provider and/or a Licensed Class III Gaming Retailer in such manner as the Director may approve.
- C. No employee of a Sports Wagering Service Provider and/or a Licensed Class III Gaming Retailer may accept a wager from a person who the Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer or the employee knows, or reasonably should know, is placing a wager for the benefit of another for compensation or is placing a wager in violation of State or Federal law.
- D. No Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer may hold a Player's money or its equivalent on the understanding that the Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer will accept the money as a wager only upon the occurrence of a specified, future contingency, unless a Sports Wagering Ticket or Electronic Sports Wagering Ticket documenting the Sports Wager and contingency is issued immediately when the Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer receives the money or its equivalent.
- E. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer may not accept wagers on a Sporting Event unless the wagering proposition is posted. Propositions may be posted by electronic or manual means, including printed media.
- F. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer may not unilaterally rescind any Sports Wager without the prior approval of the Director or the Director's designee.
- G. The Director may unilaterally direct the Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer to limit, halt, or suspend Sports Wagering or Online Sports Wagering on any Sports Event if the outcome of a Sports Event would create an unacceptable level of financial liability.
- H. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall not knowingly accept a Sports Wager from any collegiate, semi-professional, or professional athlete, referee, official, coach, manager, handler, athletic trainer, or employee of a team or athletic organization who is prohibited by their team or athletic organization from engaging in Sports Wagering or Online Sports Wagering or from any individual who has been convicted of the crime of bookmaking in the State of Rhode Island or other state, pursuant to R.I. Gen. § 11-19-14.1, or any other individual prohibited by the Division.

**20.26. PARLAY CARD WAGERING**

- A. If required by the Director to offer parlay card wagering, it shall be the responsibility of the Sports Wagering Service Provider, in conjunction with the Risk Manager, to determine the games, matches or similar Sports Events and the point spreads for such Sport Events, subject to the approval of the Director or authorized designee, for parlay card wagering.
- B. It shall be the responsibility of the Sports Wagering Service Provider to design and produce the parlay card wagering forms in quantities as determined by the Division, and to distribute the parlay card wagering forms to each Facility on a schedule determined by the Division. The contents and format of such parlay card wagering forms, including the games, matches or similar Sports Events and the point spreads for such Sporting Events, must be approved by the Director or authorized designee prior to distribution.
- C. Each parlay card wagering form shall fully, accurately, and unambiguously disclose:
  - 1. The amounts to be paid to winners or the method by which such amounts are to be determined;
  - 2. The effect of ties;
  - 3. The minimum and maximum betting limits, if any;
  - 4. The procedure for claiming winnings, including but not limited to the documentation Players must present to claim winnings, time limits, if any, for claiming winnings, whether winnings may be claimed and paid by mail and, if so, the procedure for claiming winnings by mail;
  - 5. The effects of a Sports Wagering Event wagered on not being played on the date specified and of other Sport Events that will cause selections to be invalid.
  - 6. The requirement that a parlay card wager must consist of at least three selections that have not become invalid under applicable rules, or the wager will be void and the money wagered will be refunded;
  - 7. The rights, if any, reserved by a Sports Wagering Service Provider, including but not limited to reservation of the right to refuse any wager or delete or limit any selection prior to the acceptance of a wager, or to withhold Payoffs of specified amounts until the outcome of each proposition offered by the parlay card has been determined.
  - 8. The requirement that the point spreads printed on the parlay card wager form when the wager is accepted will be used to determine the outcomes of the wagers; and
  - 9. That the Sports Wagering House Rules apply to parlay cards unless otherwise stated on the parlay card wagering form.

**20.27. SPORTS WAGERS IN EXCESS OF TEN THOUSAND DOLLARS (\$10,000.00)**

- A. Prior to accepting any in-person sports wager(s) in excess of ten thousand dollars (\$10,000.00) or as otherwise required by federal and state regulations, a Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall obtain the Player's:

1. Name;
2. Permanent address;
3. Social Security or passport number; and
4. Identification credentials in one of the following forms:
  - i. Driver's license;
  - ii. Passport;
  - iii. Non-resident alien identification card;
  - iv. Other reliable government-issued identification credentials; or
  - v. Other picture identification credentials which are normally acceptable as a means of identification when cashing checks.

B. Identification credentials obtained to verify the Player's name and other required information must be carefully examined by a Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer to ensure its accuracy.

**20.28. PRIZE PAYOUTS IN EXCESS OF TEN THOUSAND DOLLARS (\$10,000.00)**

A. Prior to making an in-person Payoff(s) in excess of ten thousand dollars (\$10,000.00) or any amount requiring the issuance of Internal Revenue Service Form W-2G on a winning sports wager or as otherwise required by federal and state regulations, a Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall record/maintain records that include:

1. Player's name;
2. Player's address;
3. Player's social security number;
4. Description of the identification credentials examined, including document number;
5. Amount of the wager and Payoff;
6. Window number or other identification of the location where the wager and payout occurred;
7. The time and date of the wager and Payoff;
8. If applicable, the names and signatures of the Facility employees accepting or approving the wager and Payoff on the wager; and
9. Any other information as required by the Division.

B. A Facility shall not implement alternative procedures to comply with this subsection without prior written approval of the Director.

**20.29. SPORTS WAGERING/ONLINE SPORTS WAGERING – FINANCIAL REPORTING AND REQUIREMENTS**

- A. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer will provide an accounting mechanism for the Sports Wagering System as a whole, which mechanism shall achieve compliance with the standards of integrity, security, and control established by the Division.
- B. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall submit to the Director such financial and operating information and statistical data as the Director shall require at such times and in such format as the Director shall specify.
- C. The Division, or its designated agents, shall have the right to audit the books and records including without limitation tax returns and IRS withholding and reporting records of the Sports Wagering Service Provider and/or a Licensed Class III Gaming Retailer.
- D. All proceeds, net of proceeds returned to Players, from the operation of Sports Wagering and Online Sports Wagering shall be electronically transferred by the Sports Wagering Service Provider and/or a Licensed Class III Gaming Retailer daily or weekly, at the discretion of the Division, into an account designated by the Division.
- E. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall comply with all prescribed Federal and State requirements for withholding, recording and reporting, including, without limitation, currency transaction reports, anti-money laundering, suspicious activity reports, tax withholdings, and those requirements relating to the transfer of funds withheld from Player winnings from a Sports Wagering Service Provider and/or a Licensed Class III Gaming Retailer to the tax or other designated authorities.
- F. Any discrepancy regarding settlement of accounts will be resolved by the Director as the Director deems appropriate.

**20.30. SPORTS WAGERING SERVICE PROVIDER EQUIPMENT**

- A. A Sports Wagering Service Provider shall maintain the current software and Sports Wagering Machines in good working order acceptable to the Division.
- B. A Sports Wagering Service Provider shall pay all costs of any testing, examination, analysis and transportation of the Sports Wagering Machines. The Division shall have no liability for any damage or destruction.
- C. A Sports Wagering Service Provider shall submit all hardware, software, and test equipment necessary for testing Sports Wagering Machines.
- D. The software or other equivalent technology of each Sports Wagering Machine shall be certified to be in compliance with published specifications of an independent, third-party testing laboratory.
- E. No Sports Wagering Machine shall be put into use prior to Certification of its model by the Division.
- F. The Sports Wagering Service Provider may not change the assembly or operational functions of any of its Sports Wagering Machines approved for placement in Rhode Island unless approved by the Division.

**20.31. SPORTS WAGERING/ONLINE SPORTS WAGERING – INTEGRITY AND SECURITY**

- A. A Sports Wagering Service Provider shall have controls in place to identify Unusual Betting Activity and immediately report such activity to the Division or its authorized representatives.
- B. The Director, or authorized designee, after receiving a report of suspicious or Unusual Betting Activity, may unilaterally direct the Sports Wagering Service Provider, Risk Manager, and/or Sportsbook Rhode Island to immediately suspend wagering or cancel wagers on Sporting Events related to the report.
- C. The Division and sports-governing bodies shall be authorized to share information regarding the integrity of Sporting Events on which Sports Wagering or Online Sports Wagering is being conducted.
- D. The Division may require a Sports Wagering Service Provider to provide any hardware or software necessary for the Division to monitor, evaluate, and investigate Sports Wagering or Online Sports Wagering or of the data provided by its system.
- E. The Division considers, and shall treat, all information and data received pursuant to this section by the Division related to unusual or suspicious activity as confidential. The Division shall not disclose such information, in whole or in part, except upon the lawful order of a court of competent jurisdiction; unless such disclosure is deemed appropriate by the Division to release to any law enforcement entity, team, sports-governing body, or regulatory agency that the Division deems appropriate.
- F. A Sports Wagering Service Provider shall be responsible for ensuring, and actively monitoring, that all components of the Sports Wagering Platform, the Sports Wagering System, and the Sports Wagering Central Communications System are physically secure, and any applicable network is secure and has anti intrusion measures in place.

**20.32. SPORTS WAGERING - SPORTS WAGERING TICKET REQUIREMENTS AND CONDITIONS**

- A. A Sports Wagering Machine shall create and issue a Sports Wagering Ticket on which the terms of the wager are written. Wagers may be accepted at other than posted odds. Players are responsible for checking their Sports Wagering Ticket prior to leaving the Sportsbook Rhode Island wagering counter/window. Sportsbook Wagering Tickets go as written and cannot be altered or voided once accepted by the Player, except at the sole discretion of the Division.
- B. The use of two-way electronic communication device while placing a wager in the Sportsbook Rhode Island area in a Facility is prohibited.
- C. Each Sports Wagering Ticket shall display the amount wagered and the Payoff based on the amount wagered.
- D. The time printed on a Sports Wagering Ticket shall be Eastern Time.
- E. Currently offered Sports Wagering odds or point spreads on a given Sporting Event will be posted on the display boards within the Sportsbook Rhode Island area in a Facility. Such display boards may not list the odds, point spreads or totals for certain Sporting Events. If such information is not listed

on the display boards, then odd sheets made available in the Sportsbook Rhode Island area can be reviewed.

- F. Computer-generated Sports Wagering Tickets are official and may not always match propositions on the display boards.
- G. The Division is not responsible for lost, stolen, altered, or unreadable Sports Wagering Tickets.
- H. Sports Wagering Tickets are void if stolen, unissued, mutilated, illegible, altered in any way, defective, or incomplete.
- I. A valid, physical Sports Wagering Ticket must be presented for all prize claims.
- J. A winning Sports Wagering Ticket is void one (1) year after the date of the conclusion of the last Sporting Event on the wager. Sports Wagering Tickets may be redeemed by a Player at the designated places on the Premises of a Facility during the one (1) year redemption period, which ends at the time of settlement, commencing upon the determination of the result of the last wagered Sporting Event.
- K. The Division is not responsible for paying winning Sports Wagering Tickets resulting from any system or Sports Wagering Machine malfunction.

