



NYCRR Title 9, Executive

Subtitle T

New York State Gaming Commission

Chapter III

Division of Lottery

Subchapter A

State Lottery

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PART 5000

General Provisions

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§ 5000.1. Purpose and scope.

This chapter is promulgated by the commission pursuant to Article 1 of the Racing, Pari-Mutuel Wagering and Breeding Law and governs the establishment, operation, and administration of the commission in regard to the State Lottery, and such additional responsibilities as may be assigned by law. Subjects covered by this chapter include, but are not limited to: frequency of drawings, price of tickets, structure of prizes, payment of prizes, licensing of lottery sales agents, use of vending machines, safekeeping operations and control and distribution of lottery tickets. This Part pertains to the Division of Lottery and supplements those rules and regulations of general applicability promulgated by the commission.

§ 5000.2. Definitions.

Unless the context indicates otherwise, the following definitions are applicable throughout this chapter.

(a) *Act* or *acts* means article 34 of the Tax Law, commonly known and cited as the New York State Lottery for Education Law and article 1 of the Racing, Pari-Mutuel Wagering and Breeding Law.

(b) *Affiliate* means a parent company or subordinate business entity of a courier service.

(c) *Agent commission* means payments to lottery sales agents, or other persons for sales, processing of claims, distribution and handling of tickets and revenue, and other services performed at the request of the director of the lottery.

(d) *Claims center* or *customer service center* means any place designated by the commission where a ticket holder or such ticket holder's representative may file a claim for a prize in accordance with instructions of such commission.

(e) *Commission* means the New York State Gaming Commission established pursuant to article 1 of the Racing, Pari-Mutuel Wagering and Breeding Law.

(f) *Courier customer* means a natural person who is the holder of an account on a network operated by a courier service and who requests delivery of a lottery ticket through such network.

(g) *Courier service* means a person licensed pursuant to this subchapter as a vendor to carry out transactions as an agent for customers as permitted by this subchapter.

(h) *Drawing cutoff* means the deadline to purchase a lottery ticket for a particular lottery drawing as determined by the commission.

- (i) *Lottery director* means the director of the Division of Lottery within the commission.
- (j) *Lottery fund* means the State lottery fund established pursuant to section 92-c of the State Finance Law.
- (k) *Lottery* or *State lottery* means the lottery established and operated pursuant to the Lottery for Education Law and article 1 of the Racing, Pari-Mutuel Wagering and Breeding Law.
- (l) *Lottery sales agent* means a person who, or entity that, is licensed by the commission pursuant to article 1 of the Racing, Pari-Mutuel Wagering and Breeding Law and the New York State Lottery for Education Law (article 34 of the Tax Law) to sell lottery tickets.
- (m) *Network* means an online-enabled technology application service or electronic system offered or used by a courier service agent that enables courier customers of the network within the State to request the courier service to purchase lottery tickets on the courier customer's behalf as the courier customer's agent and receive delivery of a facsimile or other electronic confirmation of the lottery tickets issued on behalf of the courier customer through the network.
- (n) *Person* means an individual, partnership, association, organization, corporation, limited liability company, club, company, trust, estate, society, joint-stock company, receiver, trustee, assignee, referee or any other form of business organization or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination of individuals, as well as agencies and instrumentalities of the State and counties, cities, towns and villages.
- (o) *Ticket* means a representation, the form of which is prescribed by the commission, of the lottery play or plays sold to a player.
- (p) *Ticket processing* means, with respect to a courier service, the process inclusive of the following:
- (1) accepting a request to purchase lottery tickets as the courier customer's agent;
 - (2) generation of lottery tickets necessary to complete a request through a commission-approved lottery terminal pursuant to the requirements of section 5004.9 of this subchapter;
 - (3) scanning legibly the front and back of a ticket and creating an image thereof;
 - (4) matching the ticket to a courier customer's request and verifying the accuracy thereof; and

- (5) providing a courier customer with an image of the front and back of a ticket.

§ 5000.3. Powers reserved.

All powers not specifically defined in this Chapter are reserved to the commission under the laws creating the commission and specifying the commission's powers and duties.

§ 5000.4. Name, official seal and offices.

(a) The commission may use the names "New York State Lottery" or "New York Lottery" in advertisements, public announcements, correspondence, or for any other lawful purpose, and whenever so used such names shall be deemed to refer to the commission with the same force and effect as if the full name of the commission was used.

(b) The commission shall adopt an official seal, which shall be used in the cases prescribed by law and in such other cases as authorized by the commission.

(c) The principal office of the commission shall be located at: One Broadway Center, Schenectady, New York 12305. The commission may also operate such other offices and facilities as the commission may deem appropriate to fulfill the responsibilities of the commission under the Acts.

§ 5000.5. Director, division and the commission.

(a) The lottery division shall be supervised by a director. The Division of Lottery shall be responsible to operate and administer the State Lottery for Education, as prescribed by Article 34 of the Tax Law, excepting responsibilities for video lottery gaming, which shall be under the Division of Gaming. Notwithstanding the foregoing, the Division of Lottery shall retain the responsibility for all aspects of promotional activities related to video lottery gaming.

(b) The commission shall have the authority to implement and execute such procedures as the commission may deem appropriate for the efficient administration of the acts, and to promulgate rules and regulations governing the establishment, administration and operation of the lottery at the commission's discretion to accomplish the purposes of the acts and to amend, repeal or supplement such rules and regulations. The commission may delegate authority to the executive director and the lottery director, at the commission's discretion.

(c) The commission shall conduct a continuous study and investigation of all matters pertinent to the efficient operation of the lottery.

(d) The commission shall maintain full and complete records of the operation of the division. The commission shall report on a regular basis to the Governor on the status of the lottery.

§ 5000.6. Hearings on suspension or revocation of lottery sales agent license.

(a) A lottery sales agent is entitled to notice and an opportunity to be heard before suspension or revocation of the license provided that the Lottery sales agent requests such a hearing within 20 days from the date of notice of the suspension or revocation. If the commission or the commission's designee finds that the public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in a written order, summary suspension of a Lottery sales agent license may be temporarily ordered, pending proceedings for license suspension or revocation.

(b) A petition requesting a hearing shall be in writing signed by the petitioner or an attorney on behalf of the petitioner and shall include the petitioner's mailing address.

(c) Upon receipt of a petition requesting a hearing, the commission shall issue a notice of hearing fixing the date, time and place at which the hearing shall be held, stating the legal authority and jurisdiction under which the hearing is to be held, referring to the particular sections of the statutes and rules involved, where possible setting forth a short and plain statement of matters asserted, and stating that interpreter services shall be made available, at no charge, pursuant to section 301 of the State Administrative Procedure Act provided that such interpreter services are requested a reasonable time in advance of the hearing. Upon the written application of any party, a more definite and detailed statement of the matters asserted shall be furnished whenever the director or the director's designee finds that the statement in the notice of hearing is not sufficiently definite or not sufficiently detailed. Any more definite and detailed statement so furnished shall be deemed to be a part of the notice of hearing. A notice of hearing shall give at least 10 days notice to the petitioner and other parties and shall be served either in person or by certified mail.

(d) The hearing officer shall be a person designated by the commission. Upon the filing in good faith by a party of a timely and sufficient affidavit of personal bias or disqualification of a hearing officer, the commission shall determine the matter as part of the record of the proceedings. Whenever a hearing officer is disqualified or it becomes impractical for him or her to continue, another hearing officer may be designated to continue the proceedings unless it is shown that substantial prejudice would result. The hearing officer's written report of the hearing containing findings of fact, conclusions of law, and recommended decisions shall be filed with the commission and mailed to the parties of record, and all parties of record shall have 10 days in which to file exceptions, objections, and replies thereto, after which the commission shall adopt, reverse, or modify the report and recommended decision.

(e) A party shall be required to make disclosures prior to a hearing only as provided by this subdivision. When the revocation of a lottery sales agent license is sought, any party shall, upon written demand and at least seven days prior to the date of the hearing, disclose the evidence that the party intends to introduce at the hearing, including documentary evidence and identification of witnesses who may testify at the hearing, except material protected by law from disclosure, including privileged or confidential

information. If after making such disclosure, a party decides to rely on other witnesses or documents, the party shall, as soon as practicable, supplement such party's disclosure by providing the names of such witnesses or copies of such documents.

(f) The hearing officer shall rule on matters of procedure and evidence, and shall conduct the hearing in such manner as, in the hearing officer's discretion, will best serve the attainment of justice. The hearing officer may direct questions to any party or witness.

(g) (1) The order of proof shall be as follows:

- (i) testimony by witnesses in support of the matters asserted against the licensee;
- (ii) cross-examination of such witnesses;
- (iii) testimony by the licensee and witnesses produced by the licensee; and
- (iv) cross-examination of the licensee and the licensee's witnesses.

The hearing officer may, in the hearing officer's discretion, change the order of proof.

(2) Objections or exceptions may be made to the rulings of the hearing officer and the reasons therefor shall be stated, but such objections or exceptions will not be deemed to have been made unless duly noted on the record.

(3) The formal rules of evidence shall not be rigidly enforced in the hearing. Unless objection or exception is made, sustained, and duly noted on the record, all evidence appearing in the record shall be deemed to have been properly admitted for consideration by the commission.

(4) The introduction of cumulative evidence shall be avoided, and the hearing officer may limit the testimony of any witness that the hearing officer deems to be merely cumulative; however, the party offering such testimony may make a short avowal of the testimony that would have been given and if the witness asserts that such avowal is true, the avowal shall be made part of the record.

(5) The hearing officer shall have the authority upon application of any party to reopen an adjourned hearing for the presentation of new or additional evidence. Such application shall be in writing and shall set forth a brief description of the new or additional evidence to be presented.

(6) Oral argument may be made only before the hearing officer. Within the discretion of the hearing officer, such oral argument may be curtailed or limited.

(h) (1) The record shall include:

- (i) all notices, pleadings, motions, and intermediate rulings;

- (ii) evidence presented;
- (iii) a statement of matters officially noticed except matters so obvious that a statement of them would serve no useful purpose;
- (iv) questions and offers of proof, objections thereto, and rulings thereon;
- (v) proposed findings and exceptions, if any;
- (vi) findings of fact, conclusions of law, and recommendations made by the hearing officer; and
- (vii) the decision, determination, opinion, order, or report rendered in the matter by the commission.

(2) The hearing shall be recorded by either stenographic or electronic means.

(3) Upon application made by a licensee, a copy of the record shall be furnished to the licensee. If the stenographic or electronic recording of the hearing has not been transcribed, that portion of the record shall be furnished to the licensee only upon payment of the cost of transcription.

§ 5000.7. Reward payments.

The commission in the commission's discretion may authorize the payment of a reward in the amount of up to \$100 per offense to any person for information leading to the arrest and conviction of any person or persons for any offense involving the theft or misuse of lottery tickets, records, or equipment.

§ 5000.8. Declaratory rulings.

(a) On petition of any person, the commission may issue a declaratory ruling with respect to

(1) the applicability to any person, property, or state of facts of any rule or statute enforceable by the commission, or

(2) whether any action by the commission should be taken pursuant to a rule or regulation.

(b) A petition for a declaratory ruling must be submitted in writing to the commission by certified mail, return receipt requested, addressed to New York State Gaming Commission, One Broadway Center, Schenectady, NY 12305. The returned postal service receipt shall constitute proof of service, which shall be deemed effective on the day the petition is received. The petition shall state that a declaratory ruling is requested, cite the statute, rule, or regulation relied upon, and set forth a complete and precise

statement of the state of facts, persons or property with respect to which a ruling is sought, together with a full disclosure of the petitioner's interest. Any facts alleged in the petition shall be verified under oath by the petitioner.

(c) Counsel to the commission shall receive any such petition and recommend a responsive declaratory ruling or advise that a petition should be declined by the commission as incomplete, ambiguous, inappropriate, or unnecessary under the facts and circumstances recited therein.

(d) The issuance of a declaratory ruling shall be within the discretion of the commission, and nothing contained in this section shall confer upon any person the right to compel the commission to issue a declaratory ruling. Within 60 days from the receipt of any petition seeking a declaratory ruling with respect to whether any action by the commission should be taken pursuant to a rule, the commission shall issue either a declaratory ruling or a statement declining to issue a declaratory ruling.

(e) The commission shall be bound by the conclusions stated in any declaratory ruling unless such ruling is

- (1) changed by the commission to be effective prospectively;
- (2) altered or set aside by a court of competent jurisdiction; or
- (3) superseded by duly enacted legislation.

(f) No opinion, letter, announcement, or other communication by the commission shall be deemed to be a declaratory ruling unless it contains a statement that it is a declaratory ruling or it is a ruling issued in response to a petition submitted pursuant to this section.

PART 5001

Lottery Sales Agents

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§ 5001.1. Application.

Tickets may be sold only within New York State by lottery sales agents. Any person may apply for a license to become a lottery sales agent by submitting a completed application form to the commission and any supplements thereto as may be required.

§ 5001.2. Eligibility.

(a) No license as a lottery sales agent shall be issued to any person in business exclusively as a lottery sales agent. Before issuing such a license, the commission shall consider such factors as:

- (1) financial responsibility and security of the business or activity in which such person is engaged;
- (2) accessibility of the place of business or activity to the public;
- (3) sufficiency of existing licenses to serve the public convenience;
- (4) whether the place of business or activity is predominantly frequented by persons under the age of 18 years;
- (5) volume of expected sales;
- (6) conviction of any offense as defined in the Penal Law;
- (7) veracity and completeness of information supplied on the application form or any supplement thereto;

(8) applicant's indebtedness, if any, to State or local government; and

(9) business experience and reputation of the applicant.

§ 5001.3. Minors.

No person under legal age shall be licensed as a lottery sales agent.

§ 5001.4. Residency.

Lottery sales agent licenses shall be issued only to persons who are residents of this State or whose place of business is located in this State.

§ 5001.5. Issuance of license.

The commission shall license as lottery sales agents to sell lottery tickets only such persons as in the opinion of the commission will best serve public convenience consistent with the purposes of the acts.

§ 5001.6. Duration of license.

A lottery sales agent's license shall remain in force until suspended, revoked or terminated by the commission in accordance with the provisions of the act or those set forth in this Part. The commission may extend the initial or subsequent licensing period at the commission's discretion, or may set starting and expiration dates for new or renewed licenses. Upon reasonable notice to existing licensees, the director may require renewal of licenses, establish probation, or set other conditions upon the license. A license fee may be established and required at the discretion of the commission.

§ 5001.7. Display of license.

Every lottery sales agent shall prominently display such lottery sales agent's license in an area visible to the general public in each place of business where lottery tickets are sold. In addition, a lottery sales agent shall display an authorized lottery agent decal on a prominent front window or door of the lottery sales agent's premises so as to be readily visible to the public. A lottery sales agent shall maintain and display all informational and promotional material in connection with ticket sales of each lottery game in accordance with instructions issued by the commission.

§ 5001.8. [Reserved]

§ 5001.9. Temporary licenses and special licenses.

(a) The commission may issue a temporary license under such terms and conditions as it may deem necessary and proper to effectuate the provisions of the Acts.

(b) The commission may issue a special one-time license upon application approved by a local school district board or the governing board of a non-public school, to sell lottery tickets for one drawing only per calendar year as authorized pursuant to section 1605(c) of the Tax Law. A special license to sell tickets for an instant game or any game other than one for which a weekly drawing is held shall be valid for seven calendar days only.

§ 5001.10. Conditions of licensing.

Upon issuance of a license, a lottery sales agent shall agree to the following conditions:

(a) The lottery sales agent shall comply with the provisions of the act, the licensing agreement, and any rules, regulations, procedures, policies and instructions promulgated or issued by the commission.

(b) The lottery sales agent shall offer tickets to the public for sale during normal business hours.

(c) The lottery sales agent shall use, display and maintain authorized displays, notices, entry boxes and other marketing materials used in connection with ticket sales as instructed by the commission.

(d) All tickets accepted by the lottery sales agent from the commission, or from such lottery sales agent's distribution or safekeeping depository, are deemed to have been purchased by the lottery sales agent at the price established by the commission, less appropriate sales commission discounts, if any. At the discretion of the commission tickets may be released to lottery sales agents on a consignment basis and the commission may agree to accept for credit any unsold tickets; however, if unsold tickets are not returned to the authorized distribution or safekeeping depository on or before the stated deadline, the lottery sales agent is responsible to pay for them in full.

(e) The lottery sales agent shall maintain current and accurate records of all transactions in connection with ticket sales in conformity with the rules, regulations, licensing agreement, policies, procedures and instructions relating thereto, as promulgated or issued by the commission.

(f) The lottery sales agent shall redeem for cash all lottery tickets with a value of \$25 or less.

(g) The lottery sales agent shall make available to representatives of the division upon request for inspection and audit such records as the lottery sales agent may be required to maintain.

(h) The lottery sales agent's license issued under this Part may be suspended or revoked or have the renewal of such license rejected.

(i) The lottery sales agent shall hold the commission harmless from any liability that may arise as a result of conducting lottery ticket sales.

(j) A lottery sales agent is an independent contractor, and any contractual or tortious liability the lottery sales agent may incur in connection therewith shall be the sole responsibility of the lottery sales agent.

(k) The lottery sales agent's license shall be issued for a fixed period of time, and thereafter renewed on an annual basis unless such licensing period shall be extended or changed at the discretion of the commission.

(l) The lottery sales agent shall surrender to the commission upon request the license, lottery sales agent identification card, and all lottery forms and materials supplied by the commission upon the suspension, revocation, or termination of such license, including temporary suspension.

(m) Lottery sales agents and distributors are responsible for all lost, stolen, or destroyed tickets provided by the commission and will pay for such tickets at the appropriate settlement time. The commission will not reimburse lottery sales agents or distributors for such tickets. Lottery tickets are valuable and should be handled with care.

§ 5001.11. License fee.

(a) A fee for a license as a lottery sales agent may be required in an amount determined by the commission and is payable at the time of licensure. The fee is intended to cover the cost of licensing and is not refundable.

(b) A license renewal fee may be charged annually in an amount determined by the commission. The fee is intended to cover the cost of the licensing renewal operation and is not refundable.

§ 5001.12. Bonding of lottery sales agents.

