

DEPARTMENT OF FINANCE
OFFICE OF THE STATE LOTTERY
200 Office of the State Lottery

202 Delaware Lottery Rules and Regulations for Traditional Games

1.0 Definitions

The following words and terms, when used in this regulation, have the following meaning unless the context clearly indicates otherwise. Words importing the masculine gender include the feminine as well, except as otherwise clearly indicated by the context.

"Accessible" means complying with the technical requirements found in the ADA Accessibility Guidelines (ADAAG) as issued by the United States Access Board.

"Accessible route" means a continuous unobstructed path connecting all accessible elements and spaces of a building or facility.

"ADA" means the Americans with Disabilities Act (42 U.S.C. §§12101-12213 and 47 U.S.C. §225 and §611).

"Agent" or "licensee" means a person who has been licensed by the Director to sell lottery tickets and provide lottery-related services.

"Applicant" means any person who applies for a license to be an Agent as authorized under Delaware law and these Regulations.

"DGE" means the Division of Gaming Enforcement established within the Department of Safety and Homeland Security under 29 Del.C. §8236 to (i) exercise exclusive jurisdiction for the criminal offenses which relate to gaming that occurs in a licensed video lottery facility or which relate the operation of the Lottery, and (ii) investigate the background, qualifications, and suitability of each applicant or licensee before any license is issued or re-issued by the Director.

"Director" means the Director of the Lottery Office or the Acting Director.

"Drawing game" means a lottery game in which a ticket is generated by a computer or a terminal and a drawing must take place to determine if the ticket is a winner.

"Element" means an architectural or mechanical component of a building, facility, space, or site, such as a telephone, curb ramp, door, drinking fountain, seating, or water closet.

"Entrance" means any access point to a building or portion of a building or facility used for the purpose of entering and includes the approach walk, the vertical access leading to the entrance platform, the entrance platform itself, vestibules (if provided), the entry door(s) or gate(s), and the hardware of the entry door(s) or gate(s).

"Exterior accessible routes" includes, but is not limited to, parking access aisles, curb ramps, crosswalks at vehicular ways, walks, ramps, and lifts.

"Facility" means all or any portion of buildings, structures, site improvements, complexes, equipment, roads, walks, passageways, parking lots, or other real or personal property located on a site.

"Financial institution" means any bank, trust company, or other institution or person either licensed under Title 5 of the Delaware Code or subject to the supervision and regulation of the State Bank Commissioner.

"Inspection report" means a completed survey of the retailer or applicant facility that identifies barriers to program accessibility, if any, and suggest possible solutions.

"Instant game" means either (a) a lottery game in which a pre-printed ticket must be scratched to reveal a play area that will determine if the ticket is a winner or (b) a lottery game in which a terminal-generated lottery ticket contains sufficient information to ascertain immediately, without reference to any other information, whether a holder of the ticket is entitled to receive a prize or winnings in the game.

"Interior accessible route" includes, but is not limited to, corridors, floors, ramps, elevators, lifts, and clear floor space at fixtures.

"Lottery" means the public gaming systems or games established and operated pursuant to Delaware Law and includes all types of lotteries that involve prize, consideration, and either pure chance or chance as the dominant factor.

"Lottery program" means drawings and instant games offered to the public through Agents and may include the sale of tickets, in-store promotions, and events.

TITLE 10 CHARITABLE GAMING, LOTTERY, AND FANTASY SPORTS

DELAWARE ADMINISTRATIVE CODE

"Lottery Property" includes any Agent's license, unsold tickets, forms, promotional materials or any other tool issued to the agent by the Lottery Office for the purpose of selling tickets.

"Office" or **"Lottery Office"** means the Delaware State Lottery Office created by the Delaware Code.

"Person" means and includes an individual, association, corporation, club, trust, estate, society, company, joint stock company, receiver, trustee, assignee, referee, or any other individual acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, any combination of individuals and any departments, commissions, agencies, and instrumentalities of the State, including counties and municipalities and their agencies and instrumentalities.

"Regulations" means the regulations promulgated by the Lottery Office for the operation of the Lottery.

"SBI" means the State Bureau of Identification within the Delaware Division of State Police that serves as the central repository for accurate and current criminal history record information in the State of Delaware.

"Service site" means an area within an Agent's facility where a customer may purchase a lottery-related product.

"Technical Infeasibility" means, with respect to an alteration of a building or a facility, that it has little likelihood of being accomplished because existing structural conditions would require removing or altering a load-bearing member which is an essential part of the structural frame or because other existing or site constraints prohibit modification or addition of elements, spaces, or features which are in full and strict compliance with the minimum requirements for new construction and which are necessary to provide accessibility.

"Ticket" means a lottery ticket issued by the Lottery Office for sale to the general public.

"Traditional lottery products" means both drawing games and instant games.

22 DE Reg. 494 (12/01/18)

2.0 Director

The Director shall have the power, duties and responsibilities as set out in 29 **Del.C.** Ch. 48 and any subsequent amendments.

22 DE Reg. 494 (12/01/18)

3.0 Licensing of Agents

- 3.1 Application. Any person interested in obtaining a license as an Agent must first file an "Application for Lottery Sales Agent's License" with the Director. The applications, as well as other documents submitted to the Lottery Office and the DGE by the applicant for the purposes of determining the qualifications of the applicant, must be sworn to or affirmed before a notary public. The applicant must grant to the Lottery Office and the DGE the right to perform a security investigation and to release to the Lottery Office and the DGE any criminal history found by the SBI and the Federal Bureau of Investigation. The applicant must also grant to the Lottery Office and the DGE the right to perform a routine credit check on the applicant. The DGE, or persons acting at the direction of the DGE, shall conduct the security, fitness, and background checks required by the Delaware Code and these Regulations. If an applicant, licensee, registrant, or any other person who must be qualified pursuant to 29 **Del.C.** Ch. 48 refuses to provide information, evidence, or testimony upon formal request by the Director or the DGE, the Director may deny or revoke the application, license, registration, or qualification of such person.
- 3.2 Eligibility for License. Before issuing any license, the Director shall consider certain factors, including, but not limited to:
 - 3.2.1 The financial responsibility and security of the applicant and the applicant's business or activity;
 - 3.2.2 The honesty and integrity of the applicant;
 - 3.2.3 The accessibility to the public of the applicant's place of business or activity;
 - 3.2.4 The sufficiency of the number of existing licensees to serve the public convenience;
 - 3.2.5 The volume of expected sales of the applicant;
 - 3.2.6 The veracity of the information supplied in the "Application for Lottery Sales Agent's License";
 - 3.2.7 The results of the applicant's state and federal criminal history record check;
 - 3.2.8 The extent to which the applicant is known to associate with persons of nefarious backgrounds or disreputable character such that the association could adversely affect the general credibility, security, integrity, honesty, fairness, or reputation of the Lottery Office;