### **20.33. SPORTS WAGERING – SPORTS WAGERING TICKET REDEMPTION**

- A. Each Facility shall designate employees authorized to redeem winning Sports Wagering Tickets during the Sportsbook Rhode Island hours of operation.
- B. Facilities shall redeem Sports Wagering Tickets presented by a Player in accordance with procedures proposed by the Facilities and approved by the Director. Such procedures may be modified at the direction of the Director in his or her sole discretion at any time. Players claiming winning Payoffs may be required to present sufficient identification as required by the Division.
- C. No winning Sports Wagering Ticket shall be redeemed more than one (1) year from the date of the determination of the result of the last Sporting Event that was the subject of the applicable Sports Wager. Funds reserved for the payment of an expired winning Sports Wagering Ticket shall automatically revert to the Lottery Fund, and the winner shall have no claim thereto. The one (1) year redemption policy in this regulation shall be prominently displayed on the Premises of a Facility and on the back of Sports Wagering Tickets.
- D. No payment for a winning Sports Wagering Ticket shall be made unless the Sports Wagering Ticket meets the following requirements:
  - 1. It is presented on a fully legible, valid, printed Sports Wagering Ticket as approved by the Division, containing all required information necessary to validate the Sports Wagering Ticket;
  - 2. It is not counterfeit in whole or in part; and
  - 3. It is presented by a person authorized to play.

#### **20.34. SPORTS WAGERING – ERRONEOUS OR MUTILATED SPORTS WAGERING TICKETS**

- A. If a mutilated Sports Wagering Ticket is presented, no credit or prize will be issued to the holder of said Sports Wagering Ticket, unless the Director, in the Director’s sole discretion, is satisfied that a mutilated Sports Wagering Ticket is genuine.
- B. The Division and/or a Facility is not responsible for paying winning Sport Wagering Tickets resulting from any system or terminal malfunction or from human error.
- C. If a Sports Wagering Ticket sold to a Player is determined by the Director to be misprinted due to machine error or is determined to be erroneously issued due to a malfunction or other type of error, the Division shall direct the Facility to reimburse the Sports Wagering Ticket holder for the cost of the wager(s) on the Sports Wagering Ticket. Such Sports Wagering Tickets shall not be eligible for any prize.
- D. The Director may require Facilities to comply with such directives as the Director deems necessary for erroneous, misprinted, or mutilated Sports Wagering Tickets received by a Facility.

#### **20.35. ONLINE SPORTS WAGERING – REQUIREMENTS AND CONDITIONS**

- A. The Director shall authorize the Sports Wagering Service Provider to develop and implement a website and mobile application that will allow Online Sports Wagering. Such wagering shall be strictly limited to within the boundaries of the State of Rhode Island.
- B. A Sports Wagering Service Provider must provide and implement so-called “geofencing” or “geolocation” technologies to prevent unauthorized Online Sports Wagering beyond the boundaries of the State of Rhode Island.
- C. A Sports Wagering Service Provider must provide and implement so-called “know your customer” technologies (“KYC”) to verify the identity and age of individuals seeking to engage in Online Sports Wagering.
- D. A Sports Wagering Service Provider shall have the right, for good and sufficient reason, to refuse to establish an Online Gaming Account, refuse to accept deposits to Online Gaming Accounts, refuse to accept all or part of any wager, and declare that any or all wagers will no longer be received.
- E. Unless there is a pending investigation or Player dispute, a Sports Wagering Service Provider may suspend or close any Online Gaming Account at any time pursuant to the terms of the agreement between the Sports Wagering Service Provider and the Player; provided, however, when an Online Gaming Account is closed, the Sports Wagering Service Provider shall immediately return the balance of the Online Gaming Account at the time of said action, subject to compliance with these Rules and Regulations, Online Sports Wagering House Rules, Terms and Conditions, Account Wagering Rules, Privacy Policy, and Official Promotion Rules, as each may be amended from time to time, and all applicable Federal and State laws and regulations, by sending a check to the Player’s address of record or as otherwise provided pursuant to the terms of the Online Wagering Account agreement.
- F. A winning Electronic Sports Wagering Ticket is void one (1) year from the date of the win of the conclusion of the last Sporting Event on the wager. Players must complete all requirements for the

redemption of a winning Electronic Sports Wagering Ticket during the one (1) year redemption period commencing with the determination of the last wagered Sporting Event. Funds reserved for the payment of an expired winning Electronic Sports Wagering Ticket automatically revert to the Lottery Fund, and the winner shall have no claim thereto.

**20.36. ONLINE SPORTS WAGERING – ONLINE GAMING ACCOUNT REQUIREMENTS**

- A. A Sports Wagering Service Provider shall adopt, conspicuously display, make available, and adhere to written, comprehensive rules, approved by the Division, governing Online Gaming Account transactions. These rules shall include, but not be limited to:
1. Providing each Player, upon reasonable request and consistent with its internal control policies, with a statement of account showing each Online Gaming Account deposit, withdrawal, credit, and debit made during the time period reported by the account statement.
  2. Making a record in a format approved by the Division of the entire transaction for all wagers and shall not accept any such wager if the recording system is inoperable. Such record of a Player's placement of all wagers shall be deemed to be the transaction of record. Such record shall be made available to the Division upon request.
  3. Describing the process for establishing, funding, and using an Online Gaming Account.
  4. Defining the requirements of each available wager, including any related rules specific to a particular wager, and explaining the process for determining a winning wager and any applicable payout process.
- B. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall not allow a Player to electronically transfer funds from their Online Gaming Account to another Player's Online Gaming Account.
- C. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall suspend an Online Gaming Account if the Online Gaming Account has not been used to login for a consecutive sixteen (16) month period. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer may reactivate a suspended Online Gaming Account only after re-verifying the information required by this Chapter and may require the Player to present a current government-issued picture identification credential.
- D. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall treat an Online Gaming Account as "abandoned" if there is no activity (no logins) for a period of three (3) years or more. Such Online Gaming Account shall be deemed abandoned under R.I. Gen. Laws § 33-21.1-1, *et. seq.* and treated in accordance thereunder.
- E. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall not allow an Online Gaming Account to be overdrawn unless caused by issues outside the control of the Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer.
- F. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall record and maintain, for a period of at least five (5) years after creation, the following Online Gaming Account information:

1. All information used to register a Player and create the Online Gaming Account;
2. The method used to verify the information provided by a Player to establish the Online Gaming Account, including a description of the identification credential provided by a Player to confirm the Player's identify and its date of expiration;
3. The date and time the Online Gaming Account is opened and terminated;
4. The date and time the Online Gaming Account is accessed by any person, including the Player or the Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer;
5. All deposits, withdrawals, credits, and debits; and
6. The Player's Online Gaming Account number.

**20.37. ONLINE SPORTS WAGERING – ONLINE GAMING ACCOUNT SET UP**

- A. After determining that a Player is not on the list of excluded persons or prohibited players maintained by the Facilities, a Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer may establish and allow the use of an Online Gaming Account for Online Sports Wagering.
- B. As part of the online registration process, a Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer must obtain, record, and verify the Player's name, date of birth, physical address, and last four (4) digits of the Player's Social Security Number.
- C. The registration process must have the Player affirm that the information provided is accurate, that the Player has reviewed and acknowledged the rules and procedures established by the Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer for use of the Online Gaming Account, that the Player is prohibited from allowing any other person access to the Player's Online Gaming Account, and that the Player consents to the monitoring and recording by Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer and/or the Division of the use of the Online Gaming Account.
- D. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall develop and implement a process for reviewing and documenting the identity verification procedures used for the identity verification check. If a Player is not able to register using the online registration process due to a KYC failure, the Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall not allow that Player to make any wagers using the Online Gaming Account until the Player provides to the Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer all of the necessary documentation required to verify the Player's identity or the Player completes any other method approved of the Division to verify the Player's identity ("Confirmation Process"). This documentation includes, but is not limited to, a government-issued picture identification credential confirming the Player's identity. Acceptable forms of identification include the following – government-issued motor vehicle operator's license, government-issued identification card, and passport. If the player's identity is able to be confirmed using the Confirmation Process, a Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer may override the automated KYC failure and activate the Player's Online Gaming Account.

- E. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall not override the automated KYC failure for any Player who fails the KYC check due to the Player's inclusion on the OFAC (Office of Foreign Assets Control) watch list.
- F. Once an Online Gaming Account is created, a secure method to access the Online Gaming Account for the Player authorized to use the Online Gaming Account shall be implemented by a Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer, that is reasonably designed to prevent the unauthorized access to, or use of, the Online Gaming Account by any person other than the Player for whom the Online Gaming Account is established.
- G. A Player shall be permitted to establish only one (1) Online Gaming Account.

**20.38. ONLINE SPORTS WAGERING – ONLINE GAMING ACCOUNT FUNDING GUIDELINES**

- A. Funds may be deposited (minimum of twenty dollars (\$20.00) and a daily maximum of ten thousand dollars (\$10,000.00)) by a Player into the Player's Online Gaming Account as follows:
  - 1. Debits from the Player's debit instrument so long as such instrument is approved by the Division;
  - 2. Transfer from another account verified to be controlled by the Player through the Automated Clearing House (ACH) or another mechanism designed to facilitate electronic commerce transactions; and
  - 3. Any other means approved by the Division.
- B. Funds may not be deposited into a suspended or closed account; and
- C. Sportsbook Rhode Island reserves the right to refuse any deposit into an account for what it deems to be a good and sufficient reason.
- D. Funds may be withdrawn by a Player from the Player's Online Gaming Account as follows:
  - 1. Issuance of a check, cashier check, money order, or wire transfer by the Licensee made payable to the Player;
  - 2. Credits to the Player's debit instrument;
  - 3. Transfers to another account verified to be controlled by the Player through the ACH or another mechanism designed to facilitate electronic commerce transactions; and
  - 4. Any other means approved by the Division.
- E. Credits to a Player's Online Gaming Account may be made by the following means:
  - 1. Deposits;
  - 2. Amounts won by the Player;

3. Adjustments made by the Sports Wagering Service Provider following the resolution of a dispute; and
  4. Any other means approved by the Division.
- F. Debits to a Player's Online Gaming Account may be made by the following means:
1. Withdrawals;
  2. Amounts wagered by the Player;
  3. Adjustments made by the Sports Wagering Service Provider following the resolution of a dispute; and
  4. Any other means approved by the Division.
- G. If applicable, a Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall disclose its policy regarding the acceptance of personal checks, cashier checks, wire transfers, money orders, debit instruments, and electronic transfers of money to the Player.