The commission may require a surety bond from any lottery sales agent in such amount as the commission may determine so as to avoid monetary loss to the State because of a lottery sales agent's activities in the sale of tickets. The bond, if required by the commission, is a condition of becoming or continuing as a lottery sales agent. A financial statement may also be required of any person applying for a lottery sales agent license. The commission may also seek additional surety or guarantee of financial security consistent with the purposes of the acts, as may be deemed appropriate.

§ 5001.13. Non-transferability of license

(a) A license issued pursuant to this Part shall not be transferable.

(b) If the business to which a license is issued changes hands or the ownership or type of business undergoes a substantial change, the commission must be notified immediately of such change in writing. At the commission's option the commission may terminate or continue the license of such lottery sales agent. A substantial change in ownership shall mean a transfer of 50 percent or more of the equity of any business licensed pursuant to this Part. If the business for which a license has been issued changes such business' location, said license shall terminate as of the date of the change and an application for a new license must be filed with the commission. Every such change of business location or contemplated change of ownership shall be reported in writing to the division at least 20 days prior to any proposed change.

§ 5001.14. Access to lottery sales agent records.

A lottery sales agent shall grant access to such lottery sales agent's books and records related to lottery sales, together with any and all papers and information required for purposes of auditing, at such times as deemed appropriate by the commission in connection with the application or license as a lottery sales agent.

§ 5001.15. Location of sales

The sale of lottery tickets shall be made only pursuant to a lottery sales agent's license at the specific location named therein or at such other locations as the commission may approve.

§ 5001.16. Conversion to vending machines or manual sales.

Upon mutual agreement between a lottery sales agent and the commission, any licensed location may be converted from a manual-type operation to a vending machine-type operation, and from a vending machine-type operation to a manual-type operation, for the sale of lottery tickets.

§ 5001.17. Lottery sales agent inspections.

Each lottery sales agent shall permit inspections of such lottery sales agent's premises upon request by authorized employees of the commission to determine whether said lottery sales agents are complying with the provisions of the acts, the rules, regulations and instructions of the commission, and the licensing agreement. Inspections may be made without notice during normal business hours.

§ 5001.18. Sales by gaming commission.

The commission itself may sell lottery tickets at any branch location or at any other location that the commission may establish in the State.

§ 5001.19. Suspension and revocation of license.

(a) At the discretion of the commission, a lottery sales agent's license may be suspended or revoked or have such license renewal rejected for any of the reasons set forth in section 1607 of the Tax Law or for any of the following reasons, or any combination thereof:

(1) failure to file any returns or reports or to keep records or to pay any fee or tax as may be required by this Part;

(2) a material change since issuance of the license with respect to any matter required to be considered by the commission as provided in this Part;

(3) failure to sell a sufficient number of lottery tickets required by the licensing agreement between the lottery sales agent and the commission, when the commission has notified the lottery sales agent of such insufficiency in writing and the lottery sales agent fails to make satisfactory improvements, in the discretion of the commission, within the time set forth in the notice of insufficiency;

(4) violation of any the provisions of the acts, rules and regulations of the commission, the licensing agreement between the lottery sales agent and the commission or any of the conditions of licensing set forth in section 5000.10 of this Part, or failure to follow procedures, policies or instructions of the commission;

(5) failure of the lottery sales agent to display commission point-of-sale material in a manner readily available to the public;

(6) finding by the commission that the lottery sales agent's experience, character and general fitness are such that the lottery sales agent's participation as a lottery sales agent is inconsistent with public interest or convenience or for any other reason within the discretion of the commission;

(7) the failure to notify the commission, in writing, within a reasonable time of any arrest, indictment, or service of a summons, or conviction for any felony whether within or without the State of New York, or within or without the United States, occurring during the term of the license or the renewal thereof; or

(8) failure to cooperate with an investigation of the commission, attempt to frustrate or obstruct such an investigation or provision of false or misleading information to the commission during the course of such an investigation.

(b) A lottery sales agent may establish, as an affirmative defense to a suspension or revocation based upon insufficient sales, whether under paragraph (3) of subdivision (a) of this section or otherwise, that such lottery sales agent's failure to sell a sufficient number of tickets was caused by factors outside the control of the lottery sales agent that the lottery sales agent has taken reasonable steps to mitigate, such as extreme weather, natural disaster, flood, earthquake, war, discharge of hazardous material, blackout or

power interruption, civil unrest or other events or circumstances and that nevertheless, despite such mitigation, reasonably excuse such lottery sales agent's sales performance.

(c) If the commission orders the temporary suspension of a lottery sales agent's license pending any prosecution, investigation or hearing, the lottery sales agent shall permit the commission to retrieve lottery equipment, tickets and other material provided by the commission that may be in the lottery sales agent's possession. Failure to cooperate in the commission's retrieval effort shall constitute separate grounds for suspension or revocation of the lottery sales agent's license. A lottery sales agent under a temporary suspension shall continue to remit amounts owed to the commission when required during such temporary suspension.

(d) Upon termination of a lottery sales agent's license for any reason, the lottery sales agent shall comply with the commission's instructions in regard to payment of remaining amounts owed by the lottery sales agent and surrender of the lottery sales agent's license, lottery equipment, tickets and other material provided by the commission. If the lottery sales agent fails to comply with such instructions, the commission may take steps to impose such penalties and exercise such enforcement powers as may be provided for by law, including referral of the debt for collection or further action. The lottery sales agent may be liable in the amount of the debt, plus any collection costs, penalties, interest and attorney fees to which the commission may be entitled.

§ 5001.20. Lottery sales agent accountability for lottery tickets.

(a) The proceeds from lottery ticket sales that cannot be accounted for by the lottery sales agent on the settlement date, regardless of reason, shall be due from the lottery sales agent.

(b) The commission reserves the right to require a claimant of any winning ticket to disclose the location of person from whom said claimant purchased said ticket.

(c) The commission reserves the right to hold prize money in escrow pending the findings of any investigation by the commission or by other legal authority, when the claimed ticket for that prize has been reported lost or stolen from a lottery sales agent.

(d) It is the responsibility of the lottery sales agent to report any lost or stolen tickets at once both to local law enforcement officials and to the commission.

§ 5001.21. Consignment of tickets to lottery sales agents.

Upon instructions of the commission, vendors shall consign lottery tickets to lottery sales agents and shall collect tickets that the lottery sales agents have not sold. Vendors shall not deliver tickets to a lottery sales agent who has failed to settle such lottery sales agent's account with respect to outstanding tickets.

§ 5001.22. [Reserved]

§ 5001.23. [Reserved]

§ 5001.24. Lottery sales agent bonus plan.

(a) The commission may, at the commission’s option, establish for any game a lottery sales agent bonus plan for lottery sales agents who sell winning tickets. The bonus shall be paid only to persons authorized to sell lottery tickets as lottery sales agents.

(b) The lottery sales agent bonus plan is that which is shown below, unless some other plan is established by the director for a particular game:

<u>Prize</u>	<u>Bonus prize</u> *
Less than \$1,000	\$0
\$1,000 winning ticket	\$10
\$2,500	\$25
\$5,000	\$50
\$10,000	\$100
\$15,000	\$150
\$20,000	\$200
\$25,000	\$250
\$50,000	\$500
\$1,000 a week for life (a million dollars)	\$5,000

(c) The commission may establish the criteria for awarding lottery sales agent bonuses for any lottery game as well as the prizes to be awarded for that game.

§ 5001.25. Deposit of lottery revenues by lottery sales agents.

(a) *Deposit of receipts.* All lottery sales agents are required to deposit in a designated depository or bank all monies received by such lottery sales agents from the sale of lottery tickets, less lottery sales agent compensations, and credit, if any, for redeemed tickets along with reports of receipts and transactions on forms provided by the commission for such purpose. In preparing such forms and reports, lottery sales agents shall refer to the manuals and other instructions made available by the commission for each lottery game.

* For amounts other than those shown, bonus prize shall be equal to one percent of the prize won on the ticket except that for tickets valued at more than \$100,000 the prize will be one-half of one percent.

(b) All tickets accepted by a lottery sales agent from the commission or the commission's vendor are deemed to have been purchased by the lottery sales agent, unless returned to the commission or the commission's vendor within the time specified by the commission and the purchase price shall be paid to the commission, less the appropriate lottery sales agent compensation, if any. The lottery sales agent is responsible for lost, stolen or missing tickets not returned, and must pay for such tickets as required by the commission.

(c) The commission may authorize any person to perform functions, activities, or services in connection with the operation of the lottery as the commission may deem advisable to accomplish the purposes of the acts. Such functions, activities or services shall constitute lawful functions, activities or services of such person. Banks shall provide the commission with statements of all transactions as required by the commission.

§ 5001.26. Notification of prize winners.

At the conclusion of each drawing that results in the selection of numbers, every lottery sales agent shall cause the winning numbers to be posted in a prominent place in full view at the lottery sales agent's business location. In addition, any other numbers for bonus awards or other prizes should be posted in compliance with instructions from the commission.

§ 5001.27. Ticket sales.

(a) *Price charged.* Tax Law section 1609(a) governs restrictions on the price charged for lottery tickets and who may sell lottery tickets. In addition, a courier service may charge a convenience charge to a courier customer for services approved by the commission pursuant to Part 5014 of this subchapter. Any such fee shall be deemed to be independent of a ticket price and shall be subject to the requirements of section 5014.19 of this Chapter.

(b) No ticket for a lottery may be sold after the commencement of a drawing for that particular lottery or after a final ticket sales date is announced by the commission.

(c) (1) No ticket shall be sold to any person under the age of 18 but this shall not prohibit the purchase of a ticket for the purpose of making a gift by a person 18 years of age or older to a person less than that age.

(2) The commission shall penalize a licensee found to have violated paragraph (1) of this subdivision as follows:

- (i) for a first violation, a written warning of such violation;
- (ii) for a second violation within one year of a violation, a fine of \$500;
- (iii) for a third violation within one year of a violation, a fine of \$1,000; and

(iv) for a fourth or subsequent violation within one year of a violation, such further action as the commission may deem appropriate, which may include without limitation the suspension or revocation of any license or privilege to sell lottery tickets.

(d) All ticket sales shall be final and no ticket return shall be accepted by a lottery sales agent except as otherwise provided by the commission.

§ 5001.28. Special lottery sales agents.

(a) The commission may license special lottery sales agents, subject to such conditions or limitations as the commission, in the commission's discretion, may deem appropriate. These limitations or conditions may include, but are not limited to:

- (1) length of license period;
- (2) hours or days of sale;
- (3) location or site of sale;
- (4) specific persons who are allowed to sell lottery tickets;
- (5) specific sporting, charitable, social, or other special events where lottery tickets may be sold in conformity with the acts.

(b) Special lottery sales agents shall be subject to this Part wherever applicable.

§ 5001.29. Penalty on delinquent accounts.

The commission may impose a penalty of 1½ percent monthly (18 percent per annum) on any monies due to the commission from lottery sales agents whose accounts are delinquent for more than 30 days.

PART 5002

Payment of Prizes

Section	
5002.1	Information furnished by winning ticket holder
5002.2	Requirement of additional information
5002.3	Time of payment of prize
5002.4	Place of payment
5002.5	Manner of payment
5002.6	Discharge of State liability upon payment
5002.7	Payments to single claimant only
5002.8	Payment of prizes to persons under 18 years of age
5002.9	Prizes payable after death of prizewinner



- 5002.10 Unclaimed and abandoned prize money
- 5002.11 Prize rights un-assignable
- 5002.12 Publicity release
- 5002.13 Prize payable for life

§ 5002.1. Information furnished by winning ticket holder.

Each claimant shall fill out a prize claim form as specified in the rules of each game and surrender such claimant's winning ticket. Nothing in this section shall prohibit the commission from authorizing a courier service licensed pursuant to Part 5014 of this subchapter to provide a claimant with an electronic version of a prize claim form.

§ 5002.2. Requirement of additional information.

In the commission's discretion, the commission may require such additional information, notarized statements, or other evidence, as the commission may deem appropriate, to be supplied by a claimant.

§ 5002.3. Time of payment of prize.

Payment of prizes shall be awarded as soon as reasonably possible after the claim has been filed, validated and verified, and the claimant has been identified to the satisfaction of the commission.

§ 5002.4. Place of payment.

Payment of prizes shall be made to the claimant or claimants at the address or addresses furnished to the commission on the claim form.

§ 5002.5. Manner of payment.

(a) *By mail.* Any prize may be claimed by mailing a completed prize claim form to the commission at the address announced by the commission for such purpose.

(b) *Prizes above threshold claimed in person.* Any prize paid at an office of the commission, or by an agent designated by the commission to pay prizes of more than \$600 each on behalf of the commission, shall be paid by check or by any alternative method of payment determined by the commission (such as a commission-issued debit card). Any prize of more than \$600 must be claimed directly from the commission or an agent designated by the commission, pursuant to this subdivision or subdivision (a) of this section.

(c) *Prizes at or below threshold claimed in person.* Any prize of \$600 or less may be claimed at any lottery retailer location and the prize shall be paid in cash or by any alternative method of payment determined by the commission (such as a commission-issued debit card). A prize of such amount resulting from a ticket issued on behalf of a

courier customer to a courier service may be claimed pursuant to section 5014.14 of this chapter.

(d) Any prize won by a subscriber through a subscription pursuant to Part 5005 of this Chapter shall be payable as follows:

(1) by check or alternative method of payment determined by the commission (such as a commission-issued debit card), if the prize is more than \$600; or

(2) the prize amount shall be made available in the subscriber's player account, if the prize is \$600 or less.

§ 5002.6. Discharge of State liability upon payment.

The State and the State's agents, officers, employees, and the commission and the commission's agents, officers and employees shall all be discharged of any and all liability upon payment of a prize to a ticket holder.

§ 5002.7. Payments to single claimant only.

(a) A prize form shall be filed in the name of a single legal entity as claimant, either one individual or one organization. Multiple payees are not permitted, except as may be authorized pursuant to subdivision (d) of this section.

(b) A claim may be entered in the name of an organization only if the organization possesses a Federal employer identification number (FEIN) issued by the Internal Revenue Service and such number is shown on the claim form. Groups, family units, clubs, or organizations without a Federal employer identification number shall designate one individual in whose name the claim is to be filed.

(c) If a claim is erroneously entered with multiple claimants, the claimants shall designate one of them as the individual recipient of the prize, or, if they fail to designate an individual recipient, the commission may designate any one of the claimants as the sole recipient. In either case, the claim shall then be considered as if such claim were originally entered in the name of the designated individual and payment of any prizes won shall be made to that single individual.

(d) Under exceptional circumstances, payment may be made to multiple payees at the discretion of the commission.

§ 5002.8. Payment of prizes to persons under 18 years of age.

(a) If the person entitled to a prize on any winning ticket is under the age of 18 years and such prize is less than \$5,000, the commission may make payment by delivering to an adult member of the minor's family, or to the minor's guardian, a check or draft for the prize amount payable to the order of such minor.

(b) If the person entitled to a prize is under 18 years and the prize is \$5,000 or more, the commission will make payment to such minor by depositing the amount of the prize in any bank to the credit of any adult member of the minor's family or guardian of the minor as custodian for such minor. The person so named as custodian shall have the same duties and powers as a person designated as a custodian in a manner prescribed by part 4 of article 7 of the Estates, Powers and Trusts Law.

(c) In either event, the commission shall be discharged of all further liability upon payment of prizes to a minor in accordance with this section. The division may withhold prize payment until satisfactory evidence, including, but not limited to, notarized statements, or other evidence of family relationship, guardianship, custodianship, or other matter deemed appropriate, is established on behalf of the minor.

§ 5002.9. Prizes payable after death of prizewinner

Payment of prize money shall not be accelerated before its normal date of payment because of the death of the prize winner. All prizes or any portion thereof that shall remain payable at the time of death of the prize winner shall be paid to the estate of such deceased prize winner, unless the commission is directed otherwise pursuant to an appropriate judicial order. If the deceased prize winner has failed to exercise any power of appointment, the payment will be made directly to those persons who would succeed to the assets of the deceased prize winner under the laws of the State of New York. Upon payment, as provided by this section, the commission shall be discharged of any further liability.

§ 5002.10. Unclaimed and abandoned prize money.

(a) No prize claim shall be valid if submitted to the commission following the expiration of a one-year time period from the date of the drawing or from the close of the game in which the prize was won, and the person otherwise entitled to such prizes shall forfeit any claim or entitlement to such prize moneys. All unclaimed prize money shall be transferred to the State Lottery Fund as required by law.

(b) The commission may determine that a prize has been abandoned whenever more than eighteen months have elapsed since a prize payment check was mailed to the last known address of the claimant and either such check has been returned undelivered by the United States Postal Service and the claimant cannot be located or such check has not been returned undelivered and has not been presented for payment. Any prize so determined to have been abandoned shall be paid to the State Comptroller for administration pursuant to the Abandoned Property Law.

§ 5002.11. Prize rights un-assignable.

No right of any person to a prize shall be assignable, except that any 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. For the purposes of this section, payment of a prize or a portion thereof to the Department of Social Services either

(a) pursuant to an agreement under Tax Law section 1613-a where the Department of Social Services has informed the commission that the winner has failed to obey a court order requiring the winner to support the winner's dependents or

(b) pursuant to an agreement under Tax Law section 1613-b where the Department of Social Services has identified the winner as a recipient of public assistance benefits who is liable to reimburse the State for such benefits, shall be deemed to be payment pursuant to an appropriate judicial order. The commission shall be discharged of all liability upon payment of a prize pursuant to this section.

§ 5002.12. Publicity release.

(a) Each prizewinner grants to the commission the right to use his or her name, town or city of residence, and photograph in order to publicize his or her winnings. The name and town or city of residence of a prize winner may be regarded as public information; however, the commission shall not release the street address or telephone number of a prize winner, except as may be required pursuant to lawful authority or urgent necessity. At the discretion of the commission, photographs of winners may be taken and used for publicity, or to compile a photographic record of winners either printed or electronically presented on the official commission or division of Lottery website or to compile a photographic or other visual record of winners.

(b) The commission requires personal information from prize winners pursuant to the commission's authority under Tax Law section 1604 to operate and administer the New York Lottery, which includes the marketing and advertising of the New York Lottery and the identification of the person entitled to a prize award. The name and city of residence of prize winners, among other things, shall be regarded as public information; however, it shall be the policy of the commission not to release the street address or telephone number of prize winners, except as may be required pursuant to lawful authority or urgent necessity.