- 3.2.9 Whether the applicant's experience, character, and general fitness are such that his or her participation as an Agent would be consistent with the public interest, convenience and the purposes of Delaware lottery laws; and
- 3.2.10 Whether the applicant has obtained from the Delaware Division of Revenue a license to conduct business and whether the applicant's license is current and has been kept current for all applicable time periods.
- 3.3 Ineligibility of Certain Persons.
 - 3.3.1 The Lottery Office shall not issue a license to act as an Agent to any person who is under the age of twenty-one (21). Nothing herein shall be construed to mean an employee of any Agent must be twenty-one (21) years old to sell tickets within the licensed establishment.
 - 3.3.2 The Lottery Office shall not issue to any person a license to sell lottery tickets if the person will engage in business primarily as a lottery sales agent.
- 3.4 Issuance of License
 - 3.4.1 The Director shall license, in accordance with the provisions of Delaware Law and these Regulations, such persons as Agents to sell lottery tickets who, as in his option, will best serve the public convenience and promote the sale of lottery tickets.
 - 3.4.2 The issuance of a license signifies an agreement by the agent to abide by all of the provisions of the Delaware Code and these Regulations. All Agents shall also sign the Lottery Retailer Agreement and abide by its terms. The Director shall provide a form of the Lottery Retailer Agreement to each Agent for his signature. The Director may revise the Lottery Retailer Agreement at his discretion and from time to time. If an Agent fails to abide by the terms of the Lottery Retailer Agreement, such violation may result in the suspension, revocation, or non-renewal of the Agent's license.
 - 3.4.3 An Agent's license shall be reviewed annually on or about the anniversary date of the original issuance.
 - 3.4.4 The Director reserves the right to require a surety bond from every Agent in such amount consistent with his determination of the financial stability of said Agent so as to avoid any monetary loss to the State because of the Agent's activities in the sale of lottery tickets.
- 3.5 License to be Displayed
 - 3.5.1 Every Agent shall prominently display his lottery license in an area visible to the general public.
 - 3.5.2 Agents must also display their State of Delaware, Division of Revenue business license in an area that is prominently visible to the general public.
 - 3.5.3 The Agent shall maintain and display all promotional material in conjunction with ticket sales in accordance with instructions issued by the Lottery Office.
- 3.6 Sale of Lottery Tickets at Specific Locations, Licensed and Nontransferability
 - 3.6.1 An Agent may sell lottery tickets only at the specific location named in the Agent's license.
 - 3.6.2 No other sales of lottery tickets are permitted, except as provided in the Delaware Code or these Regulations.
- 3.7 Sale and/or Transfer of Ownership of Specific Licensed Locations
 - 3.7.1 All Agents are required to notify the Lottery Office of a pending sale of a specific licensed location. This requirement of notice includes ownership change in corporations as well as individual ownership changes affecting a specific licensed location. No license may be transferred, assigned, or pledged as collateral. All licenses to sell lottery tickets are nontransferable.
 - 3.7.2 Any change in ownership of a specific licensed location requires a new Agent application process. Change of ownership does not automatically guarantee the granting of a license to the new ownership. If a licensee dies, the Lottery Office will suspend operations at the Agent's location until a new Agent application is approved for that location.
- 3.8 Liability of Lottery Office and State of Delaware. All Agents shall hold the Lottery Office, all Lottery employees, and the State of Delaware harmless from any liability arising in connection with conducting lottery ticket sales.

22 DE Reg. 494 (12/01/18)

4.0 Suspension, Non-Renewal, or Revocation of Licenses

- 4.1 The license is evidence of an agency revocable at will by the Director. The Director may revoke or suspend without notice or a hearing first, the license of any Agent who violates the Delaware Code or any rule or regulation promulgated pursuant to the Delaware Code by issuing an emergency suspension or revocation order. However, if the Director does revoke a license without notice and an opportunity for a hearing, the

TITLE 10 CHARITABLE GAMING, LOTTERY, AND FANTASY SPORTS

DELAWARE ADMINISTRATIVE CODE

Director shall by appropriate written notice afford the person whose license has been revoked an opportunity for a hearing within thirty (30) days after the revocation order has been issued. The notice shall also specify the intended reasons for the revocation. As a result of any such hearing, the Director may confirm his action revoking or suspending the license or he may order the restoration of such license.

- 4.2 An Agent's license may be suspended, revoked, or its renewal rejected for any one or more of the following reasons:
- 4.2.1 Whenever the Agent knowingly uses false or misleading information in obtaining the license.
 - 4.2.2 Whenever the Agent violates any of the provisions of the Delaware Code or any regulations, directives, or instructions promulgated or issued thereunder.
 - 4.2.3 Whenever the Agent ceases to conduct business or changes business locations without obtaining from the Director prior authorization for such relocation.
 - 4.2.4 Whenever the Agent does not display lottery point-of-sale materials in a manner which, as determined by the Director to be necessary to the interest of the public and the Lottery, is readily seen by and available to the public or fails to make tickets available at points-of-sale within the licensed premises.
 - 4.2.5 Whenever an Agent commits an act which seriously impairs his reputation for honesty and integrity.
 - 4.2.6 Whenever the Agent has been convicted of a crime.
 - 4.2.7 Whenever the Agent has been found guilty of any fraud or misrepresentation in any connection.
 - 4.2.8 Whenever the Agent's experience, character, and general fitness are such that his participation as a lottery sales Agent is inconsistent with the public interest, convenience and necessity, or the security of the Lottery operations.
 - 4.2.9 Whenever the Agent is delinquent in making required accounting or fails to pay weekly all monies owed to the State of Delaware.
 - 4.2.10 Whenever the Agent fails to take reasonable security precautions with regard to the handling of lottery tickets and other related materials.
 - 4.2.11 Whenever the Agent sells a lottery ticket for an amount less than or greater than its stated price.
 - 4.2.12 Whenever the Agent fails to report information required by these Regulations.
 - 4.2.13 Whenever the Agent sells lottery tickets to known third-party ticket resellers or enters computer-generated betting slips from third-party ticket resellers for the sale of lottery tickets.
- 4.3 Procedure for Revocation or Rejection of Renewal of License
- 4.3.1 The Director may, for any of the reasons stated above, revoke or reject the renewal of an Agent's license.
 - 4.3.2 Immediately upon notice of revocation or rejection of renewal of an Agent's license, said Agent shall suspend the sale of all lottery tickets and shall forthwith comply with the provisions of these Regulations for procedures upon suspension of license, unless otherwise notified by the Director.