**20.39. ONLINE SPORTS WAGERING – SPORTS WAGERING PLATFORM REQUIREMENTS**

- A. The Sports Wagering Platform utilized by the Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer must be approved by the Division.
- B. Prior to the final placement of the wager, the Sports Wagering Platform shall provide for the Player's review of all sports wagering information before the wagering communication is accepted by the Sports Wagering Platform. The Sports Wagering Platform shall create a record of the wager placement, known as the Electronic Sports Wagering Ticket, and this record of the wager shall be deemed to be the actual transaction of record.
- C. The Sports Wagering Platform shall prohibit wagers from being changed after the Player has reviewed and placed the wagering information and the specific wagering communication transaction has been completed.
- D. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall configure the Sports Wagering Platform so that it shall prohibit the acceptance of a wager, or a series of wagers, in an amount in excess of the available balance of the Player's Online Gaming Account.
- E. The Sports Wagering Platform shall post payment on winning Electronic Sports Wagering Ticket as a credit to the Player's Online Gaming Account as soon as reasonably practicable after the Sports Event is declared official. The Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall notify the Player if a winning wager requires the Player to take additional steps to claim the win.
- F. The Sports Wagering Platform shall maintain complete records of every deposit, withdrawal, wager, winning payoff, and any other debit or credit for each Player's Online Gaming Account.

- G. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall be responsible for ensuring that the Sports Wagering Platform shall maintain procedures and security standards to protect and respond to suspected or actual hacking or tampering by any person.
- H. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall be responsible for ensuring that the Sports Wagering Platform shall maintain procedures and geolocation technologies to verify each registered Player's physical location within the boundaries of the State of Rhode Island each time a registered Player logs into his or her Online Gaming Account and attempts to place a wager.
- I. The Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall be responsible for ensuring that the Sports Wagering Platform shall maintain procedures and KYC technologies to verify each registered Player's identity and age each time a registered Player alters the Online Gaming Account's personal identifying information.
- J. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall be responsible for ensuring that the Sports Wagering Platform shall maintain procedures and appropriate measures implemented to deter, detect, and to the extent possible, prevent cheating, including collusion and use of cheating devices, including the use of software programs that make wagers according to algorithms.
- K. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall be responsible for implementing and maintaining procedures and appropriate measures related to fraud detection and prevention and shall be responsible for completing any related follow-up response.
- L. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall be responsible for ensuring that the Sports Wagering Platform shall maintain procedures to govern emergencies, including suspected or actual cyber-attacks, hacking, or tampering with the Sports Wagering Platform, including but not limited to, the mobile application and website for Sportsbook Rhode Island. These procedures shall include the process for the reconciliation or repayment of a registered Player's Online Gaming Account.
- M. The Sports Wagering Platform must offer functionality that allows a Player to set up and use Responsible Gambling features including but not limited to deposit limits, wager limits, time limits, time out ability, and self-exclusion. The Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall ensure all specified limits are correctly implemented immediately or at the point in time clearly indicated by the Player. Once such limits are requested by a Player and implemented by the Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer, a reduction of the limits shall only be possible upon the expiration of the limit or as otherwise approved by the Division.
- N. The Sports Wagering Platform shall clearly display the amount of funds available in the Player's Online Gaming Account.
- O. The Sports Wagering Platform shall provide for the prominent display of the following information on a virtual page or screen, which, by virtue of the construction of the interface, registered Players must access before beginning an Online Sports Wagering session:

1. The full Sportsbook Rhode Island name and logo, provided by the Division for display, indicating that the Sports Wagering Platform is authorized to operate Online Sports Wagering in the State;
  2. A statement that persons under the age of eighteen (18) are not permitted to engage in Online Sports Wagering;
- P. The Sports Wagering Platform shall contain all of the following information so that it is readily available to a Player:
1. Information explaining how disputes are resolved;
  2. Problem gambling information that is designed to offer information pertaining to responsible gambling;
  3. Information that allows for a Player to choose to be excluded from engaging in Online Sports Wagering;
  4. Comprehensive Online Sports Wagering House Rules governing wagering transactions with Players, including the types of wagers accepted, how winning wagers will be paid, the effect of schedule changes, the redemption period for winning Electronic Sports Wagering Tickets, and the method of noticing odds or line changes to Players;
  5. Comprehensive Terms and Conditions and Account Wagering Rules governing the use of a Player's Online Gaming Account;
  6. Comprehensive Privacy Policy governing the use of a Player's information;
  7. Comprehensive Official Promotion Rules governing the terms and conditions of any available promotion and related specific requirements, conditions, and limitations for any particular promotion;
  8. Any other information required by the Division.

**20.40. SPORTS WAGERING/ONLINE SPORTS WAGERING - CONFIDENTIALITY OF PLAYER INFORMATION**

- A. Except as otherwise expressly permitted herein or as requested by the Division, a Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall keep the following information confidential:
1. The amount of money credited to, debited from, or present in any particular Player's Online Gaming Account;
  2. The amount of money wagered by a particular Player on any game or gaming device;
  3. The account number and Secure Personal Identification method that identifies the Player;
  4. The identities of particular entries on which a Player is wagering or has wagered; and

5. The name, address, and other information in the possession of a Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer that would identify the Player to anyone.
- B. A Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer, with regard to information identified in these Rules and Regulations, shall share that information with:
1. The Division;
  2. Financial institutions participating in a program established in accordance with Section 314(b) of the USA Patriot Act; and
  3. Others as may be required by State or Federal law.
- C. The Sports Wagering Service Provider and/or Licensed Class III Gaming Retailer shall encrypt all personally identifiable information and login credentials in transit and at rest on the Sports Wagering Platform.

## **PART IV – iGAMING**

### **20.41. DEFINITIONS**

- A. The following additional definitions apply to this Chapter 20 in connection with iGaming provided pursuant to the Casino Act unless the context requires a different meaning:
1. “**iGaming**” means Casino Gaming, inclusive of Online Slot Games and Online Table Games, and made available to players who have reached twenty-one (21) years of age through the use of the internet through computers, mobile applications on mobile devices, or other interactive devices approved by the Division, which wagers are accepted by a server-based gaming system located at the premises of a hosting facility. All wagers on iGaming games shall be deemed to be placed and accepted, and iGaming games shall be deemed to be operated on the Division’s behalf, at the Premises of a hosting Facility.
  2. “**iGaming Account**” means an account opened by a patron, who is over the age of twenty-one (21) years old, that such patron can use for the deposit and withdrawal of funds used for iGaming.
  3. “**iGaming Game Vendor**” means any entity authorized to provide Online Slot Games and Online Table Games, as approved by the Division in connection with iGaming, on the Division’s behalf in accordance with the Casino Act, such Online Slot Games and Online Table Games being games owned or licensed by the iGaming Game Vendor (or by an entity controlling, controlled by, or under common control with such entity) or games owned or licensed by a third party, that (in either case) are licensed to the iGaming Game Vendor for sublicense to the Division as authorized by the Division.
  4. “**iGaming Platform**” means the certified, hosted, licensed, and managed iGaming Server-Based Gaming System and all related components that support such system made available to the Division to operate iGaming in the State.

5. “iGaming Platform Vendor” means an entity that operates a hosting Facility (or by an entity controlling, controlled by, or under common control with such an entity) and that is authorized by the Division to conduct iGaming on the Division’s behalf in accordance with the Casino Act.
6. “iGaming Server-Based Gaming System” means all hardware, software, and communications devices that comprise a system utilized for the purpose of offering an electronic platform used in connection with the process of placing and accepting iGaming wagers.
7. “Online Slot Game” means an online slot-machine-like game authorized by the Division within the scope of the term iGaming. Online Slot Games include, but are not limited to, online games involving digital versions of spinning reels or pay lines, and may include: (i) an auto play feature; (ii) an adjustable bet feature; (iii) a random number generator to determine the game outcome; and (iv) games that can be played infinitely, using a nondepleting prize pool, offer prizes that are all available with every play, and have odds that remain the same with every play.
8. “Online Table Game” means a casino-style table game authorized by the Division within the scope of the term iGaming, where such games are conducted by one or more live persons and made available to players through use of the internet through computers, mobile applications on mobile devices, or other interactive devices approved by the Division, which wagers are accepted by a server-based gaming system located at the premises of a hosting facility and played with the digital representation of cards, dice, or equipment.
9. “Player” means a natural Person who has attained the age of twenty-one (21) who engages in iGaming.
10. “Unusual Betting Activity” means abnormal wagering activity exhibited by Players and deemed by the iGaming Platform Vendor, iGaming Game Vendor, or the Division as a potential indicator of suspicious activity. Such activity may include the size of a Player’s wager or increased wagering and/or volume on a particular game or wager type.

#### **20.42. IGAMING - GENERAL PROVISIONS**

- A. The Division shall implement, operate, conduct, and control iGaming, which is authorized on the Premises of a Licensed Class III Gaming Retailer in conformance with approved operational procedures.
- B. A Licensed Class III Gaming Retailer shall provide secure, segregated facilities, as required by the Division, on the Premises for the exclusive use of the Division staff and the GEU. Such space shall be located proximate to the gaming floor and shall include surveillance equipment, monitors with full camera control capability, as well as other office equipment that may be deemed necessary by the Division. The location and size of the space shall be subject to the approval of the Division.
- C. The iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer shall adhere to these Rules and Regulations as well as all established and/or approved policies and procedures applicable to their respective conduct and operations in connection with iGaming. The iGaming Platform Vendor, iGaming Game Vendor and/or Licensed Class III Gaming Retailer shall also supervise their employees and their activities to ensure compliance with these Rules and Regulations and all applicable policies and procedures. Only authorized employees shall be involved in iGaming, with appropriate access controls in accordance with the employee’s duties.

- D. The iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer shall submit to the Director their internal procedures and administrative and accounting controls, which shall conform to these Rules and Regulations, all applicable policies and procedures of the Division, and any other requirements specified by the Director; and shall be otherwise satisfactory to the Director in his/her sole discretion.
- E. The iGaming Platform Vendor, the iGaming Game Vendor and/or Licensed Class III Gaming Retailer shall submit to the Division the rules for Online Slot Games and Online Table Games, details of all game payouts, and any other information requested by the Division.
- F. The iGaming House Rules, Terms and Conditions, Privacy Policy, Cookie Policy, and Bonus Policy (including any specific promotional rules) as each may be amended from time to time, are hereby incorporated by reference into these Rules and Regulations.
- G. In connection with iGaming, only those Online Slot Games and Online Table Games that are approved by the Director shall be made available to Players, and all available Online Slot Games and Online Table Games shall conform to the specifications approved by the Director.
- H. Players shall be at least twenty-one (21) years of age to engage in iGaming. The iGaming Platform, including, but not limited to, any mobile application or website used to offer iGaming, must have appropriate mechanisms in place to prevent underage Players from establishing and using an iGaming Account. In the event a person under the age of twenty-one (21) attempts to place a wager or claim any iGaming winning payout, the iGaming Platform Vendor will treat the wager as void, and the person shall not be entitled to any winning iGaming payouts or a refund of the amount bet.
- I. A Player may be required to provide identification and/or verification of information prior to engaging in iGaming and during any claim process established for claiming iGaming winnings.
- J. All iGaming wagers will be deemed to have been accepted from the Player placing the wager only and not on behalf of any other person or entity.
- K. iGaming shall be based on bills, coins, or credits, and the wagering limits shall be set by the Division after consultation with the iGaming Platform Vendor and/or iGaming Game Vendor.
- L. The iGaming Platform shall have the capability to record electronically, or in another approved format, a Player's entire transaction. The iGaming Platform's record of a Player's confirmation of all wagers and game play selection(s) shall be deemed to be the transaction of record, and such record shall be available upon request to the Player and the Division.
- M. In the case of any obvious computer, mechanical, technical, or human error, the iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer may void the wager(s) and/or the game play selection(s) and refund the Player's transaction, subject to approval from the Division.
- N. The iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer shall establish a process for resolving Player complaints and disputes in accordance with these Rules and Regulations.
- O. In the event a dispute cannot be resolved between the Player and the iGaming Platform Vendor,

iGaming Game Vendor, and/or Licensed Class III Gaming Retailer, a Player may submit a written appeal to the Division. The decision of the Division shall be final.