(c) As provided in this Part, each claimant agrees to cooperate with the commission in attending a news event and/or releasing a public announcement if required by the commission. The commission may defer the determination of a prize claim pending a claimant's participation in a news conference, announcement, the conclusion of any investigation, or litigation concerning the right to a prize.

§ 5002.13. Prize payable for life.

(a) When a claim has been filed on behalf of multiple claimants on a jackpot ticket eligible for a prize payable for life, such as the "\$1,000 a week for life" prize, prior to the jackpot drawing wherein such prize is to be awarded:

(1) The multiple claimants shall designate in writing which one of them is to be identified as the person on whose life the prize is to be paid and execute an agreement evidencing such intent.

(2) In the event that the multiple claimants fail to execute such an agreement as provided in subdivision (a) of this section, the commission shall designate the youngest of such multiple claimants as the person on whose life such prize is to be paid.

(b) The age of the person on whose life the prize is to be paid may be initially determined by that which is shown on a driver's license or other official document, subject to later verification by the commission of birth records. Initial payments may be made based on the first determination of age but once official birth records are established the prize payment will be based on that date.

(c) When there are multiple claimants for a "\$1,000 a week for life" prize, and the life on which the prize is payable pursuant to subdivision (a) of this section, is terminated by death, the payment on the prize is immediately established as a top limit of \$1,000,000. The pro rata share of the decedent will be paid to the decedent's estate and in accordance with commission rules and regulations. Pro rata payments to each other living multiple claimant or claimants for the same prize will continue until a total of \$1,000,000 in prize money has been paid.

(d) The term life as used in this section means the life of a natural person.

(e) In the event that a claim is filed on behalf of a legal entity, other than a natural person, and such legal entity is eligible for a prize payable for life, the legal entity shall designate an officer or member of that legal entity as the person on whose life such prize is to be paid, and shall execute an agreement evidencing such designation. If for any reason the legal entity fails to execute evidence of such designation, the commission may designate the chief officer of such legal entity, or some other person if deemed more appropriate in the discretion of the commission, as the person on whose life the prize is to be paid.

PART 5003

Games

Section
5003.1 Applicability

- 5003.2 Validation conditions
- 5003.3 Void ticket

§ 5003.1. Applicability.

The provisions of this Part shall apply to all Lottery draw games. In all events, the determination of prize winners shall be subject to the ticket validation requirements as set forth in this Part.

§ 5003.2. Validation conditions.

In order to be deemed a valid and winning bet ticket all of the following conditions must be met, as determined by the commission:

- (a) the validation data must be present in its entirety and must correspond, using the computer validation file, to number selections printed on the ticket for drawing date(s) printed on the ticket;
- (b) the ticket must be intact;
- (c) the ticket must not be mutilated, altered, reconstituted, or tampered with in any manner;
- (d) the ticket must not be counterfeit or an exact duplicate of another winning ticket;
- (e) the ticket must have been issued by a lottery sales agent on official paper stock of the commission or other method deemed valid by the commission;
- (f) the commission must not have actual knowledge that the ticket was stolen;
- (g) the ticket must be submitted for payment in accordance with the commission's procedures for claiming and payment of a prize;
- (h) the ticket must have been recorded on the commission's central computer system prior to the drawing and the ticket 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 commission's central computer system, the wager accepted by the commission's central computer system shall be the valid wager;
- (i) the player or computer number selections, validation data and the drawing date(s) of an apparent winning ticket must appear on the official file of winning tickets, and a ticket with that exact data must not have been previously paid;
- (j) the ticket must not be mis-registered, defectively printed, or produced in error to an extent that it cannot be processed by the commission; and

(k) in submitting a ticket for validation, the claimant agrees to abide by applicable laws, all rules and regulations, instructions, conditions and final decisions of the commission.

§ 5003.3. Void ticket.

A ticket submitted for validation that fails any of the preceding validation conditions shall be considered void, subject to the following determinations:

(a) The commission may, at the commission's option, replace an invalid ticket with a ticket of equivalent sales price; or

(b) In the event a defective ticket is purchased or in the event the commission determines to adjust an error, the sole and exclusive remedy shall be the replacement of such defective or erroneous ticket(s) with a ticket or coupon of equivalent sales price; or

(c) In the event a ticket is not paid by the commission and a dispute occurs as to whether the ticket is a winning ticket, the commission may, at the commission's option, replace the ticket as provided in this section. This shall be the sole and exclusive remedy of the claimant.

PART 5004

Draw Games

Section

- 5004.1 Types of drawings
- 5004.2 Time of drawings
- 5004.3 Place of drawings
- 5004.4 Manner of conducting drawings
- 5004.5 Number and amount of prizes
- 5004.6 Other lottery games or drawings
- 5004.7 Postponement of drawings
- 5004.8 Directives
- 5004.9 General definitions, qualifications, restrictions, validations and rules applying to all lottery games

§ 5004.1. Types of drawings.

Drawings will be held for each lottery game using such methods and equipment approved by the commission so as to insure random equal chance among all participants and ticket buyers. These drawings will take the form designated by the commission in a directive and may include, but are not limited to, weekly number drawings, special bonus drawings, semi-finalist and finalist drawings, winning ticket drawings, qualifying drawings, millionaire drawings, and super drawings.

§ 5004.2. Time of drawings.

Lottery drawings will be held at the times designated by the commission.

§ 5004.3. Place of drawings.

Drawings shall be held at locations approved by the commission. Drawings shall be open to the public and representatives of the news media.

§ 5004.4. Manner of conducting drawings.

The manner of conducting drawings shall be announced and designated by the commission in a directive, in accordance with the rules and regulations governing each lottery game. The manner of conducting drawings shall be designed to insure maximum fairness to each contestant and ticket buyers in general.

§ 5004.5. Number and amount of prizes.

For each lottery game, the commission shall designate the number and type of prizes to be awarded in a directive. The number of winners in each drawing may vary depending upon game design, the distribution of tickets sold, the number of tickets sold, and the number of valid winning tickets claimed.

§ 5004.6. Other lottery games or drawings.

(a) The commission may establish special lottery games for specified time periods, or special promotion drawings in connection with the previous Lottery being conducted. The prizes for such games or drawings may include cash prizes, or prizes of primary value such as vacation trips, automobiles, or other tangible items in addition to or in lieu of cash prizes, as determined by the commission. The retail cash value of the tangible or non-tangible items offered shall be considered only as a guide to establishing the value of the prize for marketing and promotional purposes, and such announced value may not reflect the actual cost to the commission. The nature and number of prizes will be determined by the commission within the total prize requirements of the act and the game design. The drawing of promotional prizes may be held independently or in conjunction with other drawings.

(b) A winner of a regular Lottery prize may also be entitled to a promotional prize or follow-on prizes as approved by game design and drawing system used.

(c) Drawings and manner of conducting said drawings will be determined by the commission.

(d) The commission may also establish incentive awards for lottery sales agents and persons selling any special lottery game or promotional drawing ticket and also may, at the commission's discretion, discontinue such awards without prior notice.

§ 5004.7. Postponement of drawings.

The commission may postpone any drawing and publicize the same if the commission finds, in the commission's discretion, that such postponement will serve and protect the public interest.

§ 5004.8. Directives.

A directive or other written record shall be issued by the commission for each drawing that details the type, time, place and manner of drawing; the number and amount of prizes to be awarded, and the procedures or changes in procedures applicable to that drawing.

§ 5004.9. General definitions, qualifications, restrictions, validations and rules applying to Lottery Draw games.

- (a) (1) *Bet ticket* means the ticket generated by the computer terminal based on input received from the player, whether by play card, quick pick option, manual entry or other means approved by the commission. Bet tickets may be purchased only from lottery sales agents as previously defined herein. The bet ticket is the only valid receipt for a bet placed. Players should, while still at the point of purchase, verify the game and number selections on the bet ticket.
- (2) *Computer terminal* means the device at the Lottery sales agent location or site licensed by the commission for purchasing Lottery game tickets and performing other Lottery transactions.
- (3) *Director* means the director of the Division of Lottery, or any other person to whom such director's authority is lawfully delegated.
- (4) *Draw date* means the date designated by the commission on which the winning numbers are drawn for each game.
- (5) *Draw game* refers to any game that may from time to time be implemented on a computerized terminal system.
- (6) *Drawing* means the formal process, determined by the commission, by which the winning numbers are drawn.
- (7) *Game panel* means the area of the play card that contains a number of defined spaces from which a player may select a subset of numbers to be played for a particular drawing. Selections made by the player in the game panel are used to produce an individual wager on the bet ticket.
- (8) *Gross sales* means the dollar value of lottery tickets produced for a game draw date.

(9) *Manual entry* means the capability of the computer terminal operator to enter a player's selections into the computer terminal in response to instruction from a player, or if a play card is incorrectly marked.

(10) *Play card* means a card that contains a number of game panels of defined spaces used by a player to select the games the player desires to play, the number of game panels to be played and the specific subset of numbers for each game selected. The play card is the customary method of presenting a player's selections to a lottery sales agent. However, the player's number selections may be manually entered into the computer terminal by the terminal operator.

(11) *Quick Pick* means a method in which some or all character selections are determined at random by the computer system at the time of purchase. If a player communicates some character selections orally or by play slip, any remaining character selections may be determined by Quick Pick.

(12) *Validation* means the process of determining whether a bet ticket presented for prize redemption does or does not represent a winning bet.

(b) No prize claim shall be valid if submitted to the commission after one year has elapsed from the draw date.

(c) *Bet ticket responsibility.*

(1) Lottery bet tickets are bearer instruments.

(2) The commission shall not be responsible for:

- (i) lost or stolen bet tickets;
- (ii) bet tickets claimed by a player in error for a lower prize at a lottery sales agent;
- (iii) bet tickets that are not intact;
- (iv) bet tickets that are mutilated, altered, reconstituted, counterfeit in whole or in part, or tampered with in any manner, or mis-cut; or
- (v) bet tickets that have not been issued in an authorized manner, or are mis-registered, defective, or printed or produced in error.

(d) To be valid, a bet ticket must pass all additional confidential and security validation tests of the commission.

(e) Any bet ticket that does not conform to the requirements of this section shall be considered null and void, and may not be paid, as determined by the commission. However, the commission may, at the commission's sole discretion, replace such void

ticket with an unplayed ticket from the game or an equivalent one in sales price from any other game.

(f) In all and any events, the liability and responsibility of the commission, for any tickets described or disputed in this section, shall be the replacement of such ticket in that or an equivalently priced other lottery game.

(g) No lottery ticket shall be sold to or purchased by and no Lottery prize shall be paid to any of the following persons:

(1) any officer or employee of the commission; or

(2) any contractor, subcontractor, or consultant, or officer or employee of a contractor, subcontractor, or consultant, if such person is directly involved in the production of lottery tickets, the operation or observation of lottery games or drawings, or the processing of lottery prize claims or payments; or

(3) any person subject to a contract with the commission if such contract contains a provision prohibiting such person from purchasing a lottery ticket or receiving a Lottery prize; or

(4) any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any of the foregoing persons. This section shall not be deemed to prohibit the sale of a lottery ticket or the payment of a Lottery prize to an officer or employee of the commission or to a contractor, subcontractor, or consultant or to an officer or employee of a contractor, subcontractor, or consultant if such sale or prize payment is not for the individual benefit of such person and is made in connection with an official investigation, audit, marketing effort or other activity authorized by the commission.

(h) In accordance with all applicable provisions of law, Federal, State and local withholding taxes shall be withheld by the commission from prize payments as may be required.

(i) The commission may at any time, in the commission's sole discretion, announce a termination date for any game, subsequently recommence any game, or extend termination or closing dates for any game. When a game is terminated, no further tickets will be sold. The commission reserves the right to change the prize structure, frequency of draws, or the game itself.

(j) The payment of prizes to persons under 18 years of age, and to those who may die before receiving any or all of a particular prize, shall be paid as prescribed in law and applicable commission rules and regulations.

(k) The State shall be discharged from any liability after the payment of prizes as prescribed in applicable commission rules and regulations.

(l) A lottery sales agent shall sell tickets in book, page or numerical order and shall not exchange books or tickets with other lottery sales agents.

(m) A lottery sales agent is prohibited from playing lottery tickets using any method other than fair chance or any method that is contrary to the principle that every ticket has an equal and random chance of winning.

(n) In purchasing a lottery ticket, the customer agrees to comply with and abide by all applicable laws, rules and regulations, and final decisions of the commission, as well as procedures established by the commission for the conduct of any lottery game.

(o) Notwithstanding the provisions of any other rule or regulation, the exact number and amount of prizes to be paid at any grand prize or millionaire drawing shall be as determined in directives issued by the commission, which directive shall also govern details and procedures for such drawing.

(p) When any question shall arise as to the validity of a lottery drawing for any reason whatsoever, the commission shall make the determination as to the validity of said draw on the basis of information at the commission's disposal. The determination of the commission shall be final.

PART 5005

Lottery Subscriptions

Section	
5005.1	Subscription program
5005.2	Subscription definitions
5005.3	Subscriptions Costs
5005.4	Subscriptions application requirements
5005.5	Valid subscription entry
5005.6	Payment of subscription prizes
5005.7	Subscription disputes
5005.8	Subscription miscellaneous

§ 5005.1. Subscription program.

(a) A subscription program may be established at the discretion of the commission for any commission game(s). The subscription program may permit a subscriber to play the same game character selections for a period of consecutive drawings over a stated period in such games as the commission may decide.

(b) Entry into a subscription program will require the completion and submission of either a paper or electronic version of

(1) a subscription application form; or

(2) a subscription renewal form.

The subscriber may provide the subscriber's social security number on the respective application form so that prizes requiring Federal reporting or withholding may be automatically sent to the winning subscriber. An application for a group subscription must contain the names and addresses of each group member.

(c) By providing the social security number, the subscriber is authorizing the commission to retain and use the number for the purpose of tax reporting and any other lawful purpose of the commission. No group may exceed 10 members if such group's application was made by mail.

§ 5005.2. Subscription definitions.

(a) *Application form* or *application* means either the subscription application form or the renewal of such application form.

(b) *Confirmation* means the paper or electronic correspondence sent to a subscriber from the commission confirming the game(s), game characters for each game panel played, the type of plan, the effective date and the expiration date.

(c) *Effective date* means the game's first drawing date for which a subscription is effective.

(d) *Expiration date* means the last drawing date for which a subscription is effective.

(e) *Game numbers* means the numbers selected for each of the game panels played on an application.

(f) *Game panel* means the electronic panel and/or paper panel on which game characters are chosen.

(g) *Group* means two or more individuals sharing a game subscription whose combined qualifications meet that of an individual subscriber.

(h) *Group representative* means the individual designated on a group application as the person selected by the group subscribers to act on behalf of the group in handling any communications and prize payments related to the subscription.

(i) *Plan* means the game(s) played, the number of consecutive drawings played and the duration of the subscription as determined by the number of weeks selected by the subscriber.

(j) *Quick Pick* means the option for a subscriber to have game characters randomly selected by a computer. Once selected, the same quick pick characters remain valid and will be used for each drawing for the duration of the subscription.

(k) *Subscriber* means either the individual or the group identified on an application as the person(s) entitled to any prize the individual or group may win.

(l) *Subscriber identifying information* means the name, address, subscription number and, taxpayer identification number (if provided) of the subscriber or each member of a group.

(m) *Subscription Costs* means the cost of the subscription purchased by the subscribers as defined section 5005.3 of this Part.

(n) *Subscription file* means a file maintained by the commission or the commission's contractors containing subscription information and used in the determination of sales and prizes.

(o) *Subscription number* means the number assigned by the commission to a subscription record when the original application is processed.

(p) *Valid Subscription Entry* means one that includes the following: Subscriber identifying information (as defined herein), game characters entered on the appropriate commission or contractor computer system that is the official record of subscription entry.

(q) *Valid Group Subscription Entry* means one that includes the following: Subscriber identifying information for each member of the group, game numbers entered on the appropriate commission or contractor computer system, which is the official record of group subscription entry.

§ 5005.3. Subscription costs.

(a) For each subscription, a minimum of one game panel must be selected for a minimum number of weeks or drawings, as determined by the commission.

(b) A subscription may be for one or more game panels as may be determined by the commission.

(c) The cost of a subscription plan shall be determined by the commission. The commission may establish a subscription account program through which a player or players may purchase a subscription or subscriptions and receive payment of a prize, as determined by the commission. The commission may require that a player or players maintain a minimum balance in such a subscription account to continue to participate in the program.

(d) The commission reserves the right to alter, temporarily or permanently, the costs of a subscription plan at the discretion of the commission. The commission reserves the rights to suspend or cancel any drawing or the game itself, change the prize structure, frequency of draws or draw dates. In the event of such a change, an affected subscriber will receive

participation in a revised game, equivalent in value to the remainder of such subscriber's subscription, or a refund, at the sole option of the commission.

(e) Any determination by the commission described in this section may be made for any of the following reasons:

- (1) to make the subscription program more appealing or convenient for players;
- (2) to further the commission's mission of raising revenue for aid to education; or
- (3) to allow the commission to administer the subscription program more effectively.

§ 5005.4. Subscription application requirements.

(a) To be accepted for entry without changes, a subscription application must meet the following requirements:

(1) Each game panel must contain the required amount of unduplicated game numbers selected from the numbers available for the game that the applicant indicates on his or her application. If a game panel submitted by an applicant contains no game numbers or fewer than the required amount of game numbers, the quick pick option may be used to randomly select game numbers. If an applicant submits an application with more than the required amount of game numbers circled in a game panel, the commission may select the required number of game numbers consecutively from among such selected numbers. All other numbers may be disregarded.

(2) The application must include the applicant's identifying information, including identifying information for each member of a group applicant. If an application is submitted without complete applicant identifying information, the commission may seek additional information from the applicant. Regardless of whether the applicant responds with additional information requested by the commission, the application may, nevertheless, be accepted if there is sufficient information to identify by name at least one individual applicant or one individual member of a group applicant. In such case, the commission may pay any prize won by the subscription to any person identifiable as an applicant or as a member of a group applicant from the incomplete applicant identifying information submitted with the application, and such payment may be reported to the appropriate taxing authorities as income paid to such person with any required withholding tax to be credited to such person.

(b) An application may be rejected for any of the following reasons:

- (1) if the application is illegible in whole or in part;
- (2) if the application includes a form of payment that is not acceptable to the commission;

(3) if the applicant is under the age of 18; or

(4) if the applicant does not submit a New York State address for a subscription submitted through the U.S. Mail.