22 DE Reg. 494 (12/01/18)

5.0 Procedure Upon Denial, Failure to Renew, Suspension or Revocation of License

- 5.1 The license of any Agent may be temporarily suspended by the Director without prior notice, or having a hearing, pending further investigation, settlement of delinquent account, or prosecution.
- 5.2 Upon suspension or revocation of an Agent's license for any reason whatsoever, the Agent shall meet with the Director or his designee on a date set by the Director for the purpose of rendering his final lottery accounting. This date shall be not more than seven (7) days from the date the notice of suspension or revocation was received by the Agent. Upon the Agent's failure to meet with the Director or his designee on or before the date set by the Director, the Director may take steps to impose such penalties and to enforce the powers of his Office against the delinquent Agent, his agents, or representatives, as may be provided by law and these Regulations.
- 5.3 Upon receipt of notice of suspension, revocation, or rejection, the Agent may within fourteen (14) days of receipt of said notice make written request to the Director for a hearing to show cause why his license should not be revoked. The written request must contain:
 - 5.3.1 A clear and concise assignment of each error which the licensee alleges to have been committed in the tentative determination to suspend or revoke the license. Each assignment of error should be listed in a separately numbered paragraph.
 - 5.3.2 A clear and concise statement of the facts on which the licensee relies in support of each assignment of error.

- 5.3.3 A prayer setting forth the relief sought.
- 5.3.4 The signature of the licensee or an officer authorized to request the hearing.
- 5.3.5 A verification by the licensee that the statements contained in the petition are true.
- 5.4 The Director shall provide an opportunity for the petitioner to be heard within thirty (30) days of receipt of the request for a hearing. The Director may appoint a hearing officer within a reasonable time for the purpose of hearing suspension or revocation cases. Said officer shall hear the case, and within thirty (30) days of the conclusion of said hearing, submit to the Director, with a copy to the parties of record, a recommended report. Said report shall contain findings of facts and conclusions of law to support a recommendation to support the revocation, suspension, or rejection, or to support the relicensing of the Agent involved. The parties of record upon receipt of their copy of the recommended report shall have ten (10) days in which to file exceptions, objections and replies to the Director. The Director, within fourteen (14) days, will advise the Agent of his final decision. The Director's decision shall be final.
- 5.5 The licensee may appear individually or by the appearance of a licensed Delaware attorney. In the absence of the licensee, written evidence of a licensed Delaware attorney's authority to act on behalf of the licensee shall be presented to the hearing officer in a form satisfactory to the hearing officer.
- 5.6 The licensee or his duly authorized representative may, with the approval of a hearing officer, waive the hearing and agree to submit the case for decision on the record, with or without a written brief. Such a waiver or agreement shall be in writing and placed in the record.
- 5.7 The licensee shall be given the opportunity for argument within the time limits fixed by the hearing officer following submission of the evidence. The hearing officer, upon request of licensee, may accept briefs in lieu of argument. The briefs shall be filed within ten days after the hearing date or within such time as fixed by the hearing officer.
- 5.8 The hearing officer may admit any relevant evidence, except that he shall observe the rules of privilege recognized by law. The hearing officer may exclude any evidence which is irrelevant, unduly repetitious, or lacking a substantial probative effect.
- 5.9 A record shall be made of all hearings, and all witnesses shall be sworn and subject to cross examination.

22 DE Reg. 494 (12/01/18)

6.0 Erroneous or Mutilated Tickets; Malfunctions

Unless the Director is satisfied that a mutilated lottery ticket is genuine, no credit or prize will be issued to the holder of said ticket. The Lottery Office is not responsible for paying winning tickets resulting from any system or terminal malfunction or any other type of error. Tickets misprinted due to machine error or any malfunction or other type of error must be returned to the Lottery Office, and the Agent's account will be credited. If a ticket that has been sold to the public is determined by the Director to be misprinted due to machine error (as determined by Lottery internal procedures) or is determined to be erroneously issued due to a system or terminal malfunction or any other type of error, the Lottery Office shall reimburse the ticket holder for the cost of the ticket. Such tickets will not be eligible for any prize. The Director may require Agents to comply with such directives as he deems necessary for erroneous, misprinted, or mutilated tickets received by an Agent.

22 DE Reg. 494 (12/01/18)

7.0 Agent's Compensation

All Agents shall be entitled to a commission of a percentage of the price of each ticket sold by them as determined by the Director. In addition, the Director may determine in his sole discretion that certain or all Agents may receive a bonus or bonuses.

22 DE Reg. 494 (12/01/18)

8.0 Special Agent Licensing

- 8.1 The Director may license special lottery Agents, subject to such conditions or limitations as the Director may deem prudent and which are consistent with the Delaware Code and these Regulations. These limitations or conditions may include, but are not limited to:
 - 8.1.1 Length of license period;
 - 8.1.2 Hours or day of ticket sales;
 - 8.1.3 Location of ticket sales;

TITLE 10 CHARITABLE GAMING, LOTTERY, AND FANTASY SPORTS

DELAWARE ADMINISTRATIVE CODE

- 8.1.4 Specific persons who are allowed to sell lottery tickets; and
- 8.1.5 Specific sporting, charitable, social, or other special events where lottery tickets may be sold if in conformity with Delaware law and these Regulations.
- 8.2 Special lottery Agents will be subject to these Regulations.