- P. Deposits, withdrawals, and payoffs of ten thousand dollars (\$10,000.00) or more may be delayed until the next banking day and/or may require the Player to present additional information to the iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer.
- Q. A winning iGaming wager is void one (1) year from the date of the win associated with such wager. Players must complete all requirements for the redemption of a winning iGaming wager during the one (1) year redemption period commencing with the determination of the result of the wager. Funds reserved for the payment of an expired winning iGaming wager shall automatically revert to the State Lottery Fund, and the winner shall have no claim thereto.

#### **20.43. IGAMING – REQUIREMENTS AND CONDITIONS**

- A. The Director shall authorize the iGaming Platform Vendor to develop and implement an iGaming Platform, including a website and mobile application, that will allow iGaming. Such wagering shall be strictly limited to being within the boundaries of the State of Rhode Island.
- B. The iGaming Platform Vendor must provide and implement so-called “geofencing” or “geolocation” technologies to prevent unauthorized iGaming beyond the boundaries of the State of Rhode Island. If the iGaming Platform determines that a Player is located outside of the State of Rhode Island, such Player shall be prohibited from placing an iGaming wager until a geolocation re-check is performed and confirms that the Player is within the State of Rhode Island. A Player is permitted to have access to the Player’s iGaming Account on the iGaming Platform if the Player is out of state so long as such access is limited to withdrawal or deposit of funds and viewing and/or changing settings or account information.
- C. The iGaming Platform Vendor must provide and implement so-called “know your customer” technologies (“KYC”) to verify the identity and age of individuals seeking to engage in iGaming. The iGaming Platform shall not permit a person to establish and use an iGaming Account until the person’s identity and age are confirmed by the iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer.
- D. The iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer must comply with all federal, state, and local requirements, including but not limited to suspicious activity or W-2G reporting.
- E. No employee of the iGaming Platform Vendor and/or a Licensed Class III Gaming Retailer may accept a wager from a person who the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer and/or the employee knows, or reasonably should know, is placing a wager for the benefit of another for compensation or is placing a wager in violation of State or Federal law.
- F. The iGaming Platform Vendor and/or a Licensed Class III Gaming Retailer shall have the right to refuse to establish an iGaming Account, refuse to accept deposits to an iGaming Account, refuse to accept all or part of any wager, or declare that any or all wagers may be voided.

- G. Unless there is a pending investigation or Player dispute, the iGaming Platform Vendor and/or a Licensed Class III Gaming Retailer may suspend or close any iGaming Account at any time pursuant to the terms of the agreement between the iGaming Platform Vendor and/or a Licensed Class III Gaming Retailer and the Player; provided, however, when an iGaming Account is closed, the iGaming Platform Vendor and/or a Licensed Class III Gaming Retailer shall immediately return the balance of the iGaming Account at the time of said action, subject to compliance with these Rules and Regulations, iGaming House Rules, Terms and Conditions, Privacy Policy, Cookie Policy, and Bonus Rules (including specific promotional rules) as each may be amended from time to time, and all applicable Federal and State laws and regulations, by sending a check to the Player's address of record or as otherwise provided pursuant to the terms of the iGaming Account agreement.
- H. In connection with iGaming, the iGaming Platform Vendor, iGaming Game Vendor, and/or a Licensed Class III Gaming Retailer shall maintain insurance coverage in amounts satisfactory to the Division in the following categories:
1. General Liability Insurance
  2. Property Insurance
  3. Errors and Omissions Insurance
  4. Automobile Liability Insurance
  5. Crime Insurance
  6. Cyber Insurance
- I. All bonds and insurance required by the Division in connection with iGaming shall be issued by companies qualified to do business in the State of Rhode Island.

**20.44. iGAMING – EQUIPMENT REQUIREMENTS**

- A. No vendors shall be allowed to supply iGaming equipment and/or supplies without approval of the Director and vendor's ability to successfully complete the required licensing process.
- B. Vendors must submit to a Background Check as part of the licensing application process, the cost of which must be borne by the applicant.
- C. No iGaming equipment and/or supplies may be purchased, leased, or otherwise obtained for use by the iGaming Platform Vendor and/or the iGaming Game Vendor without the prior approval of the Director.
- D. The transportation and delivery of Online Table Game equipment shall adhere to the same protocols as required under Section 20.22 of this Chapter.

#### **20.45. iGAMING – GAME CONTENT**

- A. The Director shall authorize such Online Slot Games and Online Table Games as the Director shall determine, from time to time, to be in the best interest of the State.
- B. Each Online Slot Game and Online Table Game must display the amount wagered and the amount awarded for each possible winning occurrence based on the amount wagered. Players must be able to view payout tables.
- C. The percentage payout of each Online Slot Game and Online Table Game shall be established by the Director from time to time in the Director’s discretion based on marketing data furnished to the Director by the iGaming Platform Vendor and/or the iGaming Game Vendor.
- D. The iGaming Platform Vendor, the iGaming Game Vendor and/or Licensed Class III Gaming Retailer shall be responsible for ensuring that the Online Slot Games and Online Table Games provided by the iGaming Game Vendor are secure, authorized, and monitored by the system to ensure that only authorized content is available and running on the iGaming Platform.
- E. All Online Slot Games and Online Table Games must be tested and certified to meet, and continue to meet, the specifications of the Division. Such testing and certification must be by a third-party independent testing company approved by the Division. The iGaming Platform Vendor, the iGaming Game Vendor and/or Licensed Class III Gaming Retailer shall be responsible for all costs related thereto. The Division reserves the right to reject any Online Slot Game or Online Table Game and/or may require the Online Slot Game or Online Table Game to be recertified by the third-party independent testing company if the Division deems it necessary.
- F. The iGaming Platform Vendor, the iGaming Game Vendor and/or Licensed Class III Gaming Retailer shall be responsible for ensuring that all suppliers of Online Slot Games and Online Table Games, including related equipment and supplies, are properly vetted by the GEU and licensed by DBR.
- G. The iGaming Platform Vendor, the iGaming Game Vendor and/or Licensed Class III Gaming Retailer shall be required to provide written information to Player in connection with each Online Table Game about game rules, payoffs or winning wagers and other information as the Division may require.
- H. The minimum and maximum wagers permitted at any authorized Online Slot Game or Online Table Game shall be approved by the Division and displayed to Players on the iGaming Platform.
- I. The iGaming Platform Vendor, the iGaming Game Vendor and/or Licensed Class III Gaming Retailer shall establish procedures, subject to the Division’s approval, to manage a Player’s participation in an Online Slot Game or Online Table Game if such participation is interrupted after the Player makes a wager but prevented from continuing/resuming the Online Slot Game or Online Table Game. Such procedures shall provide a process for updating the Player’s iGaming Account accordingly.

#### **20.46. iGAMING – STUDIO**

- A. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall provide and maintain a secure, designated location within the Lincoln Gaming Facility that facilitates Online Table Games and related support services (“Studio”). The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall establish a resiliency plan for the Studio to allow for the same functionality in a separate location approved by the Division.

- B. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall ensure that visibility in a Facility is not obstructed in any way that could interfere with the ability of the Division, iGaming Platform Vendor and/or Licensed Class III Gaming Retailer, or other Persons authorized by the Division to oversee the surveillance of the conduct of Online Table Games or the Studio.
- C. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall adopt policies and procedures, for approval by the Division, to prohibit any Online Table Game equipment from being possessed, maintained, or exhibited by any Person on the Premises except in the areas within a Facility where Online Table Games are conducted, or in a restricted area designated to be used for the inspection, service, repair, or storage of Online Table Game equipment by the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer, or in an area used for employee training.
- D. The iGaming Platform Vendor and/or The Licensed Class III Gaming Retailer shall provide specifications, for approval by the Division, to integrate and update the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer's surveillance system to cover all areas where iGaming is conducted, and other areas as required by the Division. The specifications shall include provisions providing the Division, and other Persons authorized by the Division, with onsite access to the system.
- E. The iGaming Platform Vendor, the iGaming Game Vendor and/or Licensed Class III Gaming Retailer shall ensure that the Online Table Games are continuously recorded to adequately reconstruct the play of such games to the satisfaction of the Division.
- F. All access to iGaming equipment areas, gaming areas, and server room locations in the Facilities shall be limited to only those persons authorized and approved by the Division.
- G. No Players shall be permitted in the Studio. Online Table Games shall be offered exclusively to Players accessing such games through the iGaming Platform.
- H. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall be responsible for ensuring that the Studio is staffed with qualified employees and in sufficient quantity to the satisfaction of the Division.

#### **20.47. IGAMING – ACCOUNTING PROCEDURES**

- A. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall submit to the Director a comprehensive program for funds management, which must be approved by the Director prior to commencement of iGaming play. Such system shall provide, among other things, for the segregation of all funds relating to iGaming in trust for the Division in such a manner that legal counsel and the Auditor General shall approve to ensure that such funds shall at all times remain the sole property of the Division.
- B. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall submit to the Director such financial and operating information as the Director shall require from time to time at such times and in such format as the Director shall specify.
- C. The Division or its designated agents shall have the right to audit the books and records including, without limitation, tax returns, of any iGaming Platform Vendor and/or Licensed Class III Gaming Retailer in connection with iGaming.