(c) A subscription may be terminated after acceptance if, before or after the start date, the commission is notified that the payment for the subscription is invalid, *e.g.*, a check returned for insufficient funds. In such event, the subscription shall be deemed invalid and no prizes will be paid to the applicant during any period in which the subscription was invalid.

§ 5005.5. Valid subscription entry.

To be a valid entry, a subscription must meet the following requirements:

(a) To be eligible to win a prize, an application, including the subscriber identification information, and the game numbers must be entered into the division's subscription file to create the official record of subscription entry.

(b) A confirmation (paper or electronic) shall be issued by the commission to the subscriber confirming a valid subscription entry has been received.

§ 5005.6. Payment of subscription prizes.

(a) Prizes that are less than the threshold withholding amount for Federal tax reporting will be placed into the player account created prior to purchase of the player's first subscription. Such prizes may be used to purchase additional subscriptions or the player may request a cash-out and receive payment for any unpaid prizes. Payment will be made to the individual subscriber or group representative whose name appears on the application.

(b) Prizes that meet or exceed the threshold amount for Federal withholding for an individual will be remitted to the individual subscriber whose name appears on the application minus the required withholding amount.

(c) For payment of a prize that meets or exceeds the threshold amount for Federal withholding to a group subscriber, a payment representing the designated share of the prize will be remitted to each individual member of the group. If the subscription or renewal application does not show the taxpayer identification number (social security number or Federal employer identification number) of each group member, the division will withhold appropriate income taxes in accordance with the applicable back-up withholding rules.

(d) A group subscription entry will be treated as a single entry in the prize pool and shall also be treated as a single entry when determining if a prize in the game is payable in annual installments as provided in this Subchapter.

§ 5005.7. Subscription disputes.

- (a) The commission is not responsible for disputes between or among subscription group members.
- (b) In any dispute with the commission concerning the right to a subscription prize, the commission shall have the right to resolve such dispute by paying the prize or refunding the subscription fee. If a refund is paid, the refund shall be based on the remaining unused value of the subscription and shall be the sole and exclusive remedy of the subscriber(s).
- (c) If there is a discrepancy between the information set forth on an application and the information set forth in a confirmation letter, the subscriber may ask the commission, by written or electronic communication, to resolve the discrepancy. After such a report is received by the commission, the commission shall resolve the discrepancy as soon as possible and issue a revised confirmation letter. Resolution may include, but is not limited to, cancellation of the subscription. No change in the subscription shall be effective until a revised confirmation letter is issued. No request to resolve a discrepancy shall be accepted after the effective date in the confirmation letter issued.

§ 5005.8. Subscription miscellaneous.

- (a) The commission, pursuant to the commission's statutory authority, may from time to time add games to the commission's subscription program.
- (b) A subscription renewal must be processed prior to the expiration date of a current subscription in order to avoid a lapse in the subscription. A renewal application containing current subscription number, games, game numbers, plan, effective date and expiration date will be sent to the subscriber either electronically or by mail. The commission will make reasonable efforts to process renewal applications to assure no interruptions; however, the commission shall not be responsible for an interruption if a renewal application is not processed in sufficient time.
- (c) Once a subscription is entered into the subscription file, the funds paid for the subscription are not refundable.
- (d) If the commission offers any promotional offer for a subscription, the commission reserves the right to limit the number of promotional subscriptions that may be received by a person or group.
- (e) The commission reserves the right to exclude subscribers from participation in a promotion offering special payments or prizes.
- (f) Any subscription commenced prior to the effective date of the subscription regulations set forth in this Part shall be subject to the regulations that were in effect at the time such subscription was commenced. Any subscription commenced on or after the effective date of the subscription regulations set forth in this Part shall be subject to this Part.



PART 5006

New York Instant Lottery

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§ 5006.1. New York instant lottery.

There is hereby created a type of game known as an instant lottery game. This Part pertains to all instant games.

§ 5006.2. Method of play.

Tickets of any instant lottery game shall be played by removing the rub-off coating from play spots. The specific method of play will be published for each game in a game brochure readily available to the public.

§ 5006.3. Price.

Unless otherwise indicated on the face of the ticket, an instant lottery ticket shall sell for \$1.

§ 5006.4. Definitions.

(a) *Director* means the Director of the New York State Division of the Lottery or any other person to whom the director's authority is lawfully delegated.

(b) *Play symbols*, in those games using play symbols, means those symbols that appear under each of the play spots on the front of the ticket.

(c) *Play symbol caption*, in those games using play symbols, means the small printed material appearing below each play symbol that explains the play symbol. One and only one play symbol caption appears under each play symbol.

(d) *Prize symbols* means the dollar values associated with the prizes available in the game. Prize symbols appear on the face of the ticket in the play area and are generally covered with a rub-off coating.

(e) *Prize symbol caption* is the small printed material appearing below each prize symbol that explains the prize symbol. One and only one prize symbol caption appears under each prize symbol.

(f) *Book-ticket number* means the 11-digit numeric code that appears on the back of the ticket. The first seven digits are the book number, followed by a one-digit check number. The last three digits are the ticket number. A two-digit display printed game identification number shall be printed above the book-ticket number.

(g) *Validation number* means the unique eight-digit number found at the bottom of the rub-off-coating-covered play surface of the ticket.

(h) *Agent validation code* means the one-letter code that appears among the play symbols in varying locations on the main part of the ticket. The agent validation code is used by the lottery sales agent to verify winners and is covered by a rub-off coating.

§ 5006.5. Determination of prize winners.

(a) The rub-off coating covering the play area on the ticket is to be rubbed off to determine winning or losing status as described in the appropriate game brochure.

(b) No portion of the display printing nor any extraneous matter whatsoever shall be usable or playable as a part of the instant game. The validation number is not a play symbol and may not be utilized as such.

(c) In all events, the determination of prize winners shall be subject to the ticket validation requirements set forth in this Part.

§ 5006.6. Ticket responsibility.

(a) An instant lottery ticket is a bearer instrument.

(b) The commission shall not be responsible for lost or stolen instant lottery tickets.

(c) The commission shall not be responsible for tickets claimed by a player in error for a lower prize at a lottery sales agent location.

§ 5006.7. Claim period.

All prizes must be claimed within one year of the announced end of the game.

§ 5006.8. Ticket Validation Requirements.

To be a valid instant lottery winning ticket, the following requirements must be met:

- (a) Exactly one symbol must appear under each of the rub-off spots on the play surface of the ticket.
- (b) Each play symbol must have a play symbol caption thereunder that must agree with the play symbol.
- (c) Each of the play symbols must be present in its entirety and be fully legible.
- (d) Each of the play symbol captions must be present in its entirety and be fully legible.
- (e) Exactly one prize symbol must appear under each of the rub-off spots on the play surface of the ticket.
- (f) Each prize symbol must have a prize symbol caption thereunder that must agree with the prize symbol.
- (g) Each prize symbol must be present in its entirety and be fully legible.
- (h) Each prize symbol caption must be present in its entirety and be fully legible.
- (i) The ticket must be intact.
- (j) The book-ticket number, validation number, and agent validation code must be present in their entirety and must be fully legible. The validation number must correspond with the play symbols on the ticket in accordance with the official list of validation numbers on file at the offices of the commission.
- (k) The ticket must not be mutilated, altered, unreadable, reconstituted, or tampered with in any manner.
- (l) The ticket must not be counterfeit in whole or in part.
- (m) The ticket must have been issued by the commission in an authorized manner.
- (n) The ticket must not be stolen nor appear on any list of omitted tickets on file with the commission.
- (o) The play symbols, play symbol captions, prize symbols, prize symbol captions, validation number, validation code, and book-ticket number must be right-side-up and not reversed in any manner.
- (p) The ticket must be complete, and not mis-cut, and have exactly one play symbol or prize symbol and exactly one play symbol caption or prize symbol caption under each of

the rub-off spots on the front of the ticket; exactly one book-ticket number, exactly one agent validation code, and one validation number must appear on the ticket.

(q) The validation number of an apparent winning ticket shall appear on the division's official list of validation numbers of winning tickets; and a prize for a ticket with that validation number shall not have been paid previously.

(r) The ticket must not be blank or partially blank, mis-registered, defective, or printed or produced in error.

(s) The display printing must be regular in every respect and correspond precisely with the artwork on file at the commission.

(t) The ticket must pass all additional validation tests of the commission. Any ticket not passing all the validation requirements of this section is void and ineligible for any prize.

§ 5006.9. Disputes.

In the event a dispute between the division and the ticket bearer occurs as to whether the ticket is a winning ticket, and if no prize is paid, the commission may, solely at the option of the commission, replace the disputed ticket with an unplayed ticket (or a ticket of equivalent sales price from any other current instant lottery game). This remedy shall be the sole and exclusive remedy of the bearer of the ticket.

§ 5006.10. Lottery sales agent compensation.

The commission shall allow a compensation rate of six percent for each ticket sold to a lottery sales agent. The commission shall allow such compensation by permitting a lottery sales agent to deduct such compensation rate from the face value otherwise payable by the lottery sales agent to the commission.

§ 5006.11. Termination of the game.

The commission shall announce a termination date for each instant game.

§ 5006.12. Governing law.

The ticket customer agrees to comply and abide by the provisions of the act and all rules and regulations of the commission and all procedures established by the commission for the conduct of the game.

§ 5006.13. Number and amount of prizes.

Notwithstanding the provisions of any other rule or regulation, the number and amount of prizes to be paid for an instant lottery game shall be as determined by the commission

for each game. Prize structures developed and approved by the commission shall be computed to provide for payment of the maximum amounts permissible by law.

§ 5006.14. Lottery sales agent conduct.

- (a) A lottery sales agent is prohibited from exchanging books of instant lottery tickets.
- (b) A lottery sales agent is prohibited from playing instant lottery tickets using any method other than fair chance or any method that is contrary to the principle that every ticket has an equal and random chance of winning.

PART 5007

Multi-Jurisdictional Lottery Games

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§ 5007.1. Mega Millions purpose.

(a) The purpose of Mega Millions is the generation of revenue for education in New York through the operation of a specially-designed multi-state lottery game that will award prizes to ticket holders matching specified combinations of numbers randomly selected in regularly scheduled drawings.

(b) During each Mega Millions drawing, six Mega Millions winning numbers will be selected from two fields of numbers in the following manner: five winning numbers from a field of one through 70 numbers and one winning number from a field of one through 25 numbers.

(c) The objective of Mega Millions drawings shall be to select at random, with the aid of drawing equipment, Mega Millions winning numbers, pursuant to the controls and methods established for the game.

§ 5007.2. Mega Millions definitions.

(a) The following definitions shall apply to Mega Millions.

(1) *Annuity option* is the manner in which the Mega Millions jackpot prize may be paid in 30 annual installments.

(2) *Authorized claim center* means any place designated by the commission where a ticket holder or such ticket holder's representative may file a claim for a prize in accordance with instructions of the commission.

(3) *Claimant* means any person or entity submitting a claim form within the required time period to collect a prize for any Mega Millions ticket. A claimant may be the person or entity named on a signed Mega Millions ticket, or the bearer of an unsigned Mega Millions ticket. No claimant may assert rights different from the rights acquired by the original purchaser at the time of purchase.

(4) *Jackpot prize* means, for the Mega Millions game, the prize awarded for selecting all the numbers drawn from both fields. If more than one player from all participating lottery states has selected all the numbers drawn, the jackpot prize shall be divided among those players. Jackpot prize may also be referred to from time to time as *grand prize*. For any other game, the jackpot prize will be identified in game rules issued for such game.

(5) *Lump sum option* means the manner in which the Mega Millions jackpot prize may be paid in a single payment.

(6) *Mega Millions play area* is, for the on-line Mega Millions game, the areas on a Mega Millions play slip identified by an alpha character, A through E, containing two separate fields—one field of 70 and a second field of 25—both containing one- or two-digit numbers each. This is the area where the player, or computer if the player is using the quick pick option, will select five one- or two-digit numbers from the first field and will select one one- or two-digit number from the second field.

(7) *Mega Millions play slip* means, for the Mega Millions game, a computer-readable form, printed and issued by the New York Lottery, used in purchasing a Mega Millions ticket, having up to five separate play areas. The play slip also provides for multiple drawing wagering up to 26 draws.

(8) *Mega Millions ticket* means a game ticket, produced on official paper stock, by a lottery sales agent in an authorized manner, bearing player- or computer-selected

numbers, game name, drawing dates, amount of wager, jackpot prize payment option and validation data.

(9) *Mega Millions winning numbers* are, for the on-line Mega Millions game, five one- or two-digit numbers, from one through 70 and one one- or two-digit number from one through 25, randomly selected at each Mega Millions drawing, which shall be used to determine winning Mega Millions plays contained on Mega Millions tickets.

(10) *Pari-mutuel* means, for the Mega Millions game total amount of prize money allocated to pay prize claimants, at the designated prize level, divided among the number of winning Mega Millions tickets.

(11) *Party lottery* or *party lotteries* means one or more of the State lotteries established and operated pursuant to the laws of any State lottery that becomes a signatory to the Mega Millions game agreement.

(12) *Prize fund* means that portion of Mega Millions gross sales set aside for the payment of prizes.

(13) *Purchaser(s)* means player(s) of Mega Millions who purchase tickets within New York State in accordance with Mega Millions rules and New York State governing laws and regulations.

(14) *Quick pick* has the meaning set forth in paragraph (11) of subdivision (a) of section 5004.9 of this Subchapter.

§ 5007.3. Ticket sales.

The sale of Mega Millions tickets within New York State may be conducted only by a lottery sales agent.

§ 5007.4. Ticket price.

(a) Mega Millions tickets may be purchased for \$2 per play at the discretion of the purchaser, in accordance with the number of game panels and inclusive drawings. The purchaser receives one play for each \$2 wagered in Mega Millions. Tickets may contain multiple plays. The commission may authorize the sale of Mega Millions tickets at a different purchase price. Such a change in the purchase price shall be announced publicly by the commission prior to the effective date of such change.

(b) From time to time, the commission may authorize the sale of Mega Millions tickets at a discount for promotional purposes.

(c) A Mega Millions game feature may be added at the discretion of the commission. A game feature is an alternative or additional method for playing the game within the same basic design.

§ 5007.5. Play characteristics and restrictions.

(a) (1) Mega Millions tickets may only be sold to persons 18 years of age or older.

(2) The commission shall penalize a licensee found to have violated paragraph (1) of this subdivision according to the provisions of paragraph (2) of subdivision (c) of section 5001.27 of this Chapter.

(b) Mega Millions tickets may not be sold to nor prizes claimed by the following persons within New York State:

(1) any officer or employee of the commission; or

(2) any contractor, subcontractor, or consultant, or officer or employee of a contractor, subcontractor, or consultant, if such person is directly involved in the production of lottery tickets, the operation or observation of lottery games or drawings, or the processing of lottery prize claims or payments; or

(3) any person subject to a contract with the commission if such contract contains a provision prohibiting such person from purchasing a lottery ticket or receiving a lottery prize; or

(4) any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any such persons. This section shall not be deemed to prohibit the sale of a lottery ticket or the payment of a lottery prize to an officer or employee of the commission or to a contractor, subcontractor, or consultant or to an officer or employee of a contractor, subcontractor, or consultant if such sale or prize payment is not for the individual benefit of such person and is made in connection with an official investigation, audit, marketing effort or other activity authorized by the commission.

(c) Mega Millions tickets may not be purchased in any other state by any commission employee or any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of residence of any commission employee.

(d) Under no circumstances will a claim be paid for either the jackpot prize or the second prize without a Mega Millions ticket matching all game play, serial number and other validation data residing in the commission's draw gaming system computer and such ticket shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming any prize.

(e) Mega Millions tickets may not be canceled.

(f) For the Mega Millions game, purchasers may submit a manually completed Mega Millions play slip to a lottery sales agent to have issued a Mega Millions ticket. Mega Millions 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 mechanical, electronic, computer generated or any other non-manual method of marking play slips that has not been authorized by the commission is prohibited. A play may be entered by other means only as approved by the commission. A lottery sales agent 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 commission. A lottery sales agent shall not permit any device to be connected to a lottery terminal to enter plays, except as approved by the commission.

(g) Purchasers may orally convey their selections to a lottery sales agent to have issued a Mega Millions ticket. Such selections shall be entered manually into the computer terminal by the lottery sales agent.

(h) Purchasers may use player express terminals if available for the purchase of Mega Millions tickets, and may make number selections by such methods as may be permitted by the commission's gaming system. Those methods may include, but are not limited to, inserting a completed Mega Millions play slip into the optical mark reader, manually entering the selections on the touch screen, or selecting a quick pick option.

(i) It shall be the sole responsibility of the purchaser to verify the accuracy and condition of the data printed on the Mega Millions ticket at the time of purchase. Neither the lottery sales agent nor the commission shall be liable for any errors in the accuracy and condition of the data printed on the ticket occurring for any reason, after the purchaser leaves the lottery sales agent location.

(j) Mega Millions tickets may be purchased for one through 26 consecutive drawings, commencing with the next scheduled drawing after the receipt and processing of the purchaser's play slip.

§ 5007.6. Time, place and manner of conducting drawings.

For the Mega Millions game: Mega Millions drawings will be conducted twice weekly approximately 11:00 p.m. eastern time in one of the party lottery states. The day, time, frequency and location of the Mega Millions drawings may be changed following public announcement.

§ 5007.7. Prize structure.

(a) For the Mega Millions game the prize structure shall be a matrix of 5/70 and 1/25 with an approximately 49.8 percent anticipated prize fund.

Match Field 1	Match Field 2	Odds 1 in	Prize	% of Sales	Level
5	1	302,575,350	Jackpot	37.6%	1
5	0	12,607,306	\$1,000,000	4.0%	2
4	1	931,001	\$10,000	0.5%	3
4	0	38,792	\$500	0.6%	4
3	1	14,547	\$200	0.7%	5
3	0	606	\$10	0.8%	6
2	1	693	\$10	0.7%	7
1	1	89	\$4	2.2%	8
0	1	37	\$2	2.7%	9
Total		24.0		49.8%	

(b) *Jackpot prize payments.* For the Mega Millions game:

(1) The prize money allocated from the winning pool for the jackpot prize, plus any money brought forward from a previous drawing plus any money added from the prize reserve fund or any other available source pursuant to a first prize amount announcement will be divided equally among all jackpot prize winners in all participating lottery states. Prior to each drawing, the annuitized Mega Millions jackpot prize amount will be advertised.