22 DE Reg. 494 (12/01/18)

9.0 Obligations of Licensed Retailers

- 9.1 Each Agent accepts and assumes the following obligations and responsibilities when he accepts a license to sell lottery tickets:
 - 9.1.1 Each Agent shall deposit all proceeds resulting from his sales of lottery tickets into a specified lottery financial institution account.
 - 9.1.2 At all lawful times during normal business hours, each Agent shall make available lottery tickets for sale to the public in the place of business designated in the license.
 - 9.1.3 Each Agent shall abide by the Delaware Code, these Regulations, and all other directives or instructions issued by the Director.
 - 9.1.4 Each Agent and its agents and representatives grants to the Lottery Office an irrevocable license to enter upon the premises listed as location(s) on the Agent's license in which tickets may be sold or any other location under the control of the Agent where the Director may have good cause to believe lottery materials or tickets are stored or kept in order to inspect said lottery property and the premises.
 - 9.1.5 All property given to an Agent remains the property of the Lottery Office, and upon demand, the Agent agrees to deliver such property to the Director.
 - 9.1.6 Each Agent shall make available for inspection and audit of the Director and his agents, upon the Director's demand and at reasonable hours, all books and records pertaining to the Agent's lottery activities.
 - 9.1.7 No Agent shall advertise or otherwise display advertising in any part of the Agent's licensed location which may be considered derogatory or adverse to the operation or dignity of the Lottery, and the Agent shall remove same forthwith if requested by the Director or his representative.
 - 9.1.8 Each licensee shall accept full responsibility for the acts and conduct of his employees, agents and representatives in connection with all activities of the Lottery Office, and shall hold the Lottery Office and its Director and employees harmless.
 - 9.1.9 Each Agent is required to sell a minimum number of tickets as determined by the Director.
 - 9.1.10 Each Agent is required to make available for any player's inspection the official game rules applying to any specific game.
 - 9.1.11 Each Agent shall promptly report to the Director any violation, or any facts or circumstances that may result in a violation, of these Regulations, or in a violation of any state or federal law, excluding violations concerning motor vehicle laws.
 - 9.1.12 Each Agent shall conduct lottery operations in a manner that does not pose a threat to the public, health, safety, or welfare of the citizens of Delaware, or reflect adversely on the security or integrity of the Lottery.
 - 9.1.13 Each Agent shall exercise due diligence in the operation of all Lottery-provided equipment and shall immediately notify the Lottery Office of any communication or equipment malfunctions that may occur.

22 DE Reg. 494 (12/01/18)

10.0 Lottery Accounts

- 10.1 The Director may require, in his discretion, any or all lottery sales Agents to deposit to the credit of the State Lottery Fund, in financial institutions designated by the Director, all monies received by such Agents from the sale of lottery tickets and to file with the Director or his designated agent reports of their receipts and transactions in the sale of lottery tickets in such form and containing such information as the Director may require.
- 10.2 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 he may deem advisable pursuant to the Delaware Code and these Regulations.
- 10.3 All deposits must be secured in accordance with applicable state and federal laws.

22 DE Reg. 494 (12/01/18)

11.0 Lottery Tickets

- 11.1 Instant game lottery tickets will be prepared for sale and allocated to the Agent by the Lottery Office. Ticket stock for drawing games will be allocated to the Agent by the Lottery Office. No Agent will be permitted to share instant lottery game tickets or ticket stock with another Agent or with another Agent's place of business or licensed location.
- 11.2 Instant game lottery tickets are deemed sold, and the Lottery Office will charge the Agent's account, when the earliest of the following events occurs: (i) the instant game ticket pack reaches approximately 85% of redemption level; (ii) the Agent or one of its employees activates another ticket stock pack from the same lottery game; (iii) the Lottery Office closes an instant ticket game; (iv) the Agent notifies the Lottery Office in advance that it wishes to be charged once the Agent receives the lottery ticket pack; or (v) 90 days have passed since the Agent or one of its employees has activated a lottery ticket stock pack and none of the other conditions listed in this subsection 11.2 have occurred.
- 11.3 The Lottery Office will not be held responsible for any lost, stolen, misprinted, erroneously issued, or mutilated lottery tickets that an Agent sells to the public.

22 DE Reg. 494 (12/01/18)

12.0 Sale of Tickets

- 12.1 No person may sell a ticket for less than or greater than its stated price. Any such ticket will be considered an illegal ticket and shall not be validated by the Lottery Office. No lottery sales Agent shall sell a ticket to a known third-party ticket reseller or enter computer-generated betting slips from a third-party reseller for the sale of lottery tickets. No person other than a duly licensed lottery sales Agent or his employee may sell lottery tickets except that nothing in this section shall be construed to prevent a person who may lawfully make such a purchase from making a gift of lottery tickets to another person. An Agent shall not sell a ticket from any location that is not listed in his license.
- 12.2 The Director has the discretion to determine the types and terms of payment that may be accepted for traditional lottery products.

22 DE Reg. 494 (12/01/18)

13.0 Purchasing Restrictions

- 13.1 An employee of the Lottery Office or any member of the employee's immediate household shall not purchase a ticket or share in the winnings from any Delaware lottery game, and the Lottery Office shall not pay any prize money or winnings to any employee of the Lottery Office or any member of the employee's immediate household. This restriction also prohibits a Lottery Office employee from purchasing any lottery ticket for a game in which the Delaware Lottery is a joint participant.
- 13.2 An employee of any contractor, subcontractor, or vendor of the Lottery Office or a Lottery Office contract employee who has any duty or responsibility associated with the Lottery Office's drawings or game operations shall not purchase any ticket or share in any winnings from any Lottery Office games in which winners are determined by drawings. In addition, the Lottery Office shall not pay any prize or winnings from any games in which winners are determined by drawings to any contractor, subcontractor, or vendor of the Lottery Office or a Lottery Office contract employee.
- 13.3 No lottery game ticket shall be purchased by, and no prize shall be paid to, any employee of a lottery instant ticket supplier or central computer system supplier.
- 13.4 All ticket sales will be final except for tickets for cancellable games, which are PLAY 3, PLAY 4, Keno, and Multi-Win Lotto.
- 13.5 An Agent has the discretion to choose to refund to a customer the purchase price of a ticket from a cancellable game if the circumstances warrant such refund.
- 13.6 No Agent shall sell a ticket or share to any person under the age of eighteen (18) years, but this shall not be deemed to prohibit the purchase of a ticket or share for the purpose of making a gift by a person 18 years of age or older to a person less than that age. Any Agent who knowingly sells or offers to sell a lottery ticket to any person under the age of 18 years shall be subject to the penalties as provided in the Delaware Code.