**20.48. iGAMING – FINANCIAL REPORTING AND REQUIREMENTS**

- A. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer will provide an accounting mechanism for iGaming as a whole, which mechanism shall achieve compliance with the standards of integrity, security, and control established by the Division.
- B. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall submit to the Director such financial and operating information and statistical data as the Director shall require at such times and in such format as the Director shall specify.
- C. The Division, or its designated agents, shall have the right to audit the books and records including without limitation tax returns and IRS withholding and reporting records of the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer.
- D. All proceeds, net of proceeds returned to Players, from the operation of iGaming shall be electronically transferred by the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer daily or weekly, at the discretion of the Division, into an account designated by the Division.
- E. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall comply with all prescribed Federal and State requirements for withholding, recording and reporting, including, without limitation, currency transaction reports, anti-money laundering, suspicious activity reports, tax withholdings, and those requirements relating to the transfer of funds withheld from Player winnings from a iGaming Platform Vendor and/or a Licensed Class III Gaming Retailer to the tax or other designated authorities.
- F. Any discrepancy regarding settlement of accounts will be resolved by the Director as the Director deems appropriate.

**20.49. iGAMING - INTEGRITY AND SECURITY**

- A. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall have controls in place to identify Unusual Betting Activity and immediately report such activity to the Division or its authorized representatives.
- B. The Director, or authorized designee, after receiving a report of suspicious or Unusual Betting Activity, may unilaterally direct the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer to immediately suspend wagering or cancel wagers related to the report.
- C. The Division may require the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer to provide any hardware or software necessary for the Division to monitor, evaluate, and investigate iGaming or of the data provided by its system.
- D. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall be responsible for ensuring, and actively monitoring, that all components of the iGaming Platform are physically secure, and the network is secure and has anti intrusion measures in place.

## **20.50. iGAMING ACCOUNT REQUIREMENTS**

- A. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall adopt, conspicuously display, make available, and adhere to written, comprehensive rules, approved by the Division, governing iGaming Account transactions. These rules shall include, but not be limited to:
1. Providing each Player, upon reasonable request and consistent with its internal control policies, with a statement of account showing each iGaming Account deposit, withdrawal, credit, and debit made during the time period reported by the account statement.
  2. Making a record in a format approved by the Division of the entire transaction for all wagers and shall not accept any such wager if the recording system is inoperable. Such record of a Player's placement of all wagers shall be deemed to be the transaction of record. Such record shall be made available to the Division upon request.
  3. Describing the process for establishing, funding, and using an iGaming Account.
  4. Explaining the house rules for each Online Slot Games and Online Table Games and explaining the process for determining a winning wager and any applicable payout process.
- B. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall not allow a Player to electronically transfer funds from their iGaming Account to another Player's iGaming Account.
- C. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall suspend an iGaming Account if the iGaming Account has not been used to make any logins for a consecutive sixteen (16) month period. The iGaming Platform and/or Licensed Class III Gaming Retailer may reactivate a suspended iGaming Account only after re-verifying the information required by this Chapter and may require the Player to present a current government-issued picture identification credential.
- D. The iGaming Platform Vendor and/or Licensed Class III Gaming retailer shall treat an iGaming Account as "dormant" if there is no activity (no logins) for a period of three (3) years or more. Such iGaming Account shall be deemed abandoned under R.I. Gen. Laws § 33-21.1-1, *et. seq.* and treated in accordance thereunder.
- E. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall not allow an iGaming Account to be overdrawn unless caused by payment processing issues outside the control of the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer.
- F. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall record and maintain, for a period of at least five (5) years after creation, the following iGaming Account information:
1. All information used to register a Player and create the iGaming Account;
  2. The method used to verify the information provided by a Player to establish the iGaming Account, including a description of the identification credential provided by a Player to confirm the Player's identify and its date of expiration, if applicable;
  3. The date and time the iGaming Account is opened and terminated;

4. The date and time the iGaming Account is accessed by any person, including the Player or the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer;
5. All deposits, withdrawals, credits, and debits; and
6. The Player's iGaming Account number.

#### **20.51. IGAMING ACCOUNT SET UP**

- A. After determining that a Player is not on the list of excluded persons or prohibited players maintained by the Facilities, the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer may establish and allow the use of an iGaming Account for iGaming.
- B. As part of the online registration process, the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer must obtain, record, and verify the Player's identity, date of birth, physical address, and last four (4) digits of the Player's Social Security Number.
- C. The registration process must have the Player affirm that the information provided is accurate, that the Player has reviewed and acknowledged the rules and procedures established by the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer for use of the iGaming Account, that the Player is prohibited from allowing any other person access to the Player's iGaming Account, and that the Player consents to the monitoring and recording by the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer and/or the Division of the use of the iGaming Account.
- D. The iGaming Platform and/or Licensed Class III Gaming Retailer shall develop and implement a process for reviewing and documenting the identity verification procedures used for the identity verification check. If a Player is not able to register using the online registration process due to a KYC failure, the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall not allow that Player to make any wagers using the iGaming Account until the Player presents all of the necessary documentation required to verify the Player's identity or the Player completes any other method approved of the Division to verify the Player's identity ("Confirmation Process"). The documentation includes, but is not limited to, a government-issued picture identification credential confirming the Player's identity. Acceptable forms of identification include the following – government-issued motor vehicle operator's license, government-issued identification card, and passport. If the player's identity is able to be confirmed using the Confirmation Process, the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer may override the automated KYC failure and activate the Player's iGaming Account.
- E. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall not override the automated KYC failure for any Player who fails the KYC check due to the Player's inclusion on the OFAC (Office of Foreign Assets Control) watch list.
- F. Once an iGaming Account is created, a secure method to access the iGaming Account for the Player authorized to use the iGaming Account shall be implemented by the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer, that is reasonably designed to prevent the unauthorized access to, or use of, the iGaming Account by any person other than the Player for whom the iGaming Account is established.
- G. A Player shall be permitted to establish only one (1) iGaming Account.

## **20.52. IGAMING ACCOUNT FUNDING GUIDELINES**

- A. Funds may be deposited (in accordance with minimum and maximum amounts approved by the Division) by a Player into the Player's iGaming Account as follows or by any other means approved by the Division:
  - 1. Debits from the Player's debit instrument or prepaid access instrument;
  - 2. Transfer from another account verified to be controlled by the Player through the Automated Clearing House (ACH) or another mechanism designed to facilitate electronic commerce transactions; and
  - 3. Any other means approved by the Division.
- B. Funds may not be deposited into a suspended or closed account.
- C. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer may refuse any deposit into an iGaming Account for what it deems to be a good and sufficient reason.
- D. Funds may be withdrawn by a Player from the Player's iGaming Account as follows:
  - 1. Issuance of a check, cashier check, money order, or wire transfer by the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer made payable to the Player;
  - 2. Credits to the Player's debit instrument or prepaid access instrument;
  - 3. Transfers to another account verified to be controlled by the Player through the ACH or another mechanism designed to facilitate electronic commerce transactions; and
  - 4. Any other means approved by the Division.
- E. Credits to a Player's iGaming Account may be made by the following means:
  - 1. Deposits;
  - 2. Amounts won by the Player;
  - 3. Adjustments made by the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer following the resolution of a dispute; and
  - 4. Any other means approved by the Division.
- F. Debits to a Player's iGaming Account may be made by the following means:
  - 1. Withdrawals;
  - 2. Amounts wagered by the Player;

3. Adjustments made by the iGaming Platform Vendor and/or Licensed Class III Gaming Retailer following the resolution of a dispute; and
4. Any other means approved by the Division.

**20.53. IGAMING PLATFORM REQUIREMENTS**

- A. The iGaming Platform utilized by the iGaming Platform Vendor and/or the iGaming Game Vendor and/or Licensed Class III Gaming Retailer must be approved by the Division.
- B. The iGaming Platform must offer functionality that allows a Player to set up and use Responsible Gaming features including but not limited to deposit limits, wager limits, time limits, time out ability, and self-exclusion. The iGaming Platform Vendor and/or the iGaming Game Vendor and/or Licensed Class III Gaming Retailer shall ensure all specified limits are correctly implemented immediately or at the point in time clearly indicated by the Player. Once such limits are requested by a Player and implemented by the iGaming Platform Vendor and/or the iGaming Game Vendor and/or Licensed Class III Gaming Retailer, a reduction of the limits shall only be possible upon the expiration of the limit or as otherwise approved by the Division.
- C. The iGaming Platform shall clearly display the amount of time a Player has spent on the iGaming Platform and the amount of funds available in the Player's iGaming Account.
- D. Prior to accepting an iGaming wager, the iGaming Platform shall provide for the Player's review of all play information before the wagering communication is accepted by the iGaming Platform. The iGaming Platform shall create a record of the wager placement and this record of the wager shall be deemed to be the actual transaction of record.
- E. The iGaming Platform shall prohibit wagers from being changed after the Player has reviewed and placed the wagering information and the specific wagering communication transaction has been completed.
- F. The iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer shall configure the iGaming Platform so that it shall prohibit the acceptance of a wager, or a series of wagers, in an amount in excess of the available balance of the Player's iGaming Account.
- G. The iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer shall configure the iGaming Platform to post payment on winning wagers as a credit to the Player's iGaming Account as soon as reasonably practicable in accordance with the rules of the Online Slot Game or Online Table Game subject to any redemption requirements.
- H. The iGaming Platform shall maintain complete records of every deposit, withdrawal, wager, winning payoff, and any other debit or credit for each Player's iGaming Account.
- I. The iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer shall be responsible for ensuring that the iGaming Platform shall maintain procedures and security standards to protect and respond to suspected or actual hacking or tampering by any person.

- J. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall be responsible for ensuring that the iGaming Platform shall maintain procedures and geolocation technologies to verify each registered Player's physical location within the boundaries of the State of Rhode Island each time a registered Player logs into the Player's iGaming Account and attempts to place a wager.
- K. The iGaming Platform Vendor and/or Licensed Class III Gaming Retailer shall be responsible for ensuring that the iGaming Platform shall maintain procedures and KYC technologies to verify each registered Player's identity and age each time a registered Player alters the iGaming Account's personal identifying information.
- L. The iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer shall be responsible for ensuring that the iGaming Platform shall maintain procedures and appropriate measures implemented to deter, detect, and to the extent possible, prevent cheating, including collusion and use of cheating devices, including the use of software programs that make wagers according to algorithms.
- M. The iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer shall be responsible for implementing and maintaining procedures and appropriate measures related to fraud detection and prevention and shall be responsible for completing any related follow-up response.
- N. The iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer shall be responsible for ensuring that the iGaming Platform shall maintain procedures to govern emergencies, including suspected or actual cyber-attacks, hacking, or tampering with the iGaming Platform, including but not limited to, the mobile application and website used to offer iGaming. These procedures shall include the process for the reconciliation or repayment of a registered Player's iGaming Account.
- O. The iGaming Platform shall provide for the prominent display of the following information on virtual pages or screens, which, by virtue of the construction of the interface, registered Players may easily access before beginning an iGaming session:
  - 1. A statement that persons under the age of twenty-one (21) are not permitted to engage in iGaming;
  - 2. Information explaining how disputes are resolved;
  - 3. Problem gambling information that is designed to offer information pertaining to responsible gaming;
  - 4. Information that allows for a Player to choose to be excluded from engaging in iGaming;
  - 5. Comprehensive Online Slot Game House Rules and Online Table Game House Rules governing wagering transactions with Players, including the types of wagers accepted, how winning wagers will be paid, the effect of schedule changes, and any other relevant game information required by the Division;
  - 6. Comprehensive Terms and Conditions and Account Wagering Rules governing the use of a Player's iGaming Account; and
  - 7. Comprehensive Privacy Policy governing the use of a Player's information.