(2) If in any Mega Millions drawing there are no Mega Millions panels that qualify for the jackpot prize category, the portion of the prize fund allocated to such jackpot prize category shall remain in the jackpot prize category and be added to the amount allocated for the jackpot prize category in the next consecutive Mega Millions drawing.

(3) If there are multiple winners of the annuitized Mega Millions jackpot prize from among all participating state lotteries, and if the annuitized amount of prize being awarded to each winner equals or exceeds \$1 million, then the winner(s) in New York will be paid in accordance with their selection of lump sum or annuity. If there are multiple winners of the annuitized Mega Millions jackpot prize from among all participating state lotteries, and if the annuitized amount of the prize being awarded to each winner is less than \$1 million, then the winner(s) in New York will be paid in a lump sum amount.

(4) Purchasers in New York must select either an annuity jackpot prize or lump sum jackpot prize. A jackpot prize shall be paid, at the election of a player made no later than 60 days after the player becomes entitled to the prize, with either an annuity or lump sum payment. If the payment election is not made by a player within 60 days after the player becomes entitled to the prize, then the prize shall be paid as an annuity prize. An election to take a lump sum payment may be made at the time of the prize

claim or within 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 without the approval of the commission.

(i) Annuity option jackpot prizes shall be paid through a 30-year graduated annuity (five percent escalation per payment) in 30 consecutive annual installments. The initial payment shall be paid upon completion of internal validation procedures. The subsequent 29 payments shall be paid annually to coincide with the month of the Federal auction date at which the bonds were purchased to fund the annuity. All such payments shall be made within seven days of the anniversary of the annual auction date.

(ii) Lump sum option jackpot prizes shall be paid in a single payment upon completion of internal validation procedures. The lump sum option amount offered shall be the amount determined by multiplying the annuitized prize amount by a discount value set by Mega Millions finance committee prior to each drawing (the *lump sum equivalent jackpot prize*), divided by the number of total jackpot prize winners for the Mega Millions game.

(c) *Second- through ninth-level prizes.*

(1) Mega Millions panels matching five of the five Mega Millions winning numbers drawn for Field 1, but not matching the Mega Millions winning number drawn for field 2 shall be entitled to receive a second prize of \$1,000,000.

(2) Mega Millions panels matching four of the five Mega Millions winning numbers drawn for field 1 and the Mega Millions winning number drawn for field 2 shall be entitled to receive a third prize of \$10,000.

(3) Mega Millions panels matching four of the five Mega Millions winning numbers drawn for field 1 but not matching the Mega Millions winning number drawn for field 2 shall be entitled to receive a fourth prize of \$500.

(4) Mega Millions panels matching three of the five Mega Millions winning numbers drawn for field 1 and the Mega Millions winning number drawn for field 2 shall be entitled to receive a fifth prize of \$200.

(5) Mega Millions panels matching three of the five Mega Millions winning numbers drawn for field 1 but not matching the Mega Millions winning number drawn for field 2 shall be entitled to receive a sixth prize of \$10.

(6) Mega Millions Panels matching two of the five Mega Millions winning numbers drawn for field 1 and the Mega Millions winning number drawn for field 2 shall be entitled to receive a seventh prize of \$10.

(7) Mega Millions panels matching one of the five Mega Millions winning numbers drawn for field 1 and the Mega Millions winning number drawn for field 2 shall be entitled to receive an eighth prize of \$4.

(8) Mega Millions panels matching no numbers of the five Mega Millions winning numbers drawn for field 1 but matching the Mega Millions winning number drawn for field 2 shall be entitled to receive a ninth prize of \$2.

(9) Each Mega Millions second through ninth prize shall be paid in one payment.

(10) The commission, in consultation with other state lotteries selling Mega Millions tickets, may decide that it is necessary to pay a set prize as a pari-mutuel prize.

(d) In a single drawing, a claimant may win in only one prize category per single Mega Millions panel in connection with Mega Millions winning numbers, and shall be entitled only to the highest prize.

(e) For purpose of prize calculation with respect to any Mega Millions pari-mutuel prize, the calculation shall be rounded down so that prizes shall be paid in multiples of one dollar.

(f) With respect to any Mega Millions annuitized jackpot prize, the prize amount shall be rounded down to the next highest affordable multiple of one million dollars, based upon market rates at the time of the purchase.

(g) The number of prize categories and the allocation of the prize fund among the prize categories may be changed at the discretion of the commission from time to time for promotional purposes. Such change shall be announced by public notice.

(h) A subscription sales program may be offered, at the discretion of the commission.

§ 5007.8. Ticket responsibility.

(a) A winning Mega Millions Ticket is deemed to be owned by the person or entity named on the ticket or, in the case of a ticket not completed with name, by the claimant.

(b) Neither the commission nor the commission's agents shall be responsible for lost or stolen Mega Millions tickets.

(c) The purchaser of a Mega Millions ticket has the sole responsibility for verifying the accuracy and condition of the data printed on the ticket at the time of purchase.

(d) The commission shall not be responsible to the claimant for Mega Millions tickets redeemed in error by a lottery sales agent.

(e) Winners are determined by the numbers drawn and not the numbers reported. The commission shall not be responsible for Mega Millions winning numbers reported in error.

§ 5007.9. Ticket validation requirements.

(a) 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 a lottery sales agent in an authorized manner;
- (6) the commission must not have actual knowledge that the ticket has been stolen;
- (7) the ticket must be submitted for payment in accordance with the commission's procedures for claiming and payment of prizes;
- (8) the ticket data must have been recorded on the commission's central computer system prior to the drawing and the ticket 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 commission's central computer system, the wager accepted by the commission's central computer system shall be the valid wager;
- (9) the player or computer number selections, validation data and the drawing date(s) of an apparent winning ticket must appear on the official file of winning tickets, and a ticket with that exact data must not have been previously paid;
- (10) the ticket must not be mis-registered, defectively printed, or produced in error to an extent that it cannot be processed by the commission;
- (11) the ticket must pass validation tests using a minimum of three of the five validation methods as defined in the Mega Millions finance and operations procedures. In addition, the ticket must pass all of the commission's other confidential security;

(12) in submitting a Mega Millions ticket for validation, the claimant agrees to abide by applicable laws, all rules and regulations, instructions, conditions and final decisions of the commission;

(13) there must not be any other breach of the Mega Millions game rules or regulations in relation to the ticket, which, in the discretion of the commission justifies invalidation;

(14) the ticket must be submitted to the commission and to no other lottery participating in any Mega Millions lottery game; and

(15) no Mega Millions ticket purchased outside the State of New York may be presented to either the commission or an agent for payment within New York.

(b) A Mega Millions ticket submitted for validation that fails any of the preceding validation conditions shall be considered void, subject to the following determinations:

(1) the commission may, at the commission's option, replace an invalid ticket with a Mega Millions ticket of equivalent sales price;

(2) in the event a defective ticket is purchased or in the event the commission determines to adjust an error, the sole and exclusive remedy shall be the replacement of such defective or erroneous ticket(s) with a Mega Millions ticket of equivalent sales price;

(3) in the event a Mega Millions ticket is not paid by the commission and a dispute occurs as to whether the ticket is a winning ticket, the commission may, at the commission's option, replace the ticket as provided in paragraph (a) of this subsection. This shall be the sole and exclusive remedy of the claimant.

§ 5007.10. Procedures for claiming and payment of prizes.

(a) For the Mega Millions tickets purchased in New York, prizes shall be redeemed or claimed only in New York through lottery sales agents or authorized claim centers, effective upon determination of prize payouts.

(b) Claimants of a winning Mega Millions ticket must comply with the prize claim requirements of the commission.

(c) In the event that a single Mega Millions ticket contains two or more winning game panels, the cumulative prize amount shall be claimed or redeemed in accordance with the specified prize payment limits for the commission.

(d) Federal, State and local taxes shall be withheld from Mega Millions prizes in such amounts as may be required by law.

(e) Mega Millions prizes shall not be paid by the commission to any persons prohibited from playing Mega Millions within New York State.

(f) There shall be no assignment of Mega Millions prizes except as specifically set forth in this Subchapter.

(g) Each prize winner shall be subject to a publicity release as set forth in this Subchapter.

(h) Child support arrears, public assistance benefits and past due State tax liabilities shall be withheld from Mega Millions prizes in such amounts as may be required by law.

§ 5007.11. Unclaimed prize money.

Any prizes not claimed during the one-year claim period after the date of each Mega Millions drawing will be considered forfeited.

§ 5007.12. Governing law.

(a) In purchasing a ticket issued for Mega Millions within New York State, the purchaser agrees to comply with and be bound by all applicable statutes, administrative rules and regulations, and procedures of New York State, and by directives and determinations of the commission. The purchaser agrees, as such purchaser's sole and exclusive remedy, that claims arising out of a ticket purchased in New York State from a lottery sales agent can be pursued only against the commission and no other lottery. Litigation, if any, arising from the purchase of a Mega Millions ticket in New York State from a lottery sales agent shall be maintained against the commission only within the State of New York.

(b) In the event of a conflict between the Mega Millions official game rules and the statutes, rules or regulations of the commission and the State of New York, such statutes, rules and regulations shall control.

(c) All decisions by the commission, 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.

§ 5007.13. Powerball.

(a) *Purpose.*

(1) The purpose of the Powerball Game (also referred to as *Powerball*) is the generation of revenue for education in New York State through the operation of a specially-designed multi-state lottery game that will award prizes to holders of tickets matching specified combinations of numbers randomly selected in regularly scheduled drawings.

(2) During each Powerball drawing, six Powerball winning numbers will be selected from two fields of numbers in the following manner: five winning numbers from a field of one through 69, and one winning number from a field of one through 26.

(b) *Definitions.* The following definitions apply to Powerball:

(1) *MUSL* means the Multi-State Lottery Association that administers the Powerball game.

(2) *Quick pick* has the meaning set forth in paragraph (7) of subdivision (a) of section 5004.9 of this Subchapter.

(3) *Powerball play area* means the area of the play slip, also known as a *panel* that contains two sets of numbered spaces to be marked by a player, the first set containing 69 spaces, numbered one through 69 and the second set containing 26 spaces, numbered one through 26.

(4) *Powerball play slip* or *bet slip* means a card used in marking a player's game plays and containing one or more play areas.

(5) *Powerball winning numbers* means the six numbers, the first five from a field of 69 numbers and the last one from a field of 26 numbers, randomly selected at each drawing, which shall be used to determine winning plays shown on a game ticket.

(6) *Fixed prize* means all other prizes except the jackpot prize that are advertised to be paid by a single payment and, except in instances specified in this section, will be equal to the prize amount established for the prize level.

(c) *Game Description.*

(1) Powerball is a five out of 69 plus one out of 26 computerized lottery game that pays the jackpot prize, at the election of the player made in accordance with this section or by a default election made in accordance with this section, either on an annuitized pari-mutuel basis or as a lump sum payment of the total cash held for this prize pool on a pari-mutuel basis. Except as provided in this section, all other prizes are paid on a fixed lump sum basis. To play Powerball, a player may select five different numbers, from one through 69 and one additional number from one through 26. The additional number may be the same as one of the first five numbers selected by a player. A player may select a set of five numbers and one additional number by communicating the six numbers to a lottery sales agent, or by marking six numbered spaces in any one panel on a play slip and submitting the play slip to a lottery sales agent or by requesting quick pick from a lottery sales agent. A lottery sales agent will then issue a ticket containing the selected set or sets of numbers, each of which constitutes a game play.

(2) A Powerball ticket may not be canceled.

(3) It shall be the sole responsibility of a player to verify the accuracy and readability of the information displayed on a Powerball ticket at the time of purchase. Neither a lottery sales agent nor the commission shall be liable for any errors in the accuracy and readability of a ticket occurring for any reason, after the purchaser leaves a lottery sales agent location.

(4) A play may only be entered manually using the lottery terminal keypad or touch screen or by means of a play slip provided by the commission and hand-marked by the player or by other means approved by the commission. A lottery sales agent 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 commission. A lottery sales agent shall not permit any device to be connected to a lottery terminal to enter plays, except as approved by the commission.

(5) A Powerball subscription sales program may be offered at the discretion of the commission.

(6) A Powerball game feature may be added at the discretion of the commission. A game feature is an alternative or additional method for playing the game within the same basic game design.

(d) *Ticket Sales.* Powerball tickets shall be sold only through lottery sales agents or other means authorized by the commission.

(e) *Ticket Prices.*

(1) A Powerball ticket may be purchased for \$2 per play in accordance with the number of game panels and inclusive drawings. The purchaser receives one play for each \$2 wagered in Powerball. Tickets may contain multiple plays. The commission may authorize the sale of Powerball tickets at a different purchase price. Such a change in the purchase price shall be announced publicly by the commission prior to the effective date of such change.

(2) From time to time, the commission may authorize the sale of Powerball tickets at a discount for promotional purposes.

(f) *Play Characteristics and Restrictions.*

(1) (i) A Powerball ticket may be sold only to a person 18 years of age or older.

(ii) The commission shall penalize a licensee found to have violated subparagraph (i) of this paragraph according to the provisions of paragraph (2) of subdivision (c) of section 5001.27 of this Chapter.

(2) No Powerball ticket shall be sold to and no prize shall be paid to the following persons:

(i) any officer or employee of the commission; or a MUSL employee, officer, or director,

(ii) any contractor, subcontractor, or consultant, or officer or employee of a contractor, subcontractor, or consultant, if such person is directly involved in the production of lottery tickets, the operation or observation of lottery games or drawings, or the processing of lottery prize claims or payments; or a contractor or consultant under agreement with MUSL to review MUSL audit and security procedures,

(iii) any person subject to a contract with the commission if such contract contains a provision prohibiting such person from purchasing a lottery ticket or receiving a lottery prize; or 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 to the headquarters of MUSL, or

(iv) any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any such person. This paragraph shall not be deemed to prohibit the sale of a lottery ticket or the payment of a lottery prize to an officer or employee of the commission or to a contractor, subcontractor, or consultant or to an officer or employee of a contractor, subcontractor, or consultant if such sale or prize payment is not for the individual benefit of such person and is made in connection with an official investigation, audit, marketing effort or other activity authorized by the commission.

(3) A Powerball ticket may not be purchased in any other state by any commission employee or any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any commission employee.

(4) A Powerball ticket matching all game play, serial number and other validation data recorded in the commission's computerized gaming system computer shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming any prize.

(5) A player may submit a completed Powerball play slip to a lottery sales agent to have a Powerball ticket issued. Powerball play slips shall be available at no cost to a player and shall have no pecuniary or prize value, or constitute evidence of purchase or number selections.

(6) A player may orally convey such player's selections to a lottery sales agent to have a Powerball ticket issued. Such selections shall be entered into the computer terminal by a lottery sales agent.

(7) A player may use a self-service terminal if available or any other means authorized by the commission for the purchase of a Powerball ticket and may make number selections by such methods as may be permitted by the commission. Those methods may include, but are not limited to, inserting a completed Powerball play slip into a reader, manually entering the selections on a touch screen, or selecting a quick pick option.

(8) A Powerball ticket may be purchased for a specified number of future drawings.

(g) *Time, place and manner of conducting drawings.* Powerball drawings will be conducted at times, places and in a manner authorized by MUSL.

(h) *Prize Pool, Prize Structure and Probability of Winning.*

(1) Prize pool. The prize pool for all prize categories shall consist of 50 percent of each drawing period's sales after the prize reserve accounts are funded to set amounts. If the Powerball game is no longer offered in New York State, any amount remaining in the prize pool at the end of the game shall be carried forward to a replacement game or used in a manner as permitted by New York State law.

(2) Prize reserve accounts. The prize reserve account may be adjusted as needed to maintain an approved maximum balance and shares of the party lotteries as specified by MUSL. If the Powerball game is no longer offered in New York State, any amount remaining in a prize reserve account at the end of the game shall be carried forward to a replacement prize reserve account or used in a manner as permitted by New York State law.

(3) Expected prize payout percentages. The Jackpot Prize shall be determined on a pari-mutuel basis. Except as provided in this section, all other prizes shall be paid as fixed lump sum prizes with the following expected prize payout percentages:

Prize Pool Percentage

<i>Number of Matches Per Play</i>	<i>Prize Payment</i>	<i>Allocated to Prize</i>
All five of first set plus one of second set.	Jackpot prize	68.0131%
All five of first set and none of second set.	\$1,000,000	8.5558%
Any four of first set plus one of second set.	\$50,000	5.4757%
Any four of first set and none of second set.	\$100	0.2738%
Any three of first set plus one of second set.	\$100	0.6899%
Any three of first set and none of second set.	\$7	1.2074%
Any two of first set plus one of second set.	\$7	0.9981%
Any one of first set plus one of second set.	\$4	0.3489%
None of first set plus one of second set.	\$4	10.4373%

(4) The prize money allocated to the jackpot prize category shall be divided equally by the number of game panels winning the jackpot prize.

(5) The prize pool percentage allocated to the fixed prizes shall be carried forward to subsequent drawings if all or a portion of it is not needed to pay the fixed prizes awarded in the current drawing. The commission, in consultation with other state lotteries selling Powerball tickets, may decide that it is necessary to pay a fixed prize as a pari-mutuel prize.

(6) Probability of winning. 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.