4 DE Reg. 498 (09/01/00)

TITLE 10 CHARITABLE GAMING, LOTTERY, AND FANTASY SPORTS
DELAWARE ADMINISTRATIVE CODE

22 DE Reg. 494 (12/01/18)

14.0 Types of Lotteries

- 14.1 The Lottery Office reserves the right to institute any type of lottery game as is allowable under the Delaware Code any time the Director deems it to be in the best interest of the State.
- 14.2 Rules and regulations concerning individual games will be promulgated by the Director as required.

22 DE Reg. 494 (12/01/18)

15.0 Manner of Random Selection

- 15.1 The dates, times, and locations for each Lottery drawing shall be determined by the Director.
- 15.2 The lottery events will be open to the public free of admission charge.
- 15.3 The Director shall define the manner of winning number selections for each game.

22 DE Reg. 494 (12/01/18)

16.0 Determination of Prize Winners

- 16.1 The Director shall adopt a prize structure for each type of lottery game administered by him and shall review, from time to time, the prize structure of each lottery game and, if advisable, revise said prize structure.
- 16.2 The Director may post on the Lottery Office's official website or publish in brochures the prize structure for each type of lottery game.
- 16.3 Any prize structure or prize revisions adopted by the Director will take effect on the date announced by the Director; provided, however, that no revision of the prize structure may take effect for the winner determination in the game after the initiated time for the sale of tickets.

4 DE Reg. 498 (09/01/00)

22 DE Reg. 494 (12/01/18)

17.0 Notification of Prize Winners

As soon as practicable after each drawing, the Lottery Office shall post the winning lottery numbers on the Lottery Office's official website. The Lottery Office shall maintain a database of all winning numbers, which database must be accessible to the public via the Lottery Office's official website.

22 DE Reg. 494 (12/01/18)

18.0 Procedure for Claiming Prizes

- 18.1 The following are the procedures by which prizes may be claimed and paid:
 - 18.1.1 All cash prizes under an amount defined by the Director may be claimed through a duly-authorized claim center, which may be, but is not limited to, an Agent's licensed location or at the offices of the Division of Revenue. All cash prizes greater than \$5,000.00 must be claimed at the Lottery Office's main office location.
 - 18.1.2 Each prize ticket winner may be required to complete a claim form and to sign the winning ticket (or both) at the discretion of the Director. If the prize ticket owner is a minor or a person unable to complete the required form(s), then said minor or person shall have his guardian, conservator, adult member of his household, or other proper representative complete the claim form in his stead. If the Director determines that the person who completed the claim form on behalf of the owner is not the proper person to claim the prize on behalf of the owner, the Director may require a new claim form be completed by a person to claim the true owner's prize. The claim form must be in such form as the Director may, deem necessary and proper, from time to time, to protect the Lottery Office and the public interest.
 - 18.1.3 Each prize ticket winner must present a physical paper ticket to claim a prize. In addition, a winner may be required to provide (i) a photo identification card that has the winner's name and current residential address and (ii) a Social Security card.
 - 18.1.4 Agents shall review each winning ticket and must be assured that each ticket contains winning lottery numbers and is signed by the claimant. Agents shall validate winning tickets and pay to the winners the amount of winnings up to the limit set by the Director. If an Agent has any questions about the validity of a winning ticket, the ticket must be turned in to the Lottery Office for payment.

- 18.1.5 In addition to all other requirements in these Regulations, all winning tickets must be validated through the lottery terminal. A winning ticket must not be counterfeit in whole or in part and must be presented by a person authorized to play the Lottery. If an Agent pays any claim that was not for a winning ticket and the holder of the ticket fails to reimburse the Lottery Office or cannot be located, the Agent will be held responsible for the improper or erroneous payment. If a ticket is determined to be invalid, the Director will notify the claimant that said ticket is invalid, and no prize will be paid. All tickets will be considered void if altered, torn, misprinted, illegible or damaged unless the Director is satisfied that the ticket is genuine. If it is determined that a ticket contains a manufacturing defect or resulted from any system or terminal malfunction or from human error which makes said ticket appear to be a winner when in fact it is not, the bearer may receive reimbursement for the full purchase price of said ticket, but shall not be awarded any prize.
- 18.1.6 If a claimant is aggrieved by the Director's denial of his claim or a prize, he may request an informal hearing with the Director to discuss his grievance and a reconsideration of his claim by the Director. If the Director concludes that there is meritorious basis for the claimant's complaint, he may revise his prior decision. If the Director concludes there is no meritorious basis for the claimant's complaint, the Director may finalized his decision in writing and deny the claim. The decision of the Director shall be final.
- 18.1.7 A winning ticket may be redeemed for a period of twelve (12) calendar months from the date of the drawing or event in which the prize was won. A winning instant scratch game ticket may be redeemed for a period of twelve (12) calendar months from the announced end of that game's sales. If no person claims a prize for a winning ticket within such calendar year, the prize money will revert to the State Lottery Fund as mandated by the Delaware Code.
- 18.2 The Director reserves the right to offer special prizes above and beyond the normal prize structure. These prizes may be redeemable only for a specific time period after which no prize will be awarded. These special situations will be clearly detailed in announcements to the public so that there will be ample time for claims.
- 18.3 The Director may establish and modify procedures by which prizes may be claimed and paid by Agents.
- 4 DE Reg. 498 (09/01/00)**
22 DE Reg. 494 (12/01/18)

19.0 Ownership of Lottery Tickets

Until such time as a name is imprinted or placed upon the rear portion of the lottery ticket in an area designated for "name", a lottery ticket which has been sold will be owned by the physical possessor of said ticket. Unsold tickets remain the property of the Lottery Office. When a name is placed on the rear of said ticket in the place designated therefor, the person(s) whose name(s) appear in that area will be the owner(s) of said ticket and will be entitled to any prize attributed thereto. Unless there is a conflict between the information on the claim form and the signature(s) on the back of the ticket, the Lottery Office shall pay to the person(s) whose name(s) appear on the back of the ticket in the designated space; provided, however, if more than one name appears on the rear of the lottery ticket, one of those persons whose name appears thereon may be designated to receive payment. This may be done by indicating on the claim form and by the signature on the claim form of all persons whose names appear on the rear of the ticket. The person(s) appearing for payment must be the same as those whose name(s) appear on the rear portion of the lottery ticket in the designated space.