- P. The iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer shall be responsible for ensuring that the iGaming Platform has appropriate backup and failover capabilities to the satisfaction of the Division.

**20.54. IGAMING - CONFIDENTIALITY OF PLAYER INFORMATION**

- A. Except as otherwise expressly permitted herein or as requested by the Division, the iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer shall keep the following information confidential:
1. The amount of money credited to, debited from, or present in any particular Player's iGaming Account;
  2. The amount of money wagered by a particular Player on any game or gaming device;
  3. The account number and secure personal identification method that identifies the Player;
  4. The identities of particular entries on which a Player is wagering or has wagered; and
  5. The name, address, and other information in the possession of the iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer that would identify the Player to anyone.
- B. The iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer, with regard to information identified in these Rules and Regulations, shall share that information with:
1. The Division;
  2. Financial institutions participating in a program established in accordance with Section 314(b) of the USA Patriot Act; and
  3. Others as may be required by State or Federal law.
- C. The iGaming Platform Vendor, iGaming Game Vendor, and/or Licensed Class III Gaming Retailer shall encrypt all personally identifiable information on the iGaming Platform.

## CHAPTER TWENTY-ONE

### MULTI-STATE GAME RULES

#### LUCKY FOR LIFE®

##### 21.1 DEFINITIONS

- A. The following definitions apply to this Chapter 21 in connection with Lucky for Life® unless the context requires a different meaning or is otherwise inconsistent with the intention of the rules adopted by the Connecticut Lottery Corporation, the Maine State Liquor & Lottery Commission, the Massachusetts State Lottery Commission, the New Hampshire Lottery Commission, the Rhode Island Division of Lottery, and the Vermont Lottery Commission (hereinafter the “New England Lotteries”).

In addition to the New England Lotteries, other lotteries may, from time to time, offer the Game in their respective jurisdictions (collectively the “Licensee Lotteries”).

The New England Lotteries and the Licensee Lotteries are together referred to as the “Party Lotteries” or individually as a “Party Lottery”.

1. “Advance Action” or “Multi Draw” shall mean the type of betting in which Wagers may be placed for future Game Drawings as available in each Party Lottery jurisdiction.
2. “Annuitized Payment Option” shall mean a manner in which the Game’s Top Prize or second prize (also referred to as Prize Level #2) may be paid in equal payments or installments. The Annuitized Payment Option shall be calculated on an annual basis. The schedule of payments shall be at the discretion of each Party Lottery.
3. “Cash Option” shall mean a manner in which the Game’s Top Prize, or second prize may be paid upon the Winner’s request in one single cash payment as an alternative to the Annuitized Payment Option.
4. “Claimant” or “Winner” shall mean any natural person or legal entity submitting a winning Game Ticket within the required prize claim period. A Claimant may be the Purchaser, the natural person or legal entity named on the back of a signed Game Ticket, the bearer of an unsigned Game Ticket, or any other natural person or legal entity who may seek entitlement to a prize payment in accordance with each Party Lottery’s jurisdictional laws. No Claimant may assert rights different from the rights acquired by the original Purchaser at the time of purchase.
5. “Clearinghouse Lottery” shall refer to the Party Lottery or other duly-authorized entity responsible for collecting and transferring prize payouts on behalf of all Party Lotteries.
6. “Drawing” shall mean the formal process of selecting Winning Numbers which conclusively determines the number of Winners for each prize level of the Game.
7. “Expired Unclaimed Prize Fund” shall mean the value of the prizes which remain unclaimed after the prize claim period expires.

8. “Game Play(s)” shall mean that area of the Play Slip, also known as a “board” or “panel”, which contains two (2) sets of numbered squares or circles to be marked by the Player. The first set (Matrix 1) contains forty-eight (48) squares, numbered one (1) through forty-eight (48) inclusive; the second set (Matrix 2) contains eighteen (18) squares, numbered one (1) through eighteen (18) inclusive.
9. “Game Ticket” or “Ticket” shall mean acceptable evidence of Game Play which represents a Wager accepted by the Terminal Gaming System of a Party Lottery meeting the specifications defined in these Rules and Regulations.
10. “Liability Limit” shall mean a pre-established threshold, as determined in advance by the New England Lottery Directors for paying Top Prize, second prize, and third prize claims, as set forth more fully in these Rules and Regulations.
11. “Lucky Ball” shall mean the number selected from the second set of numbers (Matrix 2) in each Drawing.
12. “Lump Sum Cash Payment” shall mean the manner in which the Game’s Top Prize, or second prize is required to be paid in one (1) single cash payment when the liability limit is exceeded and no Annuitized Payment Option is available, as set forth more fully in these Rules and Regulations.
13. “Play”, “Bet”, or “Wager” shall mean the six (6) numbers (the first five (5) from a field of forty-eight (48) numbers inclusive, and one (1) Lucky Ball number from a field of eighteen (18) numbers inclusive) that appear on a Game Ticket as a single-lettered Play, board or panel, and are played by a Player in the Game.
14. “Play Slip”, “Selection Slip”, or “Bet Slip” shall mean a card used in marking a Player’s Game Plays or Wagers.
15. “Player” or “Purchaser” shall mean a natural person(s) or legal entity who buys Game Tickets in accordance with these Rules and Regulations and jurisdictional laws.
16. “Quick Pick”, or any other such term utilized by a Party Lottery, shall mean the random selection of six (6) numbers resulting in a Wager accepted by the Terminal Gaming System of a Party Lottery.
17. “Retailer”, “Sales Retailer”, or “Sales Agent” shall mean a natural person or legal entity licensed and/or authorized by a Party Lottery to sell and redeem Game Tickets.
18. “Selling Lottery” shall mean the Party Lottery which sold a winning Game Ticket.
19. “Set Prize” shall mean a pre-determined prize payout which is paid in a single cash payment. Set Prizes shall apply to the lowest eight (8) prize levels. They may also apply, however, to the Top Prize and second prize under certain conditions established in these Rules and Regulations.

20. “Split Prize” shall mean a pre-determined Set Prize payout that is divided equally among the number of winning Game Tickets of a prize level. Split Prizes shall only apply to the Game’s Top Prize, the Prize Level #2, and Prize Level #3 Winners as set forth more fully in Game Rules.
21. “Subscription Ticket”, “Season Ticket”, or any other such term utilized by a Party Lottery shall mean a Ticket sold with an extended, multi-draw purchase option wherein the same set(s) of numbers may be played for a specified number of consecutive Drawings. The Subscription Ticket shall be effective on a future date as prescribed by the Party Lottery’s jurisdictional laws.
22. “Terminal” shall mean a device, including but not limited to Player Activated Terminals (PATs), Self-Service Terminals (SSTs) and Ticket Vending Machines (TVMs), authorized to function in an on-line, interactive mode with the Terminal Gaming System for the purpose of issuing and validating lottery transactions.
23. “Terminal Gaming System” shall mean a computer wagering system or internet-based sales system (iLottery) used by a Party Lottery to issue and validate Game Tickets.
24. “Top Prize” shall mean the Game’s first prize.
25. “Winning Numbers” shall mean the six (6) numbers (the first five (5) numbers from Matrix 1 and the one (1) Lucky Ball number from Matrix 2) that are randomly selected in each Drawing and used to determine the winning Plays contained on a Game Ticket.

## **21.2 LUCKY FOR LIFE® - DRAWING PROCEDURES**

- A. The New England Lottery Directors shall establish the Drawing procedures for the Game Drawings, including a drawing problem resolution mechanism. All Drawings shall be open to the public and shall be witnessed by an Independent Certified Public Accounting firm. Any equipment used in a Drawing shall be inspected at least annually. All Drawings, including pre and post test drawings, shall be recorded unless technical issues prevent this from occurring.

## **21.3 LUCKY FOR LIFE® - GAME DESCRIPTION**

- A. The Game is a double matrix-style Game, drawn every day, in which Players select five (5) unique numbers in the Matrix 1 from one (1) to forty-eight (48) inclusive PLUS one (1) Lucky Ball number in the Matrix 2 from one (1) to eighteen (18) inclusive. The additional number may be the same as one (1) of the first five (5) numbers selected by the Player.
- B. Game Tickets must be purchased from a Terminal operated by a Sales Retailer, a Player Activated Terminal (if available) by using a touch screen, or by inserting a Play Slip into the machine, a lottery subscription system (if available), or such other means as approved by a Party Lottery.
- C. Tickets shall include, but not be limited to, the Player’s number selections, Game logo or Game name, Ticket cost, Terminal number, barcode, Quick Pick (if selected), serial number and Drawing date. Advance Action Tickets shall visibly show the beginning and ending draw dates. Game Tickets may also include the selling date, time stamp, and any information required by a Party Lottery’s jurisdictional laws pertaining to the validation of Game Tickets.

#### **21.4 LUCKY FOR LIFE® - TICKET PRICE**

- A. Each Game Ticket shall be sold at retail for the price set in these Rules and Regulations.
- B. The Game Ticket price shall include all the applicable taxes which a Party Lottery may be required to collect.
- C. Game Tickets may be purchased for two dollars (\$2.00) per play, or multiples thereof, in accordance with these Rules and Regulations. The Player receives one (1) play for each two-dollar (\$2.00) Wager.
- D. Promotions shall mean marketing or advertising intended to increase sales of the Game Tickets (excluding Subscription Tickets or Advance Action) through a discount or rebate. A Party Lottery may offer Game Tickets through promotions, without approval of the other Party Lotteries, for a period not to exceed ninety (90) days in any six (6) month period, as long as advance notification of five (5) days is provided to all Party Lotteries of the terms and dates of the promotional offering.
- E. A Party Lottery may offer Game Tickets as a prize in any other lottery Game after advising all Party Lotteries of the terms and dates of such action.
- F. A Party Lottery may offer Game Tickets as a prize or as part of an authorized promotion provided that all such Game Ticket sales are assessed and reported to the prize pool at the full gross sales amount.