<u>Probability Distribution</u>			
<i>Number of Matches Per Ticket</i>	<i>Winners</i>	<i>Odds 1 in</i>	<i>Prize Amount</i>
All five of first set plus one of second set.	1	292,201,338.0000	Jackpot prize
All five of first set and none of second set.	25	11,688,053.5200	\$1,000,000
Any four of first set plus one of second set.	320	913,129.1813	\$50,000
Any four of first set and none of second set.	8,000	36,525.1673	\$100
Any three of first set plus one of second set.	20,160	14,494.1140	\$100
Any three of first set and none of second set.	504,000	579.7646	\$7
Any two of first set plus one of second set.	416,640	701.3281	\$7
Any one of first set plus one of second set.	3,176,880	91.9775	\$4
None of first set plus one of second set.	7,624,512	38.3239	\$4
Overall	11,750,538	24.8671	

(i) *Prize Payment.*

(1) Jackpot prizes. Jackpot prizes shall be paid, at the election of a player made no later than 60 days after the player becomes entitled to the prize, with either an annuity or lump sum payment. If the payment election is not made by a player within 60 days after the player becomes entitled to the prize, then the prize shall be paid as an annuity prize. An election to take a lump sum payment may be made at the time of the prize claim or within 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 without the approval of the commission. Shares of the jackpot prize shall be determined by dividing the cash available in the jackpot prize pool equally among all winners of the jackpot prize in all participating lottery states. Winner(s) who elect a lump sum payment shall be paid their share(s) in a single lump sum payment upon successful completion of validation procedures. Neither MUSL nor the participating lotteries shall be responsible or liable for changes in the advertised or estimated annuity prize amount and the actual amount determined after the prize payment method is actually known to MUSL. In certain instances announced by MUSL, the jackpot prize shall be a guaranteed amount and shall be determined pursuant to paragraph (5) of this subdivision. All annuitized prizes shall be paid annually in 30 payments with the initial payment being made in a lump sum, to be followed by 29 payments, upon successful completion of validation procedures. All annuitized prizes shall be paid annually in 30 graduated payments (increasing each year) by a rate as determined by MUSL. Prize payments may be rounded down to the nearest \$1,000.

(2) Low-tier prize payments. All low-tier prizes shall be paid in one payment.

(3) Prizes rounded. Annuitized payments of the jackpot prize or a share of the jackpot prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Amounts remaining after rounding on an annuitized jackpot prize shall be added to the initial payment to the winner or winners. Prizes other than the jackpot prize, which, under these rules, may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Amounts remaining after rounding shall be carried forward to the prize pool for the next drawing.

(4) Rollover. If the jackpot prize is not won in a drawing, the prize money allocated for the jackpot prize shall roll over and be added to the jackpot prize pool for the following drawing.

(5) Funding of guaranteed prizes. Guaranteed minimum jackpot prize amounts, minimum increases in the jackpot prize amount between drawings or changes in the allocation of prize money may be offered where it is determined that it would be in the best interest of the game. Minimum guaranteed prizes or increases may be waived if the alternate funding mechanism specified in subdivision (h) of this section is used.

(6) Limited to highest prize won. The holder of a winning ticket may win only one prize per panel 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.

(j) *Ticket Responsibility.*

(1) A winning Powerball ticket is deemed to be owned by the person or entity named in the prize claim or, by the bearer of the ticket.

(2) Neither the commission, MUSL nor their agents shall be responsible for lost or stolen Powerball tickets.

(3) A player of the Powerball game has the sole responsibility for verifying the accuracy and readability of the information displayed on the ticket at the time of purchase.

(4) The commission and/or MUSL shall not be responsible to a claimant for a Powerball ticket redeemed in error by a lottery sales agent or retailer.

(5) Winners are determined by the numbers drawn and not the numbers reported. The commission and/or MUSL shall not be responsible for Powerball winning numbers reported in error.

(k) *Ticket Validation Requirements.*

(1) In order to be deemed a valid, winning Powerball ticket, all of the following conditions must be met:

- (i) 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;
- (ii) the ticket must be intact;
- (iii) the ticket must not be mutilated, altered, reconstituted, or tampered with in any manner;
- (iv) the ticket must not be counterfeit or an exact duplicate of another winning ticket;
- (v) the ticket must have been issued by the commission or a lottery sales agent;
- (vi) the commission must not have actual knowledge that the ticket has been stolen;
- (vii) the ticket must be submitted for payment in accordance with the commission's procedures for claiming and payment of prizes;
- (viii) the ticket data must have been recorded on the commission's central computer system prior to the drawing and the ticket data must match that computer record in every respect. In the event of a contradiction between information as printed on the ticket and as accepted by the commission's central computer system, the wager accepted by the commission's central computer system shall be the valid wager;

- (ix) the player or computer number selections, validation data and the drawing date(s) of an apparent winning ticket must appear on the official file of winning tickets, and a ticket with that exact data must not have been previously paid;
 - (x) the ticket must not be mis-registered, defectively printed, or produced in error to an extent that it cannot be processed by the commission;
 - (xi) the ticket must pass all of the commission's security protocols and operation procedures;
 - (xii) in submitting a Powerball ticket for validation, the claimant agrees to abide by applicable laws, all rules and regulations, instructions, conditions and final decisions of the Director of the commission;
 - (xiii) there must not be any other breach of the Powerball game rules or regulations in relation to the ticket, which, in the discretion of the commission justifies invalidation;
 - (xiv) the ticket must be submitted to the commission and to no other lottery participating in any Powerball lottery game; and
 - (xv) no Powerball ticket purchased outside the State of New York may be presented to either the commission or a lottery sales agent for payment within New York.
- (2) A ticket shall be the only proof of a game play or plays and the submission of a winning ticket to the commission shall be the sole method of claiming a prize or prizes.
- (3) A Powerball ticket submitted for validation that fails any of the preceding validation requirements shall be considered void, subject to the following determinations:
- (i) the commission may, at the option of the commission, replace an invalid ticket with a Powerball ticket of equivalent sales price or a refund of purchase price;
 - (ii) in the event a defective ticket is purchased or in the event the commission determines to adjust an error, the sole and exclusive remedy shall be the replacement of such defective or erroneous ticket(s) with a Powerball ticket of equivalent sales price or a refund of purchase price;
 - (iii) in the event a Powerball ticket is not paid by the commission and a dispute occurs as to whether the ticket is a winning ticket, the commission may, at the commission's option, replace the ticket as provided in subparagraph (i) of this paragraph. This shall be the sole and exclusive remedy of the claimant or a refund of purchase price.

(l) *Procedures for claiming and payment of prizes.*

(1) For a Powerball ticket purchased in New York State, a prize shall be redeemed or claimed only in New York State through lottery sales agents or authorized customer service centers, effective upon determination of prize payouts.

(2) A holder of a winning Powerball prize must comply with the prize claim requirements of the commission.

(3) In the event that a single Powerball ticket contains two or more winning game panels, the cumulative prize amount shall be claimed or redeemed in accordance with the specified prize payment limits for the commission.

(4) Federal, State and local taxes shall be withheld from Powerball prizes in such amounts as may be required by law.

(5) Powerball prize shall not be paid by the commission onto any persons prohibited from playing Powerball within New York State.

(6) There shall be no assignment of Powerball prizes except as specified in Part 5002 of this Subchapter.

(7) Each prize winner shall be subject to a publicity release as specified in Part 5002 of this Subchapter and participation in a news conference or event.

(8) Child support arrears, public assistance repayments and past due State tax liabilities shall be withheld from Powerball prizes in such amounts as may be required by law.

(m) *Unclaimed prize money.* Any prizes not claimed during the one year claim period after the date of each Powerball drawing will be considered forfeited.

(n) *Governing Law.*

(1) In purchasing a Powerball ticket in New York State, a purchaser agrees to comply with and be bound by all applicable statutes, administrative rules and regulations, and procedures of New York State, and by directives and determinations of the commission. A purchaser agrees, as such purchaser's sole and exclusive remedy, that claims arising out of a ticket purchased in New York State can be pursued only against the commission and no other lottery. Litigation, if any, arising from the purchase of a Powerball ticket in New York State may only be maintained against the commission within the State of New York.

(2) In the event of a conflict between the Powerball group game rules and the statutes, rules or regulations of the commission or the State of New York, the statutes, rules and regulations of the commission or the State of New York shall control.

(3) All decisions by the commission, including the declaration of prizes and the payment thereof and the interpretation of Powerball rules, shall be final and binding on all players and on every person making a claim in respect thereof.

§ 5007.14. Raffle Game definitions.

(a) The following definitions shall apply to a raffle game:

(1) *Bet ticket* means the ticket generated by the computer terminal containing at a minimum a unique multiple-digit number constituting a single play or chance, the drawing date and validation data.

(2) *Computer terminal* means the device at a lottery sales agent location authorized by the commission for the placing of game bets.

(3) *Draw date* means the date determined by the commission on which the process used to randomly select the winning game numbers takes place for the game.

(4) *Game* means a raffle game, which is a lottery game in which a player purchases a number or numbers generated by the lottery's gaming computer system.

(5) *Gross sales* means the value of the tickets eligible for the game.

(6) *Manual entry* means the capability of the computer terminal operator to enter the amount of dollars wagered by a player for the game into the terminal in response to verbal or written communication by the player. There is no other method of play at the terminal for the game.

(7) *Raffle game* means a game played at any lottery sales agent location by purchasing a ticket that will be sold for a limited sales period, in which a number of chances or plays will be offered.

(8) *Prize pool* means those funds available from the game sales or other sources to support the payment of prizes for the game.

(9) *Sales period* means a period of time starting from the initial sales date of the game tickets as specified by the director and ending

(i) on the date when all available numbers for such raffle game sales period have been sold, or

(ii) a date specified by the director.

(10) *Ticket* means a raffle game ticket produced by the lottery and sold by a licensed lottery sales agent in an authorized manner containing at a minimum a unique nine-digit number constituting a single play or chance, the drawing date and validation data.

(11) *Winning ticket* means the ticket bearing the unique numbers randomly selected in the drawing as a winning play.

(b) *Sale of Tickets.*

(1) The price for a raffle game wager shall be determined by the commission prior to the sales period.

(2) Each number shall constitute a single play or chance.

(3) A player shall not select specific game numbers. Numbers shall be generated in an order based on instruction from the gaming central system.

(c) *Ticket Price.* The price for each raffle game wager shall be the price set by the commission.

(d) *Drawing.*

(1) A raffle game drawing will be conducted at a day, time, frequency and location determined by the commission. Winning game numbers are the numbers randomly selected that entitle the legitimate holder of a winning raffle game ticket to a prize for which such numbers were drawn. Such winning numbers shall be

- (i) randomly selected in accordance with existing Lottery draw procedures and
- (ii) announced publicly.

(2) A game number can only be selected once during the draw.

(e) *Calculation and payment of prizes.*

(1) Prizes levels and amounts for the game shall be determined by the commission prior to the sales period and announced publicly.

(2) The commission may hold a daily drawing for one or more prizes. If the commission chooses to award daily prizes, it will publicly announce such prizes prior to the start of the game. Any number drawn as a daily prize shall remain eligible for the top prize. The holder of a winning bet ticket shall win only one daily prize per winning number.

(3) Prize categories and amounts shall be determined by the commission prior to the sales period.

(f) *Probability of winning.* The probability of winning a raffle game prize on a single qualifying wager shall be determined by the number of prizes awarded divided by the number of total plays in the drawing. The probability of winning a raffle game prize shall be determined by the commission prior to the sales period and announced publicly.

(g) *Miscellaneous.*

(1) A raffle game as described in this section may be, at the discretion of the commission, a multi-state game among other participating government-authorized lotteries or a game sold only by the lottery. The frequency that a raffle game is conducted shall be as determined by the commission. If the raffle game is a multi-state game, the commission shall operate such game in compliance with any applicable multi-state agreement.

(2) No claimant will be considered eligible to receive a prize without presentation of a valid winning bet ticket.

(3) The commission reserves the right to change the prize structures, frequency of draws, draw dates or the games themselves.

(4) If, for any reason, a bet ticket is not entirely legible or is misprinted or altered in any way, then the computer record created at the time of sale shall be the sole method of determining whether such ticket is a valid winning ticket.

(5) A bet ticket for a raffle game may not be cancelled once issued by the computer terminal. The lottery sales agent, however, may receive credit for any unreadable bet ticket issued, as these tickets (although unreadable) are recorded on the computer file as valid bets. A lottery sales agent's request for credit must be postmarked before the draw date in order to receive credit for any such unreadable bet ticket.

§ 5007.15. Cash 4 Life.

(a) *Definitions.* The following definitions apply to the Cash 4 Life game:

(1) *Annuity option* means the manner in which the Cash 4 Life jackpot prize or second-level prize level may be paid in annual installments.

(2) *Cash 4 Life play slip* means a computer-readable form, printed and issued by the commission, used in purchasing a Cash 4 Life ticket, having up to five separate play areas. The play slip shall also provide for multiple-drawing wagering up to a specified number of draws.

(3) *Cash 4 Life ticket* means a game ticket, produced on official paper stock, by a lottery sales agent in an authorized manner, bearing player- or computer-selected numbers, game name, drawing date (or dates), amount of wager and validation data.

(4) *Claimant* means any person or entity submitting a claim form within the required time period to collect a prize for any Cash 4 Life ticket.

(5) *Jackpot prize* means the prize awarded for selecting all the winning numbers drawn from both fields for the Cash 4 Life. If more than one player from all participating

lottery states has selected all the winning numbers drawn, the jackpot prize shall be divided among those players, as set forth in subdivision (h) of this section.

(6) *Liability limit* means a pre-established upper threshold, as determined and announced by the party lotteries before sales commence for a drawing to which such threshold applies, equal to a fixed percentage of the gross ticket sales receipts for a particular drawing (or such fixed percentage plus an additional reserve amount), according to the established procedures agreed to by the party lotteries.

(7) *Lump sum option* means the manner in which particular Cash 4 Life prize levels may be paid in a single payment, as set forth in this section.

(8) *Measuring life* means the period over which a jackpot or second-level annuitized prize is paid out. For each winning ticket, the measuring life shall be the natural life of the individual determined by the commission to be a valid prize winner. If

- (i) a minor under the age of 18 claims a prize;
- (ii) a legal entity other than an individual claims a prize; or
- (iii) more than one natural person claims a prize on the same ticket,

the measuring life for such prize shall be 20 years. The measuring life shall be determined at the time a jackpot or second-level prize is claimed.

(9) *Party lotteries* mean one or more of the State lotteries established and operated pursuant to the laws of any state that becomes a signatory to the Cash 4 Life agreement.

(10) *Play area* is the area on a Cash 4 Life play slip containing two separate fields: one field of 60 one- or two-digit numbers (1 to 60 inclusive) and a separate and distinct second field of four one-digit numbers (1 to 4 inclusive) (which may be referred to as the *Cash Ball number*). This is the area from which the player, or computer, if the player is using the quick pick option, selects five numbers from the first field and one number from the second field.

(11) *Prize pool* means that portion of Cash 4 Life gross sales set aside for the payment of prizes.

(12) *Purchaser* means a player of the Cash 4 Life game who purchases a ticket within New York State in accordance with Cash 4 Life rules and New York State governing laws and regulations.

(13) *Quick pick* has the meaning set forth in paragraph (11) of subdivision (a) of section 5004.9 of this Subchapter.

(14) *Winning numbers* are five one- or two-digit numbers (1 to 60, inclusive) and one Cash Ball number (1 to 4, inclusive), randomly selected at each Cash 4 Life drawing, that shall be used to determine winning Cash 4 Life plays contained on Cash 4 Life tickets.

(b) *Ticket price and sales.*

(1) A Cash 4 Life ticket may be purchased for \$2 per play per drawing. The purchaser receives one entry into a Cash 4 Life drawing (a play) for each \$2 wagered in Cash 4 Life. Tickets may contain multiple plays. The commission may authorize the sale of Cash 4 Life tickets at a different purchase price. Such a change in the purchase price shall be announced publicly by the commission prior to the effective date of such change.

(2) From time to time, the commission may authorize the sale of Cash 4 Life tickets at a discount for promotional purposes.

(3) Cash 4 Life tickets shall be sold only through lottery sales agents or other means authorized by the commission.

(4) A Cash 4 Life ticket may not be cancelled.

(5) It shall be the sole responsibility of a player to verify the accuracy and readability of the information displayed on a Cash 4 Life ticket at the time of purchase. Neither a lottery sales agent nor the commission shall be liable for any errors in the accuracy and readability of a ticket occurring for any reason, after the purchaser leaves a lottery sales agent location.

(6) A play may be entered only

(i) manually using a lottery terminal keypad or touch screen;

(ii) by means of a play slip provided by the commission and hand-marked by the player; or

(iii) by other means approved by the commission.

(7) Cash 4 Life play slips shall be available at no cost to a player, shall have no pecuniary or prize value, shall not constitute evidence of purchase and shall not constitute evidence of a player's number selections. A lottery sales agent shall not permit the use of facsimiles of play slips, copies of play slips or other materials that are not printed or approved by the commission to be inserted into a terminal's play slip reader. A lottery sales agent shall not permit any device to be connected to a lottery terminal to enter plays, except as approved by the commission.

(c) *Game description.*

(1) To play Cash 4 Life, a player shall select five different numbers (from 1 to 60, inclusive) and one additional Cash Ball number (from 1 to 4, inclusive) for each play. The additional number may be the same as one of the five numbers a player selects in the first field. A player may select numbers by communicating the six numbers to a lottery sales agent; by marking six numbered spaces in any one panel on a play slip and submitting the play slip to a lottery sales agent; or by requesting quick pick from a lottery sales agent. The lottery sales agent shall then issue a ticket containing the selected set or sets of numbers, each of which constitutes a game play.

(2) The commission reserves the right to change the field of numbers in the Cash 4 Life game. Any change in the field of numbers shall be announced publicly by the commission in advance of the effective date of such change.

(3) A Cash 4 Life subscription sales program may be offered at the discretion of the commission. No subscription for the Cash 4 Life game shall remain in effect longer than one year.

(4) A Cash 4 Life feature may be added at the discretion of the commission. A game feature is an alternative or additional method for playing the game within the same basic design.

(d) *Play characteristics and restrictions.*

(1) A Cash 4 Life ticket matching all game play, serial number and other validation data recorded in the commission's gaming system computer shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming any prize.

(2) A multi-draw Cash 4 Life ticket may be purchased for a specified number of future drawings. Such multi-draw ticket shall not be considered a subscription pursuant to paragraph (3) of subdivision (c) of this section or Part 5005 of this subchapter.

(3) A Cash 4 Life ticket may not be purchased anywhere by any commission employee or any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any commission employee.

(e) *Drawings.* Cash 4 Life drawings shall be conducted each calendar day at a time and at a location authorized by the party lotteries. The time, frequency and location of the Cash 4 Life drawings may be changed following a public announcement.

(f) *Pool, prize structure and probability of winning.*

(1) *Prize pool.* The prize pool for the aggregate of all prize categories shall consist of 55 percent of the sales for each drawing period after the prize reserve accounts are

funded to predetermined amounts. If the Cash 4 Life game is no longer offered in New York State, any amount remaining in the prize pool at the end of the game shall be carried forward to a replacement game or used in a manner as permitted by New York State law.