4 DE Reg. 498 (09/01/00)
22 DE Reg. 494 (12/01/18)

20.0 Prize Rights Unassignable

No right of any person to a drawn prize shall be assignable, except that payment of any drawn prize may be paid to the estate of a deceased prize winner, and except that any person pursuant to an appropriate judicial order may be paid the prize to which the winner is entitled. The Director shall be discharged of all liability upon payment of a prize pursuant to this section.

22 DE Reg. 494 (12/01/18)

21.0 Payment of Prizes to Persons Under 18 Years of Age

If the person entitled to a prize for any winning ticket is under the age of eighteen (18) years, and such prize is less than \$5,000.00, the Director may direct payment of the prize by a check or draft payable to the order of the minor via delivery to an adult member of the minor's family or a guardian of the minor. If the person entitled to a prize for any winning ticket is under the age of eighteen (18) years, and the prize is \$5,000.00 or more, the Director may direct payment of the prize to

TITLE 10 CHARITABLE GAMING, LOTTERY, AND FANTASY SPORTS
DELAWARE ADMINISTRATIVE CODE

the minor by depositing the amount of the prize into a financial institution to the credit of an adult member of the minor's family or a guardian of the minor as a custodian in accordance with Delaware law. For the purposes of this section, the term "adult member of the minor's family," "guardian of the minor," and "financial institution" have the same meanings as stated in the Uniform Transfers to Minors Act, 29 Del.C. Ch. 45. The Director shall be discharged of all liability upon payment of a prize to a minor pursuant to this section.

22 DE Reg. 494 (12/01/18)

22.0 Prizes Payable After Death or Disability of Owner

All prizes or a portion thereof which remain unpaid at the time of the prize winner's death will be payable to the prize winner's estate. Payment by the Lottery Office to the estate of the deceased owner of any prize winnings will absolve the Lottery Office and any Agents of any further liability for payment of said prize winnings. Under no circumstances will the payment of prize money be accelerated beyond normal dates of payment by the Lottery Office. The Director reserves the right to petition any court of competent jurisdiction to request a determination for the payments of any prize winnings, including those winnings which are or may become payable to the estate of a deceased owner or an owner under a disability because of, but not limited to, minority of age, mental deficiency, or physical or mental incapacity. If the legatees, or heirs of a deceased owner entitled to prize winnings obtains an order from a court of competent jurisdiction directing payments due and to become due from the Lottery Office to be paid directly to said legatee(s) or heir(s) or otherwise directs the Lottery Office to make payments to another if an owner is disabled or otherwise, the Lottery Office shall pay the prize winnings accordingly.

22 DE Reg. 494 (12/01/18)

23.0 Payment of Prizes

- 23.1 All prizes will be paid within a reasonable time after the winning numbers are announced and after the claims are verified by the Director. For each prize requiring annual payments, all payments after the first payment will be made on the anniversary date of the first payment in accordance with the type of prize awarded. The Director may delay, at any time, any payment in order to review a change of circumstances relative to the prize awarded, the payee, the claim, or any other matter that may have come to his attention. All delayed payments will be made once the Director confirms the circumstances of the prize payment, and payments will continue to be paid on each original anniversary date thereafter.
- 23.2 The Lottery Office is a participating member of the Multi-State Lottery Association (MUSL) and the Mega Millions Product Group (M2G2). Neither the MUSL, M2G2, nor the member lotteries, including the Lottery, will 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 the MUSL or M2G2. In certain instances announced by the MUSL or M2G2, the Grand Prize will be an estimated amount and will be determined pursuant to MUSL or M2G2 rules and procedures.

3 DE Reg. 523 (10/01/99)

22 DE Reg. 494 (12/01/18)

24.0 Discharge of State Lottery Upon Payment

The State of Delaware, its agents, officers, employees and representatives, and the Lottery Office, its Director, agents, officers, employees and representatives will be discharged of all liability upon payment of a prize or any one installment thereof to the holder of any winning lottery ticket or in accordance with the information set forth on the claim form supplied to the Director. If there is a conflict between the information on the winning lottery ticket and the information on the claim form, the Lottery Office may rely on the claim form after the ticket has been validated as a winning ticket and, in so doing, it will be relieved of all responsibility and liability in the payment of a prize in accordance with the information set forth therein. The Director's decision and judgment in respect to the determination of a winning ticket or of any other dispute arising from payment or awarding of prizes will be final and binding upon all participants in the Lottery unless otherwise provided by law or these Regulations. If a question arises regarding the winning ticket, a claim form, the payment, or the awarding of any prize, the Director may deposit the prize winnings into an escrow fund until he determines a resolution of the controversy and reaches a decision, or the Director may petition a court of competent jurisdiction for instructions and a resolution of the controversy.

22 DE Reg. 494 (12/01/18)

25.0 Declaratory Rulings by the Lottery Office

- 25.1 On petition of any interested person, the Director may issue a declaratory ruling with respect to the applicability to any person, property or state of facts of any rule or statute enforceable by it, or the Director may refer such matters to the State Attorney General for such disposition.
- 25.2 In the case of any matter concerning which a Declaratory ruling is brought for appeal, the petitioner may be represented by an attorney.

22 DE Reg. 494 (12/01/18)

26.0 Postponement of Drawings

The Director may postpone any drawing to a certain time and publicize the new time of the drawing.

22 DE Reg. 494 (12/01/18)

27.0 Amendments

The Director may amend, modify, or otherwise change these Regulations upon full compliance with Delaware laws. Any amendments, modifications or changes will become as effective and applicable to Lottery's business and administration as if part of the original Regulations.