#### **21.5 LUCKY FOR LIFE® - PLAY RESTRICTIONS**

- A. Game Tickets shall not be sold to or purchased by minors under the age of eighteen (18) years.
- B. Subject to each Party Lottery's jurisdictional laws, Game Tickets may not be cashed or redeemed by minors under the age of eighteen (18) years.
- C. Game Tickets shall not be purchased, and a prize won by any such Game Ticket or share, either in whole or in part, shall not be paid to:
  - 1. A Party Lottery employee, officer, director, board member, or commissioner.
  - 2. An employee of the Multi-State Lottery Association.
  - 3. Other persons as each Party Lottery may designate.
  - 4. Employees of the Party Lottery's Terminal Gaming System vendor(s).
  - 5. An employee of the Party Lottery's instant ticket print vendors.
  - 6. An immediate family member (parent, stepparent, child, stepchild, spouse, sibling or person engaged in a domestic partnership or civil union) of an individual described above residing as a member of the same household in the principal place of residence of any such person.
  - 7. Those persons designated herein as ineligible to play the Game shall also be ineligible to play the Game in all other Party Lottery jurisdictions selling the Game.

**21.6 LUCKY FOR LIFE® - TICKET CANCELLATIONS PROHIBITED**

- A. A Game Ticket may not be cancelled or voided by returning the Game Ticket to the Sales Retailer or to a Party Lottery. A Game Ticket accepted by the Sales Retailer as a returned Ticket and which cannot be resold shall be deemed as owned by the bearer thereof. This prohibition also applies to a Game Ticket that may be printed in error by the Sales Retailer. Subject to each Party Lottery's jurisdictional laws, no Game Ticket, or physical portion thereof, which may be used to claim a prize, shall be returned to any Party Lottery for credit.

**21.7 LUCKY FOR LIFE® - GAME SELL-OUT PROHIBITED**

- A. A Party Lottery shall not directly and knowingly sell a Game Ticket or combination of Game Tickets to any natural person or legal entity that would guarantee such Purchaser a Top Prize or second prize win.

**21.8 LUCKY FOR LIFE® - CLAIMS**

- A. A Game Ticket, subject to the validation requirements of a Party Lottery as detailed in these Rules and Regulations, shall be the only proof of a Game play (or Plays); and the submission of a winning Game Ticket to a Party Lottery or its Sales Retailer shall be the sole method of claiming a prize or prizes. A Play Slip has no pecuniary or prize value and shall not constitute evidence of Game Ticket purchase or of numbers selected. Under no circumstances will a claim be paid for a Top Prize or a second prize without a winning Game Ticket. Subject to each Party Lottery's jurisdictional laws, lost or missing Game Tickets may not be honored or processed for payment or replacement.

**21.9 LUCKY FOR LIFE® - USE OF PLAY SLIPS**

- A. Players may submit a completed Play Slip to any Sales Retailer to have issued a Game Ticket. Play Slips shall be available at no cost to the Purchaser and shall have no pecuniary or prize value, or constitute evidence of purchase or number selections. The use of facsimiles of Play Slips, copies of Play Slips, or other materials that are inserted into the Terminal's Play Slip reader that are not printed or approved by the Party Lottery is not permitted. Sales Retailers shall not permit any device to be connected to a Terminal to enter plays, except as approved by its Party Lottery.

**21.10 LUCKY FOR LIFE® - MANUAL ENTRY**

- A. Players may convey their number selections to any Sales Retailer to obtain a Game Ticket. Such number selections shall be manually entered into the Terminal by the Sales Retailer.

**21.11 LUCKY FOR LIFE® - QUICK PICK**

- A. Players may either request a Quick Pick Game Ticket from a Sales Retailer or may select the Quick Pick option on the Play Slip and submit the completed Play Slip to any Sales Retailer. Quick Pick shall be differentiated from Customer Select in that Quick Pick shall refer to the random selection of numbers made by the Terminal Gaming System rather than by the Player.

**21.12 LUCKY FOR LIFE® - PLAYER SELECT**

- A. Players may select their own numbers by completing a Play Slip or by conveying their number selections directly to any Sales Retailer. Customer Select shall be differentiated from Quick Pick in that Customer Select shall refer to number selections made by the Player rather than the Terminal Gaming System.

**21.13 LUCKY FOR LIFE® - ADVANCE ACTION OR MULTI-DRAW**

- A. Game Tickets may be purchased for future Drawings, as available in each Party Lottery jurisdiction.

**21.14 LUCKY FOR LIFE® - SUBSCRIPTIONS**

- A. Game Tickets may be purchased by subscription, if available in a Party Lottery jurisdiction.

**21.15 LUCKY FOR LIFE® - LIMITED TO HIGHEST PRIZE WON**

- A. In connection with the Winning Numbers drawn, the holder of a winning Game Ticket may win only one (1) prize per Play, board or panel, and shall be entitled only to the prize won by those numbers in the highest matching prize category.

**21.16 LUCKY FOR LIFE® - PRIZE CLAIM PERIOD**

- A. Prizes must be claimed within one (1) year of the draw date.

**21.17 LUCKY FOR LIFE® - PLAYER RESPONSIBILITY**

- A. It shall be the sole responsibility of the Player to verify the accuracy of the Game Play (or Plays) and the other data printed on the Game Ticket. The placing of Wagers is done at the Player's own risk through the Sales Retailer.

**21.18 LUCKY FOR LIFE® - PRIZE PAYMENTS**

- A. A Party Lottery may not pay prizes that are less than or more than the prize amounts established in accordance with these Rules and Regulations. The prize won cannot be indirectly increased by promotions or Retailer activity.

**21.19 LUCKY FOR LIFE® - PRIZE LIABILITY LIMITS, PRIZE PAYOUTS, AND PRIZE LEVELS**

- A. The following paragraphs define the prize liability limits, prize payouts, and prize levels.
1. There are ten (10) prize levels in the Game.
  2. Except as provided in these Rules and Regulations, the Top Prize (Prize Level #1) shall be annuitized and based on a Top Prize liability that will be split equally among the number of winning Game Tickets. A Top Prize Winner may request the Cash Option, the amount of which is to be established by the New England Lotteries for a defined period of Drawings. Notice of the amount of and changes to the Cash Option shall be posted on the Game's website and/or published in each Party Lottery jurisdiction in a manner determined by that Party Lottery (hereinafter referred to as the "Published Notice") at least thirty (30) days prior to the first

Drawing to which it is applicable. Under certain circumstances, as detailed below, the Top Prize is required to be paid in a Lump Sum Cash Payment and no Annuitized Payment Option is available:

- a. If there is one (1) Top Prize Winner, the annuitized prize value will be seven thousand dollars (\$7,000.00) per week for life. As an alternative to the Annuitized Payment Option, the Top Prize Winner may request the Top Prize Cash Option in the amount set forth in the Published Notice.
  - b. If there are between two (2) and fourteen (14) Top Prize Winners, the Annuitized Payment Option, based on an annuitized prize value of seven thousand dollars (\$7,000.00) per week, will be divided by the total number of Top Prize Winners. The minimum annuitized prize value for this category will be five hundred dollars (\$500.00) a week for life. Any of these two (2) to fourteen (14) Top Prize Winners may choose the Cash Option as an alternative to the Annuitized Payment Option. The amount of the Cash Option for this category will be the amount of the Top Prize Cash Option set forth in the Published Notice divided by the total number of Top Prize Winners. The minimum Cash Option for this category will be the amount set forth in the Published Notice.
  - c. If there are fifteen (15) or more Top Prize Winners, the Top Prize liability shall be capped at seven million one hundred twenty-five thousand dollars (\$7,125,000.00) and shall be split equally among all Top Prize Winners and paid in one Lump Sum Cash Payment, without an Annuitized Payment Option. The minimum prize value for this category shall not be less than any lower-tier prize paid in that respective Drawing.
  - d. The Winner(s) of the Top Prize who do not request the Cash Option shall be paid their appropriate Top Prize share on a weekly basis, or according to such other schedule of payments set at the discretion of each Party Lottery, as permitted in these Rules and Regulations, for a minimum period of twenty (20) years. The first Top Prize payment will be made when the prize is claimed at the Selling Lottery's Headquarters.
  - e. For a single Wager, the measuring life of a Top Prize Winner used to determine the duration over which the Top Prize is paid, shall be the natural life of the individual determined by the Selling Lottery to be a Top Prize Winner. If the Top Prize under a single Wager is being claimed by more than one natural person or by a legal entity, the measuring life for a Top Prize Winner shall be twenty (20) years.
  - f. If paid in a Lump Sum Cash Payment, Top Prize amounts will be rounded to the nearest whole dollar.
3. Except as provided in these Rules and Regulations, the second prize (Prize Level #2) Winner will be paid \$25,000.00 a year for life. A second prize Winner may request the Cash Option, the amount of which is to be established by the New England Lotteries for a defined period of Drawings. Notice of the amount of and changes to the Cash Option shall be posted on the Game's website and/or published in each jurisdiction in a manner determined by each Party Lottery's Published Notice. Under certain circumstances, as detailed below, the second prize is required to be paid in a single Lump Sum Cash Payment and no Annuitized Payment Option is available:

- a. If there are between one (1) and twenty (20) second prize Winner(s), the annuitized prize value will be \$25,000.00 per year for life. Any of these one (1) to twenty (20) second prize Winner(s) may choose the second prize Cash Option as an alternative to the Annuitized Payment Option. The amount of the Cash Option for this category will be set forth in the Published Notice.
  - b. If there are twenty-one (21) or more second prize Winners, the second prize liability shall be capped at nine million four hundred thousand dollars (\$9,400,000.00) and shall be split equally among all second prize Winners and shall be paid in one Lump Sum Cash Payment, without an Annuitized Payment Option. The minimum prize value for this category shall not be less than any lower-tier prize paid in that respective Drawing.
  - c. The Winner(s) of the second prize who do not request the Cash Option shall be paid their appropriate second prize share on an annual basis for a minimum period of twenty (20) years. The initial second prize payment will be made when the prize is claimed at the Selling Lottery's Headquarters; subsequent second prize payments will be made annually thereafter.
  - d. For a single Wager, the measuring life of a second prize Winner used to determine the duration over which the second prize is paid, shall be the natural life of the individual determined by the Selling Lottery to be a second prize Winner. If the second prize under a single Wager is being claimed by more than one (1) natural person or by a legal entity, the measuring life for a second prize Winner shall be twenty (20) years.
  - e. If paid in a Lump Sum Cash Payment, second prize amounts will be rounded to the nearest whole dollar.
4. Except as provided in these Rules and Regulations, the third prize (Prize Level #3) will be paid as a five thousand dollar (\$5,000.00) Set Prize. If there are more than one thousand (1,000) Winners of this prize level in a single Drawing, the total prize liability of five million dollars (\$5,000,000.00) ( $\$5,000.00 \times 1,000$ ) will be split equally among the Winners. Under no circumstances, however, will the third prize fall below a minimum prize value of two hundred dollars (\$200.00) per Winner, regardless of the number of Winners. Third prizes will be rounded to the nearest whole dollar and paid in one single cash payment.
  5. The remaining prize levels (Prize Level #4 through Prize Level #10) will be paid as low-tier Set Prizes. Prizes will be rounded to the nearest whole dollar and paid in one single cash payment.