(2) *Prize reserve accounts.* The prize reserve account may be adjusted as needed to maintain an approved maximum balance and shares from each of the party lotteries as specified by the party lotteries. If the Cash 4 Life game is no longer offered in New York State, any amount remaining in a prize reserve account at the end of the game shall be carried forward to a replacement prize reserve account or used in a manner as permitted by New York State law.

(3) *Prize payout and structure.* There are nine prize levels in the Cash 4 Life game. The prize payout percentage and prize structure are as follows, unless there are multiple winners in a prize category, in which case prize amounts may be reduced as set forth in subdivision (h) of this section:

<i>Match Field 1</i>	<i>Match Field 2</i>	<i>Odds 1 in</i>	<i>Prize Category</i>	<i>Level</i>
5	1	21,846,048	\$1,000/day for life	Jackpot
5	0	7,282,016	\$52,000/year for life	2
4	1	79,440	\$2,500	3
4	0	26,480	\$500	4
3	1	1,471	\$100	5
3	0	490	\$25	6
2	1	83	\$10	7
2	0	28	\$4	8
1	1	13	\$2	9
Overall chances of winning:		1 in 8		

Total aggregate payout: 55%

(4) Odds. The odds of winning a prize may be modified if such changes are publicly announced by the commission in advance of the effective date.

(g) *Jackpot and second-level prize payment options.* A claimant of a valid winning jackpot or second-level prize in New York must select either an annuity option or lump sum option. A jackpot or second-level prize shall be paid as an annuity prize, unless a winner elects, within 60 days after the claimant becomes entitled to such prize, to be paid a lump sum payment or unless a lump sum payment is required as set forth in subdivision (h) of this section. If a lump sum payment is selected the prize amount shall be determined according to a methodology that shall be established by the party lotteries. An election

made by a claimant is final and cannot be revoked, withdrawn or otherwise changed without the approval of the commission. Unless a lump sum payment is paid in accordance with this section, annuitized prize payments shall be made for the measuring life of the jackpot prize or second-level prize winner or for a minimum of 20 years. The schedule of payments for an annuity prize shall be determined by the commission. If paid in a lump sum payment, a jackpot prize or second-level prize amount shall be rounded to the nearest whole dollar.

(h) *Prize liability limits.* In the event that a liability limit would be exceeded for a particular draw, the prize amounts for each level shall be adjusted in accordance with a formula established by the party lotteries so that the aggregate liability for prizes in such draw shall not exceed the liability limit.

(1) **Jackpot prize level.** A jackpot prize payout shall be divided equally among the number of jackpot winning plays as set forth in this paragraph.

(i) **One jackpot prize winner.** If there is one jackpot prize winner, the annuitized prize value shall be \$7,000 per week for life and the lump sum payment shall be based on the measuring life of the winner.

(ii) **Two to 14 jackpot prize-winning plays.** If there is more than one and less than or equal to 14 jackpot prize-winning plays, the annuitized payment option, based on a total annuitized prize value of \$7,000 per week, shall be divided by the total number of jackpot prize-winning plays. Any of these winners may choose the lump sum option as an alternative to the annuitized payment option, pursuant to subdivision (g) of this section. The amount of a lump sum option for this prize category shall be the amount of the lump sum option if there were only one winner, divided by the total number of jackpot prize winning plays.

(iii) **Fifteen or more jackpot prize-winning plays.** If there are more than 14 jackpot prize-winning plays, the aggregate jackpot prize liability shall be the liability limit and shall be divided equally among all jackpot prize-winning plays and paid in one lump sum payment to each winner, without an annuitized payment option. The minimum jackpot prize value shall be not less than any lower-tier prize in regard to the same drawing.

(2) **Second-level prizes.** A second-level prize payout shall be paid as follows:

(i) Each winning play shall be paid \$52,000 per year for life or a lump-sum payment based on the measuring life of such claimant, unless a liability limit would be exceeded.

(ii) The minimum prize value for a second-level prize shall be not less than any lower-tier prize in regard to the same drawing.

(iii) If a prize liability limit is exceeded and the annuity prize value of a second-level prize falls below \$500 per week for life, then all winning plays will be paid in one lump sum payment to each winner, without an annuitized payment option.

(3) A third-level prize shall be paid as a \$2,500 lump sum payment, unless a liability limit would be exceeded. A third-level prize shall be rounded to the nearest whole dollar.

(4) Each of the prize levels from four through nine shall be paid as a set, lump sum payment, as set forth in paragraph (3) of subdivision (f) of this section, unless a liability limit would be exceeded.

(5) In addition to the prize structure set forth in this section, the commission may offer special prizes from time to time.

(i) Neither the commission nor the party lotteries shall be responsible for any Cash 4 Life ticket that is not deemed to be a valid or winning draw-game ticket pursuant to Parts 5003 and 5004 of this subchapter.

(j) This section applies to the Cash 4 Life game only.

§ 5007.16. Monopoly™ Millionaires' Club™.

(a) *Definitions.* The following definitions apply to the MONOPOLY Millionaires' Club:

(1) *Annuity option* means the manner in which the MONOPOLY Millionaires' Club top prize may be paid in annual installments.

(2) *Claimant* means any person or entity submitting a claim form within the required time period to collect a prize for any MONOPOLY Millionaires' Club ticket.

(3) *Lump-sum option* means the manner in which MONOPOLY Millionaires' Club top prize may be paid in a single payment as set forth in this section.

(4) *Millionaires' Club prize* means a single payment prize (prize level 11) with a value of \$1,000,000 drawn independently from the other MONOPOLY Millionaires' Club prizes (prize levels 1-10).

(5) *MONOPOLY Millionaires' Club play slip* means a computer-readable form, printed and issued by the commission, used to mark a player's numbered selection when purchasing a MONOPOLY Millionaires' Club ticket, having up to four separate play areas.

(6) *MONOPOLY Millionaires' Club ticket* means a game ticket, produced on official paper stock, by a lottery sales agent in an authorized manner, bearing player- or computer-selected numbers, game name, drawing date, amount of wager and

validation data. Each such ticket shall bear a unique non-repeating transactional number associated with that play.

(7) *Pari-mutuel* means, for this section, the total amount of prize money allocated to pay prize claimants, at the designated prize level, divided among the number of winning MONOPOLY Millionaires' Club ticket.

(8) *Party lotteries* mean one or more of the state lotteries established and operated pursuant to the laws of any state that are part of the national premium game product group that offers the MONOPOLY Millionaires' Club lottery game.

(9) A *play* is one entry into a MONOPOLY Millionaires' Club drawing.

(10) *Play area* is the area on a MONOPOLY Millionaires' Club play slip containing one field of 52 one- or two-digit numbers (1 to 52, inclusive). This is the area from which the player selects five numbers from the first field of 52 if the player is not using the quick pick option and allowing the computer system to select up to five numbers at random.

(11) *Prize pool* means that portion of MONOPOLY Millionaires' Club gross sales set aside for the payment of prizes.

(12) *Purchaser* means a player of MONOPOLY Millionaires' Club who purchases a ticket within New York State in accordance with MONOPOLY Millionaires' Club rules and New York State governing laws and regulations.

(13) *Quick pick* has the meaning set forth in paragraph (11) of subdivision (a) of section 5004.9 of this Subchapter. Quick pick is a player option in the MONOPOLY Millionaires' Club game for selection of up to five number selections ranging from one through 52, but the number ranging from one through 28, representing a MONOPOLY property, must be selected by quick pick.

(14) *Top prize* means the game prize awarded when a player's selections matches all five winning numbers from the field of 52 and the property number drawn from the field of 28 numbered MONOPOLY properties for the MONOPOLY Millionaires' Club. If more than one player has selected all the winning numbers drawn, the top prize shall be divided equally among those players.

(15) *Set prize* or *low-tier prizes* (prize levels 2-10) means, except as otherwise specified in this section, all prizes (other than the top prize and Millionaires' Club prizes) that are to be paid in a single payment as established by this section for each prize level.

(16) *Winning numbers* are five one- or two-digit numbers (1 to 52, inclusive) and one number (1 to 28, inclusive), randomly selected at each MONOPOLY Millionaires' Club

drawing, that shall be used to determine winning MONOPOLY Millionaires' Club plays contained on MONOPOLY Millionaires' Club tickets.

(b) *Ticket price and sales.*

(1) A MONOPOLY Millionaires' Club ticket may be purchased for \$5 per play per drawing. The purchaser receives one ticket for each \$5 wagered in MONOPOLY Millionaires' Club. The commission may authorize the sale of MONOPOLY Millionaires' Club tickets at a different purchase price. Such a change in the purchase price shall be announced publicly by the commission prior to the effective date of such change.

(2) From time to time, the commission may authorize the sale of MONOPOLY Millionaires' Club tickets at a discount for promotional purposes.

(3) MONOPOLY Millionaires' Club tickets shall be sold only through lottery sales agents or other means authorized by the commission.

(4) A MONOPOLY Millionaires' Club ticket may not be cancelled.

(5) It shall be the sole responsibility of a player to verify the accuracy and readability of the information displayed on a MONOPOLY Millionaires' Club ticket at the time of purchase. Neither a lottery sales agent nor the commission shall be liable for any errors in the accuracy and readability of a ticket occurring for any reason, after the purchaser leaves a lottery sales agent location.

(6) A play may be entered only:

(i) manually using a lottery terminal keypad or touch screen;

(ii) by means of a play slip provided by the commission and hand-marked by the player; or

(iii) by other means approved by the commission.

(7) MONOPOLY Millionaires' Club play slips shall be available at no cost to a player, shall have no pecuniary or prize value, shall not constitute evidence of purchase and shall not constitute evidence of a player's number selections. A lottery sales agent shall not permit the use of facsimiles of play slips, copies of play slips or other materials that are not printed or approved by the commission to be inserted into a terminal's play slip reader. A lottery sales agent shall not permit any device to be connected to a lottery terminal to enter plays, except as approved by the commission.

(c) *Game description.*

(1) Primary drawing. To play MONOPOLY Millionaire's Club, a player shall select five different numbers (from 1 to 52, inclusive); the terminal or selling system shall always quick pick one additional number in the range from one through 28, to comprise the second value in the player's selection for each play. The additional number may be the same as one of the five numbers a player selects in the first field. The second number shall be represented on the player's ticket both as a number and as the associated MONOPOLY game board property. A player may select numbers by:

- (i) communicating the five numbers to a lottery sales agent;
- (ii) marking five numbered spaces in any one panel on a play slip and submitting the play slip to a lottery sales agent; or
- (iii) requesting quick pick from a lottery sales agent.

The lottery sales agent shall then issue a ticket or tickets containing the selected set or sets of numbers, each of which constitutes a game play.

(2) Secondary drawing. If a top-prize-winning ticket has been sold, a secondary drawing shall occur to select winners of Millionaires' Club prizes. A ticket holder wins such a prize if a randomly selected Millionaire's Club number drawn in the secondary drawing matches the unique transactional number printed on such ticket. The number of winners to be selected shall be not less than 10 and may increase based upon sales. The number of winners to be selected in the secondary drawing, if any, shall be announced publicly prior to each drawing.

(3) A MONOPOLY Millionaires' Club game feature may be added at the discretion of the commission. A *game feature* is an alternative or additional method for awarding prizes using Monopoly Millionaire ticket information.

(4) A MONOPOLY Millionaires' Club subscription sales program may be offered at the discretion of the commission.

(5) Except for Millionaires' Club prizes, the holder of a winning ticket may win only one prize for the primary drawing for such ticket and shall be entitled only to the prize won by those numbers in the highest matching prize category.

(d) *Play characteristics.* A MONOPOLY Millionaires' Club ticket matching all game play, serial number and other validation data recorded in the commission's gaming system computer shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming any prize.

(e) *Drawings.* MONOPOLY Millionaires' Club drawings shall be conducted once per week at a time and at a location authorized by the party lotteries. The day, time, frequency and location of the MONOPOLY Millionaires' Club drawings may be changed following a public announcement.

(f) *Pool, prize structure and probability of winning.*

(1) Prize pool. The prize pool for the aggregate of all prize levels one through 11 shall consist of 50 percent of the sales for each drawing period after the prize reserve accounts are funded to predetermined amounts.

(2) Prize reserve. The prize reserve may be adjusted as needed to maintain an approved maximum balance and shares from each of the party lotteries as specified by the party lotteries. The prize reserve is used to guarantee payment of the minimum or starting top prize and Millionaires' Club prizes, guarantee the payment of valid, but unanticipated, top prize and Millionaires' Club prize claims and to fund deficiencies in set prize payments (subject to the limitations of an agreement among the party lotteries). If the MONOPOLY Millionaires' Club is no longer offered in New York State, any amount remaining in a prize reserve account at the end of the game shall be carried forward to a replacement prize reserve account or used in a manner as permitted by New York State law.

(3) Prize payout and structure. There are 11 prize levels in the MONOPOLY Millionaires' Club. The prize payout percentage and prize structure are as follows, unless there are multiple winners in a prize category that leads to an excess prize liability, in which case prize amounts may be reduced as set forth in paragraph (4) of subdivision (f) of this section:

<i>Match Field 1</i>	<i>Match Field 2</i>	<i>Odds 1 in</i>	<i>Prize Category</i>	<i>Level</i>
5	1	72,770,880.0000	Top	1
5	0	2,695,217.7778	\$100,000	2
4	1	309,663.3191	\$20,000	3
4	0	11,469.0118	\$500	4
3	1	6,731.8113	\$250	5
3	0	448.7874	\$25	6
2	1	249.3263	\$20	7
1	1	81.5977	\$10	8
0	1	47.4405	\$7	9

<i>Match Field 1</i>	<i>Match Field 2</i>	<i>Odds 1 in</i>	<i>Prize Category</i>	<i>Level</i>
2	0	16.6218	\$5	10
Millionaires' Club prize		Varies with sales	\$1 million	11
Overall chances of winning for levels 1-10:		1 in 10.0025		

Total aggregate payout for levels 1-11: 50%

(4) Pari-mutuel prize determinations.

(i) If the total of the set prizes awarded in a drawing (prize levels 2-10) exceeds the percentage of the prize pool allocated to the set prizes, then the amount needed to fund the set prizes awarded shall be drawn from the following sources, in the following order:

(a) the amount allocated to the set prizes and carried forward from previous drawings, if any;

(b) an amount from the prize reserve, if available, not to exceed \$20,000,000 per drawing.

(ii) If, after the sources described in subparagraph (i) of this paragraph are depleted, there are not sufficient funds to pay the set prizes awarded, 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.

(g) *Top prize payment options.* A claimant of a valid winning top prize in New York must select either an annuity option or lump sum option. A top prize shall be paid as an annuity prize, unless a winner elects, within 60 days after the claimant becomes entitled to such prize, to be paid a lump sum. If a lump sum payment is selected, the prize amount shall be determined according to a methodology that shall be established by the party lotteries. An election made by a claimant is final and cannot be revoked, withdrawn or otherwise changed without the approval of the commission. Unless a lump-sum payment is paid in accordance with this section, annuitized prize payments shall be paid annually in 30 payments with the initial payment being followed by 29 payments funded by the annuity. If paid in a lump-sum payment, a top prize shall be rounded to the nearest whole dollar. An annuity claimant shall have no recourse to any party lottery or to MUSL (as defined in paragraph (1) of subdivision (b) of section 5007.13 of this Subchapter), other than to the commission.

(h) Neither the commission nor the party lotteries shall be responsible for any MONOPOLY Millionaires' Club ticket that is not deemed to be a valid or winning draw-game ticket pursuant to Parts 5003 and 5004 of this subchapter.

(i) This section applies to the MONOPOLY Millionaires' Club game only.

PART 5008

LOTTO

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§ 5008.1. Definitions.

The following definitions apply to this Part.

(a) *LOTTO* means a lottery game that has a designated field of consecutive whole numbers beginning with one and ending with 59 from which a player may select up to six numbers.

(b) *Prize pool* or *winning pool* means a percentage of the gross sales, as may be determined by the commission, for a particular LOTTO game that is allocated for the purpose of paying prizes for that drawing.

§ 5008.2. Payment of prizes.

(a) Prizes for the LOTTO game shall be calculated as follows:

(1) The prize money allocated from the prize pool to the first prize category, plus any money brought forward from a previous drawing and any money added from the LOTTO prize fund reserve or any other available source pursuant to a guaranteed first

prize amount announcement, will be divided equally by the number of game panels qualifying for a first prize.

(2) The prize money allocated from the prize pool to the second prize category, plus any money brought forward from a previous draw, will be divided equally by the number of game panels qualifying for a second prize, less any adjustment required by paragraph (5) of this subdivision.

(3) The prize money allocated from the prize pool to the third prize category will be divided equally by the number of game panels qualifying for a third prize, less any adjustment required by paragraph (5) of this subdivision.

(4) The prize money allocated from the prize pool to the fourth prize category will be divided equally by the number of game panels qualifying for a fourth prize, less any adjustment required by paragraph (5) of this subdivision.

(5) A prize in a minimum amount of \$1 shall be awarded to the fifth prize category. If there are insufficient prize monies to award a minimum of \$1 to all fifth prize winners, then the second, third, and fourth prize allocations shall contribute equally to provide sufficient monies to pay a minimum \$1 fifth prize.

(b) Each first prize payment shall be subject to the following provisions of this subdivision.

(1) If, pursuant to paragraph (1) of subdivision (a) of this section, the calculated share for each game panel qualifying for a first prize in a particular LOTTO drawing would provide annual payments of \$10,000 or more, a winner shall receive an initial payment in an amount as similar as possible to the first annuity payment. After providing for such a first payment, the commission, as authorized by the comptroller, shall invest the remaining first prize money in securities authorized by the State Finance Law for the investment of state funds at current rates payable over a period of years. From the returns of principal and earnings on such investment, the commission shall pay annual prize installments to each first prize winner. Such annual prize installments shall be payable for a term of years to be determined by the commission. The number of years in the term payment schedule may be changed by the commission from time to time. Any such change will be publicly announced by the commission. Such announcement may be made in a news release, an advertisement, on the commission website, or in such other form as the commission, in the commission's discretion, may prescribe to maximize public awareness. LOTTO players may elect whether a first prize shall be payable in installments over a term of years in accordance with the foregoing provisions of this paragraph or, alternatively, whether a first prize shall be payable in a lump sum. If a prize is awarded in a lump sum as a result of a player having elected that option, the amount of the lump sum payment shall be equal to the first prize discounted to present value based upon market rates on the business day following the drawing, divided by the number of game panels qualifying for a first prize. A jackpot prize shall be paid, at the election of a player made no later than 60 days after the

player becomes entitled to the prize, with either an annuity or lump sum payment. If the payment election is not made by a player within 60 days after the player becomes entitled to the prize, then the prize shall be paid as an annuity prize. An election to take a lump sum payment may be made at the time of the prize claim or within 60 days after the winner 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 without the approval of the commission.