22 DE Reg. 494 (12/01/18)

28.0 Determination of Suitability and Appeal Process

- 28.1 All applicants or licensees must contact the SBI to make arrangements for fingerprint processing. The SBI shall forward the results of the state and federal criminal history record checks to the attention of the Director in a confidential manner. The SBI shall also send to the Director any subsequently-obtained criminal history information of an applicant or licensee.
- 28.2 A fee is required for state and federal processing of criminal history records. Payment must be made in the form of a certified check, credit card, or money order. All applicants and licensees must directly pay the appropriate fee at the time the processing request is made.
- 28.3 All applicants must show proof of identification to complete the criminal history request.
- 28.4 If the Director decides that the applicant or licensee may receive a full license, the Lottery Office shall send the applicant or licensee a letter that confirms the Director's decision to issue a full license.
- 28.5 SBI shall send to the Director certified copies of the applicant's or licensee's criminal history and regular copies of the criminal history to the applicant or licensee.
- 28.6 All applicants and Agents shall notify the Lottery Office within seventy-two (72) hours of any changes in their criminal history information. The Lottery Office shall use this subsequent criminal history information in determining an applicant's suitability for licensure and an Agent's continued suitability as a licensee.
- 28.7 A person subject to 29 **Del.C.** §4807A shall have the opportunity to respond to the Director regarding any information obtained prior to a determination of suitability for licensure. Such a response must be made within ten (10) business days of the person's receipt of the criminal background information from the SBI. The determination of suitability for licensure shall be made by the Lottery Office pursuant to the factors listed in 29 **Del.C.** §§4830(a)-(e) in regard to an applicant's criminal history and the factors listed in Section 3.0 of these Regulations. The Lottery Office will also consider any other additional factors contained in 29 **Del.C.** Ch. 48 and the Regulations in considering applications for licensure.
- 28.8 The Lottery Office shall communicate the results of the determination of suitability in writing, within thirty (30) days of the receipt of the person's response to the criminal history information, unless extenuating circumstances require a longer period. If a determination is made to deny a person licensure, the person shall have an opportunity to appeal the denial decision as set forth in subsections 5.2 to 5.9 of these Regulations.
- 28.9 Confidentiality
 - 28.9.1 All records pertaining to criminal background checks pursuant to 29 **Del.C.** §4807A and all copies of suitability determinations of applicants or licensees for licensure must be maintained in a confidential manner, including, but not limited to, the following:
 - 28.9.1.1 Access to records of criminal background checks, letters of reference accompanying out-of-state criminal background checks, and determinations of suitability of applicants or licensees must be limited to the Director and designated personnel;
 - 28.9.1.2 All such records shall be kept in locked, fireproof cabinets;

TITLE 10 CHARITABLE GAMING, LOTTERY, AND FANTASY SPORTS
DELAWARE ADMINISTRATIVE CODE

28.9.1.3 No information from such records may be released without the signed approval of, and appropriate signed release of, the applicant or licensee.

4 DE Reg. 498 (09/01/00)

10 DE Reg. 1821 (06/01/07)

20 DE Reg. 370 (11/01/16)

22 DE Reg. 494 (12/01/18)

29.0 Non-Discrimination on the Basis of Disability in Delaware Lottery Programs

29.1 Purpose

29.1.1 The ADA (42 U.S.C. §12131) prohibits discrimination on the basis of disability in the delivery of programs offered by any state or local government or other instrumentality of a state or local government. The purpose of this section is to ensure that the Lottery Office is in compliance with the ADA by ensuring that persons with disabilities have access to the lottery programs.

29.1.2 In defining the scope or extent of any duty imposed by these Regulations including compliance with the standard of accessibility defined in subsection 29.2.2, any higher or more comprehensive obligations established by otherwise applicable federal, state or local enactment may be considered.

29.2 General Requirements

29.2.1 Prohibition of discrimination. No Agent shall discriminate against any individual on the basis of a disability in the full and equal enjoyment of lottery-related goods, services, facilities, privileges, advantages, or accommodations of any Agent's facility.

29.2.2 Standard of accessibility. Each Agent is required to meet a standard of accessibility that enables people with disabilities, including those who use wheelchairs, to enter the Agent's facility and participate in the lottery program. All agents must provide an accessible route that is comprised of the following accessible elements:

29.2.2.1 Parking, if parking is provided to the general public;

29.2.2.2 Exterior route connecting parking (or a public way if no parking is provided) to an accessible entrance;

29.2.2.3 Entrance;

29.2.2.4 Interior route that connects the entrance to a service site.

29.2.3 Unless a permitted exemption exists, each element set forth in subsection 29.2.2 must meet the design standards set forth in the ADA Accessibility Guidelines (ADAAG), as applicable.

29.3 New License Applicants

29.3.1 License applicants. The Lottery Office shall inspect the site of all applicants for compliance with Section 29.0 of the Regulations prior to granting a license. The Lottery Office shall not grant a license to an applicant who is not in compliance with all of the requirements of Section 29.0.

29.3.2 If the ownership of an Agent changes, the Lottery Office shall treat such Agent as an applicant for a new license, and such applicant must comply with all of the requirements set forth in Section 28.0.

29.3.3 Inspection reports. The Lottery Office, prior to granting a license, shall provide lottery applicants with an inspection report that will identify barrier removal actions, if any, necessary to provide lottery program accessibility. The identified actions must be completed within 90 days of the receipt of the inspection report and prior to the granting of a license.

29.3.4 Extensions. The Director may grant an extension of up to 90 days to allow an applicant to complete barrier removal actions identified in the inspection report.

29.3.5 Any request for an extension must be in writing and must include specific reasons for an extension and supporting documentation.

29.3.6 The Director shall grant an extension to an applicant only upon a showing of good cause.

29.4 Permitted exemptions

29.4.1 The following exemptions to the requirements of this section may be granted by the Director. The Director shall review the circumstances and supporting documentation provided by the applicant to determine if the applicant's request for an exemption should be granted. The Director will determine the type and scope of documentation required for each exemption classification. All decisions made by the Director will be final.

Any applicant whose request for an exemption is denied by the Director shall be required to satisfy the requirements of these Regulations as a condition for maintaining its eligibility for a license.