#### **21.20 LUCKY FOR LIFE® - ENTITLEMENT TO PRIZES BY WINNERS**

- A. The holder of a winning Game Ticket shall be entitled only to the prize won by matching the Winning Numbers in the highest matching prize category.

#### **21.21 LUCKY FOR LIFE® - PAYMENT OF PRIZES**

- A. All winning Game Tickets, including the Top Prize and second prize winning Tickets, shall be paid in accordance with these Rules and Regulations and jurisdictional laws. Each Party Lottery shall withhold taxes and other required withholdings in accordance with applicable federal and jurisdictional laws. To be a valid Game Ticket and eligible to receive a prize, a winning Game Ticket shall satisfy all the requirements established for the validation of winning Game Tickets sold through

each Party Lottery’s Terminal Gaming System and any other requirements adopted by the New England Lottery Directors. Party Lotteries shall not be responsible for Game Tickets which are altered in any manner.

1. Except in the case of a Cash Option payment or a Lump Sum Cash Payment paid in accordance with these Rules and Regulations, annuitized prize payments shall be made for the measuring life of the Top Prize or second prize Winner. All annuitized payments shall be made for a minimum of twenty (20) years. The measuring life as defined in these Rules and Regulations shall be determined at the time the Top Prize or second prize is claimed. In the event that annuitized prize payments are assigned, if allowable under jurisdictional law, or assigned by a court order, the measuring life at the time the Top Prize or second prize was claimed shall not change and limit or extend the number of annuitized payments due any assignee, court-ordered or otherwise. In the event of the death of a Top Prize or second prize Winner during the annuity payment period, the Selling Lottery, with the approval of the New England Lotteries, upon petition of the estate of that Winner (the “Estate”) to the Selling Lottery, and subject to the Selling Lottery’s jurisdictional laws, may accelerate the payment of all the remaining lottery proceeds to the Estate.
2. If the annuitant dies during the annuity payment period but before the guaranteed prize has been paid, the Estate shall receive the remaining payments equal to the minimum guaranteed prize amount.
3. If the annuitant dies during the annuity payment period but after the minimum guaranteed prize has been paid, all payments shall stop.
4. All low-tier Set Prizes (all prizes except the Top Prize and second prize) shall be paid in one single cash payment through the Selling Lottery that sold the winning Game Ticket(s). A Selling Lottery may begin paying low-tier cash prizes after receiving authorization to pay from the Clearinghouse Lottery.

**21.22 LUCKY FOR LIFE® - STATISTICAL INFORMATION**

A. The following table details statistical information relevant to the Game:

PRIZE LEVEL	5/48 MATRIX 1	1/18 MATRIX 2	PROBABILITY	PRIZE
1	5	1	1:30,821,472.000	\$7,000/Week/Life*
2	5	0	1:1,813,027.765	\$25,000/Year/Life*
3	4	1	1:143,355.684	\$5,000*
4	4	0	1:8,432.687	\$200
5	3	1	1:3,413.231	\$150
6	3	0	1:200.778	\$20
7	2	1	1:249.749	\$25
8	2	0	1:14.691	\$3
9	1	1	1:49.950	\$6
10	0	1	1:32.019	\$4

\*Prize amounts may be split if there are multiple Winners, in accordance with the provisions established in these Rules and Regulations. Split Prizes may be lower than the published prize amounts.

### **21.23 LUCKY FOR LIFE® - DISPUTES**

- A. In the event a dispute between a Selling Lottery and a Game Ticket bearer occurs as to whether the Game Ticket is a winning Ticket, and if the Ticket prize is not paid, the Selling Lottery may, solely at its option and discretion, reimburse the Game Ticket bearer the purchase price of the Ticket. This shall be the Game Ticket bearer's sole and exclusive remedy.

### **21.24 LUCKY FOR LIFE® - APPLICABLE LAW**

- A. In purchasing a Game Ticket, the following provisions apply:
  - 1. The Purchaser agrees to comply with and abide by the Selling Lottery's jurisdictional laws and final decisions, as well as all rules established for the conduct of the Game.
  - 2. Decisions made by the Selling Lottery Director, including the declaration of prizes and the payment thereof, and the interpretation of these Rules and Regulations, shall be final and binding on all Purchasers and on every person making a claim in respect thereof. In the event of conflict, however, between these Official Game Rules and the applicable Selling Lottery's jurisdictional laws, the applicable Selling Lottery's jurisdictional laws shall control.
  - 3. Any claims or litigation relating to the Game Tickets and/or prizes (a) shall be subject to and resolved in accordance to the laws, rules, and regulations of the Selling Lottery jurisdiction in which the Game Ticket was purchased; (b) must be brought in, and strictly limited to, the courts located within the jurisdiction of the Selling Lottery in which the Game Ticket was purchased; and (c) can only be brought against the Selling Lottery in the jurisdiction where such Game Ticket was purchased.

## **CHAPTER TWENTY-TWO**

### **SALE LEASEBACK: BUYER-LESSOR OF GAMING FACILITIES ASSETS**

#### **APPLICATION AND LICENSE**

##### **22.1 DEFINITIONS**

A. The following definitions shall apply to this Chapter:

1. “Applicant” means a Person filing an Application for a License.
2. “Application” means an initial application or a renewal application, entitled “Buyer-Lessor of Gaming Facility Assets Application”, for a License.
3. “License” means that license and approval issued by the Division to a Person to be the buyer- lessor of the Lincoln gaming facility and/or the Tiverton gaming facility.
4. “Licensee” means a Person holding a License.
5. “Lincoln gaming facility” means the gaming and entertainment facility located at 100 Twin River Road in the town of Lincoln, Rhode Island.
6. “Tiverton gaming facility” means the gaming and entertainment facility located at 777 Tiverton Casino Boulevard in the town of Tiverton, Rhode Island.

##### **22.2 APPLICATION**

- A. Any Person interested in obtaining a License must first submit an Application with the Division.
- B. As part of the Division’s investigation and due diligence of the Applicant, the Division may require additional information be submitted. The Applicant must submit all such additional information as required by the Division.

##### **22.3 ELIGIBILITY FOR LICENSE AND APPROVAL**

- A. Pursuant to R.I. Gen. Laws §§ 42-61.1-2, 42-61.2-2.1, 42-61.2-2.3, 42-61.2-2.4, 42-61.2-3, 42-61.2-4, and 2021 R.I. Pub. Laws ch. 41, §10 and ch. 42, § 10, the Division shall not provide approval and/or issue a License unless the Applicant meets all regulatory requirements to protect the State’s financial interests and the integrity of the gaming experience at the Lincoln gaming facility and/or the Tiverton gaming facility.
- B. Before issuing a License, the Director shall consider such factors as the:
  1. Background of the Applicant, including the Applicant’s officers, directors, owners, partners, managers, members, and any other individuals the Division deems appropriate;
  2. Financial responsibility and integrity of the Applicant;
  3. Experience of the Applicant’s business and/or activity;

4. Licensing history and standing of the Applicant in other jurisdictions;
  5. Compatibility of the terms and provisions of the Applicant's sale-leaseback agreement for the Lincoln gaming facility and/or the Tiverton gaming facility with respect to the Division's operation and regulation of gaming; and/or
  6. Any other factors pertaining to the public interest, welfare, convenience, or trust, as well as the State's financial interests and the integrity of the gaming experience at the Lincoln gaming facility and/or the Tiverton gaming facility.
- C. A criminal records check shall be conducted on Applicants, in accordance with Chapter 3, Section 3.3 of these Rules and Regulations.
- D. Applicants shall pay a fee to be determined by the Director in connection with the Application. Such fee may include, but not be limited to, the cost for outside professionals, including their travel costs, retained by the Division as part of the Division's investigation of the Applicant. All such fees shall be non-refundable.

#### **22.4 ISSUANCE OF LICENSE**

- A. The Director may, in accordance with the provisions of 2021 R.I. Pub. Laws ch. 41, §10 and ch. 42, § 10 and these Rules and Regulations, issue a License to such Persons as in the Director's determination will best serve the State's financial interests and promote the integrity of the gaming experience at the Lincoln gaming facility and/or the Tiverton gaming facility. The Director may also refuse to grant or suspend or revoke a License.
- B. The term of the License shall be for three (3) years. A renewal Application shall be submitted to the Division not less than ninety (90) days before the expiration of the License.

#### **22.5 TRANSFER OF LICENSE**

- A. A License shall not be transferrable.

#### **22.6 INFORMATION UPDATES**

- A. A Licensee must notify the Division in writing no later than five (5) days after the occurrence of any of the following:
1. An event that would materially change the information submitted by the Licensee as part of its Application.
  2. The denial of an application for a license or approval or the suspension or revocation of a license or approval in another jurisdiction.
- B. A Licensee must notify the Division in writing at least one hundred and twenty (120) days prior to the occurrence of any of the following:
1. The sale or transfer of the Licensee.

2. Any change in ownership of the Licensee. For purposes of this License, if Licensee or any “owner” of Licensee is a public reporting company as defined in the Securities Exchange Act of 1934, “owner” of such public company refers to any owner/shareholder with a 5% or greater interest in such company.

## **22.7 DENIAL, SUSPENSION, OR REVOCATION OF LICENSE**

- A. The Director may deny an Application or may suspend or revoke a License, if the Applicant or Licensee (including any officer, director, owner, partner, manager, member, and any other controlling individual the Division deems appropriate) has:
  1. Been convicted of an Offense relevant to the License;
  2. Been arrested or convicted of violating any gambling statutes;
  3. Been convicted of fraud, a financial crime, or misrepresentation in any connection;
  4. Been denied a license or approval or had a license or approval suspended or revoked in another jurisdiction;
  5. Provided knowingly false or misleading information on the Application or failed to disclose or otherwise concealed a material fact in connection thereto;
  6. Failed to submit any required information as part of the Application process;
  7. Failed to pay any required fees;
  8. Demonstrated such experience, character, and/or general fitness that is inconsistent with the public interest, the State’s financial interests, and/or the integrity of the gaming experience; and/or
  9. Violated any Rule, Regulation, or order of the Division;
- B. A License may be suspended by the Director for any charge and/or arrest which may result in a conviction for conduct prescribed in subdivisions (A) (1) – (A) (3), which suspension shall be effective until a final judicial determination.
- C. The Division shall provide a written notice of the denial, suspension or revocation detailing the rationale for the decision. A written request for a hearing must be submitted in writing to the Director within seven (7) days of the notification. The hearing shall occur within thirty (30) days unless otherwise agreed to by the parties. The decision of the Director following the hearing shall be final.

## **22.8 AMENDMENT**

- A. This Chapter is subject to amendment from time to time. All Applicants and Licensees shall abide by any such amendment.