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OMBUDSMAN'S INVESTIGATION UNCOVERS GAPS IN BC LOTTERY PROCEDURES

VICTORIA – Following a five month investigation, Ombudsman Kim Carter today released Special Report No. 31, *Winning Fair and Square: A Report on the British Columbia Lottery Corporation's Prize Payout Process*.

The Ombudsman initiated her investigation into lottery prize payout processes last December after serious questions were raised by the public and the media about the seemingly high rates of wins among British Columbia Lottery Corporation (BCLC) retailers and BCLC retailer employees. Special Report No. 31 examines whether BCLC had adequate procedures in place to ensure that correct prize amounts were paid to the rightful owners of winning tickets. Additionally, the report examines the Gaming Policy and Enforcement Branch's (GPEB) oversight of BCLC's lottery retail network between the years 2002 and 2006.

"During our investigation we reviewed hundreds of files and thousands of documents and through that process uncovered a number of significant and readily identifiable gaps in BCLC's prize payout procedures," said Ms. Carter. "Most notable was the lack of scrutiny for the 99 per cent of the winning tickets and 80 per cent of the prize money paid out for wins under \$10,000."

The Ombudsman made 27 recommendations regarding BCLC lottery validation and payout procedures. These recommendations focus on the collection of information and data, the lottery validation process, compliance and enforcement and addressing past deficiencies. Specific recommendations include:

- That BCLC require all BCLC retailers and BCLC retailer employees to use a swipe card or enter a code before all purchases of lottery products in order to collect a prize.
- That BCLC implement a system where scratch and win tickets are recorded when sold to a player and that BCLC use this information as a security check during the prize payout process.
- That BCLC require tickets or "non-valid duplicates" to be returned to all ticket holders with appropriate markings to identify whether the ticket is not a winner; has been validated but not paid out; or is a winner and has been paid out.

"Both BCLC and GPEB cooperated with the Ombudsman investigation and have accepted all the recommendations of this report," said Ms. Carter. "I believe that the implementation of these recommendations will improve the security of the lottery prize payout process in British Columbia."

Special Report No. 31 is available from the Office of the Ombudsman or at its website at www.ombudsman.bc.ca.

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