- 29.4.1.1 Historic properties. To the extent a historic building is exempt under federal law, and if barrier removal would threaten or destroy the historic significance of the structure, the requirement of this section will not apply to a qualified historic building or facility that is listed in or is eligible for listing in the National Register of Historic Places under the National Historic Preservation Act or is designated as historic under state or local law.
- 29.4.1.2 Legal impediment to barrier removal. Any law, act, ordinance, state regulation, ruling or decision which prohibits any applicant from removing a structural impediment or from making a required improvement to the facility may be the basis for an exemption to this section. An applicant who requests an exemption for a legal impediment will not be required to formally seek a zoning variance to establish such impediment, but the applicant will be required to document that it has applied for and has been refused whatever permit(s) are necessary to remove the identified barrier(s).
- 29.4.1.3 Landlord refusal. An exemption may be granted based on the refusal of a landlord to grant permission to an applicant and/or to pay to make improvements required by the Lottery Office under this section, or based on the refusal of a landlord to pay for improvements required by the Lottery Office under this section. The exemption shall apply only to the applicant's current term and does not include any possible renewal periods under the lease. To request such an exemption, the applicant must submit documentation to the Director to show that the applicant requested the landlord's permission and financial participation to make the required structural improvements, that such request was denied by the landlord, and the reasons for the denial. In making a decision on the exemption request, the Director shall take into consideration, but not be limited to, the sufficiency of the reasons provided by the landlord for denying the applicant's request.
- 29.4.1.4 Undue financial hardship. A limited exemption may be granted if there is a change of ownership of an Agent and the applicant can demonstrate that the cost of removing a structural barrier or of making the required structural modification(s) to the applicant's facility is an undue financial hardship in that the cost of making such a change or changes exceeds 25% of the location's compensation from the Lottery Office for the prior calendar year. An annualized sales figure based upon the previous owner's most current 13-week sales period will be used for those retailer locations with less than a full year's history of sales. Under the terms of this limited exemption, an applicant would be required to annually save, set aside, or spend an amount for those improvements and modifications that are approximately equal to 25% of the total compensation earned from the Lottery Office in the prior calendar year. This requirement would continue on a year-to-year basis until all the improvements and modifications required by this section have been completed. An applicant shall provide all supporting documentation requested by the Director to substantiate the cost estimates of making the required improvements to the applicant's location.
- 29.4.1.5 Technical infeasibility. An exemption may be granted if an applicant can demonstrate that the removal of architectural barriers identified in the inspection report is not possible due to technical infeasibility. If such a claim is made, the Lottery Office may have the barrier removal action evaluated by a person knowledgeable in accessibility codes and construction to determine the merits of the claim.
- 29.4.1.6 Alternative methods. If an exemption is granted in accordance with the provisions of this section, the applicant shall make the lottery-related goods and services available through alternative methods. Examples of alternative methods include, but are not limited to:
 - 29.4.1.6.1 Providing curb service;
 - 29.4.1.6.2 Having an accessible service window;
 - 29.4.1.6.3 Having an accessible doorbell;
 - 29.4.1.6.4 Directing customers by signage to the nearest accessible lottery retailer.

29.5 An aggrieved party may file an accessibility complaint concerning accessibility to the lottery programs with the U.S. Department of Justice or the State Human Relations Commission with a copy to the Director. Regardless of whether a complaint has been filed, the agency will issue a letter of non-compliance within 30 days after the completion of an onsite inspection of the Agent's or licensee's facility if the agency determines that the Agent or licensee is not in compliance with this subsection.

TITLE 10 CHARITABLE GAMING, LOTTERY, AND FANTASY SPORTS
DELAWARE ADMINISTRATIVE CODE

- 29.6 If a letter of non-compliance shows deficiencies in the accessibility of the retailer facility, the Agent shall submit a plan to the agency within 30 days of the issuance of the letter of non-compliance. The plan shall describe in detail how the Agent will achieve compliance with this section. Compliance shall be accomplished within 90 days of the letter of non-compliance. The Lottery Office may, upon request and for good cause, grant the Agent additional time to submit the plan.
- 29.7 Within 20 days of the submission of the compliance plan to the agency, the Lottery shall notify the Agent of the agency's acceptance or rejection of the plan. If the plan is rejected, the notification shall contain the reasons for rejection of the plan and the corrections needed to make the plan acceptable to the Lottery Office. If the Agent agrees to make the required corrections, the Lottery Office shall accept the plan as modified.
- 29.8 If an Agent fails to submit a plan within 30 days of issuance of the letter of non-compliance and has not requested an extension of time to submit a plan, the Lottery Office may proceed to initiate termination proceedings.
- 29.9 If approved, the plan must be completely implemented within 60 days of the agency's notice of approval. The Lottery Office may, upon request, grant the Agent additional time for good cause. Notice of any extension will also be sent to the complainant, if applicable. Any such extension will commence immediately upon expiration of the first 60 day period.
- 29.10 If the corrective action taken by the Agent corrects the deficiencies specified in the letter of non-compliance as originally issued or as later revised or reissued or if the onsite inspection of the lottery retailer facility reveals compliance with this regulation, the Lottery Office will issue a notice of compliance. Until this notice is issued, a complaint will be considered pending.
- 29.11 Failure to make the identified modifications in compliance with the accessibility standards and within the required time period will result in the initiation of proceedings to suspend or revoke the lottery license by the agency.
- 29.12 A license will be suspended if the Lottery Office determines that the Agent has made significant progress toward correcting deficiencies listed in the compliance report, but has not completed implementation of the approved compliance plan. If the Lottery determines that the Agent has not made a good faith effort to correct the deficiencies listed in the compliance report, this inaction will result in the revocation of the lottery license for that lottery licensed facility.
- 29.13 While proceedings to suspend or revoke an Agent's license are pending pursuant to this regulation, and until a notice of compliance is issued pursuant to subsection 29.10, the Lottery Office shall withhold incentive payments from the Agent. In addition, if a license is revoked pursuant to this section, and incentive payments and other privileges have been withheld from the affected Agent pending review of the complaint, the Agent forfeits any claim to such incentive payments or other privileges.
- 29.14 Request for Hearings
- 29.14.1 If the Lottery Office proposes the denial of an application for a license or the suspension or revocation of an Agent's license pursuant to this section, the agency shall give the applicant or Agent written notice of the time and place of the administrative hearing not later than thirty (30) days before the date of the hearing.
- 29.14.2 All relevant rules of evidence and time limits established in these rules shall apply to hearings conducted under this regulation.
- 29.15 Any remedies established by these Regulations are not intended to supplant, restrict or otherwise impair a person's resort to remedies otherwise available under law, including those authorized by the ADA, the federal regulations of 29 C.F.R §§ 35.173, 35.175, and 35.176, and the provisions of 6 **Del.C.** §4508(g) and (h).
- 3 DE Reg. 523 (10/01/99)**
3 DE Reg. 951 (01/01/00)
4 DE Reg. 498 (09/01/00)
10 DE Reg. 1821 (06/01/07)
20 DE Reg. 370 (11/01/16)
22 DE Reg. 494 (12/01/18)