(2) If, pursuant to paragraph (1) of subdivision (a) of this section, the calculated share for each game panel qualifying for a first prize in a particular LOTTO drawing would provide annual payments of less than \$10,000, a winner shall receive the entire prize in a single payment. Such payment shall be equal to the first prize discounted to present value based upon market rates on the business day following the drawing, divided by the number of game panels qualifying for a first prize.

(c) (1) If in any LOTTO drawing, there is no game panel eligible for a first prize, the amount allocated from the prize pool to the first prize category, plus any amount brought forward from a previous drawing, shall be added to the first prize category for the next drawing.

(2) If the commission has announced a guaranteed first prize amount for any LOTTO drawing, and if the amount allocated from the winning pool to the first prize category, plus any amount brought forward from a previous drawing, is insufficient to pay the guaranteed first prize, then the amount necessary to fulfill the guarantee shall be added from the LOTTO prize fund reserve or any other available source to the first prize category. If, however, there is no game panel qualifying for the first prize category in such drawing, no amount from the LOTTO prize fund reserve shall be brought forward to the first prize category for the next drawing. If the commission has announced a guaranteed first prize amount for any LOTTO drawing, and if the amount allocated from the winning pool to the first prize category, plus any amount brought forward from a previous drawing, exceeds the amount necessary to pay the guaranteed first prize, then the excess may be allocated to the LOTTO prize fund reserve established pursuant to subdivision (c) of section 5008.7 of this Part.

(3) If in any LOTTO drawing, there is no game panel qualifying for the second prize category, the amount allocated from the winning pool to the second prize category, plus any amount brought forward from a previous drawing, shall be added to the second prize category for the next drawing.

(d) Within a time period specified by the commission following the draw date, a claimant may present a valid winning LOTTO ticket valued at \$600 dollars or less for payment at a licensed retailer; thereafter, the winning ticket may only be claimed at a customer service center approved by the commission by mailing the ticket to the commission. LOTTO tickets may be purchased at any location equipped with a lottery computer terminal.

(e) First prize winners shall receive payment not earlier than the 14th day after the relevant draw date.

(f) For the purpose of calculating any prize to be paid, the calculation shall be rounded down so the prize can be paid in multiples of one dollar.

(g) The holder of a winning ticket may win only one prize per game panel in connection with the winning numbers drawn for a particular LOTTO game, but shall be entitled to the highest prize won by those numbers.

§ 5008.3. Ticket sales.

(a) No person shall sell a LOTTO ticket at a price greater than that fixed by this Part.

(b) The price for each LOTTO wager is \$1, which entitles the player to two game panels.

§ 5008.4. Prize funds.

(a) Forty percent of gross sales for each LOTTO game draw date shall be paid into the New York Lottery prize account for allocation of prize winnings.

(b) Not less than 38 percent of gross sales for a particular LOTTO game draw shall be the amount allocated to the prize pool for that particular game, and not less than such amount shall form the basis upon which the payment of prizes for the particular game shall be computed; provided, however, that a lesser amount may be allocated to the prize pool if there is an excess of prize funds beyond the amount needed to pay a guaranteed first prize amount as provided in paragraph (2) of subdivision (c) of section 5008.2 of this Part.

(c) The commission may allocate not more than two percent of gross sales in any LOTTO game draw to prize pools for any other LOTTO game draw dates; provided, however, that a greater amount may be allocated to other LOTTO prize pools if there is an excess of prize funds beyond the amount needed to pay a guaranteed first prize amount as provided in paragraph (2) of subdivision (c) of section 5008.2 of this Part. The amount so allocated shall be referred to as the LOTTO prize fund reserve. At the commission's discretion, the LOTTO prize fund reserve may be used to fund promotions and maintain minimum prize levels.

(d) In the event of termination of the LOTTO game for whatever reason, any prize monies remaining undistributed in the New York State Lottery prize account will be disbursed for the sole benefit of winners of other LOTTO or Lottery games at the total discretion of the commission.

§ 5008.5. Miscellaneous.

(a) All number selections or other information appearing on any LOTTO bet ticket shall be deemed to be made or given exclusively by the player. Where one person submits a ticket as agent or nominee for another person or persons, the commission shall not be deemed to have any knowledge of such transaction, and all dealings of the commission will be conducted solely with the bearer of the ticket.

(b) No claimant will be considered eligible to receive a prize without presentation of a valid winning bet ticket.

(c) The commission reserves the right to change the prize structures, frequency of draws, draw dates, or the games themselves, and any such changes shall be publicly announced in advance by the commission. Any public announcement provided for in this Part shall be made in a news release, an advertisement, on the commission website, or in such other form as the commission, in the commission's discretion, may prescribe to maximize public awareness.

(d) If for any reason, a bet ticket is not entirely legible or is misprinted or altered in any way, then the computer record created at the time of sale will be the sole method of determining whether such ticket is a valid winning ticket and whether a first prize shall be payable in installments or as a lump sum.

(e) LOTTO bet tickets may not be canceled once issued by the computer terminal. However, the lottery sales agent may receive credit for any unreadable bet tickets issued, as these tickets (although unreadable) are recorded on the computer file as valid bets.

(f) If a lottery sales agent applies for credit for an unreadable bet ticket and it is determined that such ticket would have qualified for a prize, the commission may make a proportionate reduction in the number of shares into which the prize money for that prize category is divided, thereby increasing the value of the prize available for each qualifying game panel.

(g) When any question shall arise as to the validity of a LOTTO drawing for any reason whatsoever, the commission shall make the determination as to the validity of said drawing on the basis of the information at the commission's disposal. The determination of the commission shall be a final determination.

§ 5008.6. Determination of prizes.

(a) For each LOTTO game, seven numbers will be randomly selected at a public drawing from a field of 59 numbers from 1 to and including 59. The first six randomly chosen numbers will be the winning numbers. The seventh number will be the bonus number. Prize levels are determined as follows:

Any game panel on the bet ticket having the following shall be deemed a winning game panel:

All six winning numbers

Any five winning numbers plus the bonus number

Any five winning numbers

Any four winning numbers

Any three winning numbers

The following shall be prize categories:

First prize

Second prize

Third prize

Fourth prize

Fifth prize

(b) The allocation of percentages of the prize pool to various prize categories may be changed by the commission from time to time. Any such change will be publicly announced by the commission. Such announcement may be made in a news release, an advertisement, on the commission's or the commission's website, or in such other form as the director, in the director's discretion, may prescribe to maximize public awareness. In addition to the prizes specified in this section, the commission may offer special prizes from time to time, in the form of either cash or other valuable consideration, if such additional special prizes are authorized by the commission in the commission's discretion.

§ 5008.7. Chances of winning.

(a) *First prize.* Six numbers in one game panel. Chance of winning: 1 in 45,057,474. Chance of winning for a \$1 bet (two panels): 1 in 22,528,737. Percentage of prize pool: 75%.

(b) *Second prize.* Any five winning numbers plus the bonus number in one game panel. Chance of winning: 1 in 7,509,579. Chance of winning for a \$1 bet (two panels): 1 in 3,754,790. Percentage of prize pool: 7.25%.

(c) *Third prize.* Any five winning numbers in one game panel. Chance of winning: 1 in 144,415. Chance of winning for a \$1 bet (two panels): 1 in 72,207. Percentage of prize pool: 5.5%.

(d) *Fourth prize.* Any four winning numbers in one game panel. Chance of winning: 1 in 2,180. Chance of winning for a \$1 bet (two panels): 1 in 1,090. Percentage of prize pool: 6.25%.

(e) *Fifth prize.* Any three winning numbers in one game panel. Chance of winning: 1 in 96. Chance of winning for a \$1 bet (two panels): 1 in 48. Percentage of prize pool: 6%.

(f) Overall chance of winning a prize for a \$1 bet: 1 in 46. Note: The bonus number applies to the second prize only.

(g) The odds listed in this section have been rounded to the nearest whole number and assume random number selection by LOTTO players.

§ 5008.8. Maximum amount for LOTTO jackpots.

(a) If the director determines that it is in the best interest of the player and/or the State, the commission may, at the commission's discretion, set a maximum amount payable for a first prize for any LOTTO game. If this is done, such event will be publicly announced in advance of the draw for the game for which it is effective.

(b) In the event that a maximum first prize amount is established, any dollars in the first prize fund for a particular game draw in excess of the amount required to award the maximum first prize shall be carried forward to the next jackpot for that game's draw after the maximum amount has been paid.

§ 5008.9. LOTTO Extra.

(a) LOTTO extra is a feature of New York's LOTTO game. Except as otherwise noted in this section, the rules of LOTTO apply to all LOTTO Extra wagers.

(b) LOTTO extra shall determine winners from bet tickets by correctly matching some or all of the numbers in the player's number selection against the winning numbers, bonus number and extra bonus number drawn by the division for that drawing.

(c) Players of LOTTO extra are automatically included in the respective LOTTO drawing, and have the added benefit of matching their number selections against the extra bonus number for additional prize levels not available to LOTTO players.

(d) Forty percent of the gross LOTTO extra sales for each LOTTO drawing shall be paid into the New York Lottery prize account for allocation of prize winnings.

(e) Not less than 38 percent of gross LOTTO extra sales for a particular drawing shall be the amount allocated to the winning pool for that particular game.

(f) During each LOTTO drawing, the commission will draw an extra bonus number. Numbers will be drawn in the following sequence: the first randomly chosen six numbers will be the winning numbers; the seventh number will be the bonus; and the eighth number will be the extra bonus number.

(g) LOTTO extra bets may be purchased for a minimum of \$2 per two game panels; \$1 of such bet is on the LOTTO game, and \$1 of such bet is for the LOTTO extra feature.

(h) *Determination of prizes.* The prize structure and odds for this feature are:

Match	Odds	Pool Percentage
5 + either bonus	3,754,789.50	14.40%
5	147,246.65	5.50%
4 + either bonus	29,449.33	25.25%
4	2,355.95	5.75%
3 + either bonus	883.48	15.00%
3	108.18	11.00%
2 + either bonus	72.12	23.00%
Overall Odds	40.47	100.00%

(i) In the event that supplemental prize funds are necessary to fund prizes for Lotto extra, those funds will be supplemented from unclaimed prize funds.

(j) At the discretion of the commission, the commission may offer additional features of the LOTTO game. Any additional feature of the LOTTO game offered by the commission shall be established in an executive directive, and the details of such game feature shall be publicly announced by the commission.

§ 5008.10. Variations of the LOTTO game.

The commission may offer a variation of the LOTTO game that has a designated field of consecutive whole numbers beginning with one to a number designated by the commission not greater than 60 from which a player may select up to six numbers. The commission reserves the discretion to offer additional versions of the LOTTO game with different prize structures and designated fields of numbers. If the commission offers an additional version of the game, sections 5008.10 through 5008.16 of this Part shall continue to apply.

§ 5008.11. Distribution of prize money for variations of the LOTTO game.

(a) Prizes for a variation of the LOTTO game shall be calculated as follows:

(1) The first prize will be a prize of up to an amount designated by the commission, which will be paid as a lump sum. A first prize will be awarded to game panels matching six of six winning numbers for a particular drawing. The commission may limit the number of top first prizes for a particular drawing to no more than a designated number. If the limited number of top first prizes designated by the commission exceeded for a particular drawing, the winning first prize game panels will share equally in a maximum first prize pool equal to the product of the top first prize amount

multiplied by the limited number of top first prizes designated by the commission. At the commission's discretion, the commission may change the top first prize amount and any such change will be publicly announced in advance of the effective date.

(2) Prizes paid to the second through fourth prize levels shall be fixed prizes as prescribed by the commission. There shall be a limit imposed on the second through fourth prize levels equal to a fixed percentage of the gross ticket sales receipts for that particular drawing. In the event that the limit would be exceeded for a particular draw, the second through fourth prize levels shall be calculated on a pari-mutuel basis in accordance with a formula established by the commission.

(3) The allocation of percentages of the prize pool to various prize categories may be changed by the commission from time to time. Any such change will be publicly announced by the commission.

(b) In the event that the commission offers an additional version of the LOTTO game, the method of calculation and distribution of prizes shall be publicly announced in advance by the commission.

(c) A valid winning ticket valued at \$600 or less and presented for payment within a number of days of the drawing date, as determined by the commission, may be redeemed by a lottery sales agent. All other valid winning tickets may be redeemed at a customer service center.

(d) For the purpose of calculating any prize to be paid, the calculation shall be rounded down so that prize can be paid in multiples of one dollar.

§ 5008.12. Ticket sales for variations of the LOTTO game.

(a) The price for each wager in any variation of the LOTTO game shall be determined by the commission.

(b) A play card is not a valid receipt for any game played. The bet ticket is the only valid receipt.

(c) No claimant will be considered eligible to receive a prize without presentation of a valid winning bet ticket.

(d) If for any reason, a bet ticket is not entirely legible or is misprinted or altered in any way, then the computer record created at the time of sale will be the sole method of determining whether such ticket is a valid winning ticket.

(e) A bet ticket for any variation of the LOTTO game may not be canceled once issued by the computer terminal. However, the lottery sales agent may receive credit for any unreadable bet ticket issued, as these tickets (although unreadable) are recorded on the computer file as valid bets.

§ 5008.13. Prize funds for variations of the LOTTO game.

(a) Up to 40 percent of gross ticket sales receipts for each variation of the LOTTO game draw date may be paid into the commission prize account for allocation of prize winnings or as may be otherwise prescribed by the New York State Lottery for Education Law.

(b) The commission may allocate a percentage of gross sales for a particular game drawing to the prize pool for that particular game, and not less than such amount shall form the basis upon which the payment of prizes for the particular game shall be computed; provided, however, that a lesser amount may be allocated to the prize pool if there is an excess of prize funds beyond the amount needed to pay a fixed prize.

(c) The commission may allocate a percentage of gross sales receipts for any game drawing of a variation of the LOTTO game to prize pools for any other game drawing dates of that particular variation of the LOTTO game; provided, however, that a greater amount may be allocated to other prize pools of that particular variation of the LOTTO game if there is an excess of prize funds beyond the amount needed to pay a fixed prize. The amount so allocated shall be referred to as the prize fund reserve for that particular variation of the LOTTO game. This prize fund reserve may be used to fund promotions and maintain minimum prize levels, as determined by the commission.

(d) In the event of termination of any variation of the LOTTO game for whatever reason, any prize monies remaining undistributed in the prize fund reserve for that particular variation of the LOTTO game will be disbursed for the sole benefit of winners of other commission games at the discretion of the commission.

§ 5008.14. Determination of prizes for variations of the LOTTO game.

(a) For a variation of the LOTTO game, six numbers shall be randomly selected at a public drawing from a field of consecutive whole numbers beginning with one to a number designated by the commission not greater than 60. The first six randomly chosen numbers shall be the winning numbers. The method of determination of prizes shall be publicly announced in advance by the commission.

(b) The prize structure and odds of winning may be publicly announced by the commission in advance of the effective date.

(c) The commission reserves the right to change the field of numbers. Any change in the field of numbers shall be publicly announced by the commission in advance of the effective date.

(d) In addition to the announced prize structure, the commission may offer special prizes from time to time.

§ 5008.15. Procedures for claiming a prize for variations of the LOTTO game.

A prize may be claimed in any variation of the LOTTO game in accordance with this Part.

§ 5008.16. Miscellaneous provisions applicable to variations of the LOTTO game.

(a) All number selections or other information appearing on a bet ticket for any variation of the LOTTO game shall be deemed to be made or given exclusively by the player. Where one person submits a ticket as agent or nominee for another person or persons, the commission shall not be deemed to have any knowledge of such transaction, and all dealings of the commission will be conducted solely with the bearer of the ticket.

(b) The commission reserves the right to change the prize structures, frequency of drawings, drawing dates, or the games themselves, and any such changes shall be publicly announced in advance by the commission. Any public announcement provided for in this Part shall be made in a news release, an advertisement, on the commission's website, or in such other form as the commission, in the commission's discretion, may prescribe to maximize public awareness.

(c) Any determination by the commission described in this Part shall be made with consideration of any of the following goals:

- (1) to make the LOTTO game or any variation of the LOTTO game more appealing or convenient for players;
- (2) to further the commission's mission of raising revenue for aid to education; or
- (3) to allow the commission to administer the LOTTO game or any variation of the LOTTO game more effectively or efficiently.

(d) When any question shall arise as to the validity of a drawing of any variation of the LOTTO game for any reason whatsoever, the commission shall make the determination as to the validity of said drawing on the basis of the information at the commission's disposal. The determination of the commission shall be a final determination.

PART 5009

New York's Numbers

Section	
5009.1	New York's Numbers
5009.2	Game description
5009.3	[Reserved]
5009.4	Drawings

§ 5009.1. New York's Numbers.

The following rules pertain to New York's Numbers and are supplementary to those rules of general applicability heretofore and hereafter promulgated by the commission.

§ 5009.2. Game Description.

New York's Numbers game shall determine winners from tickets by matching a permutation or segment of a three-digit number from 000 to and including 999, randomly drawn at a regularly scheduled daily drawing or by succeeding in a game feature as set forth in subdivisions (h) and (i) of this section. Correctly matching the three-digit number or designated permutation thereof shall entitle the ticket holder to one of those prizes as described below:

(a) New York Numbers game bets may be purchased for a minimum of 50 cents and in multiples thereof to a maximum of \$5.

(b) The following types of bets may be made available for purchase:

(1) Straight. A three-digit number designed to match in exact order the three-digit winning number drawn for a given day.

(2) Six-way box. A three-digit number in which all three digits are unique (for example, "123"), designed to match in any order the three-digit winning number drawn for a given day.

(3) Three-way box. A three-digit number in which two of the digits are the same (for example, "122"), designed to match in any order the three-digit winning number drawn for a given day.

(4) Front pair. A two-digit number designed to match in exact order the first and second digits of the three-digit winning number drawn for a given day.

(5) Back pair. A two-digit number designed to match in exact order the second and third digits of the three-digit winning number drawn for a given day.

(6) Straight/six-way box. A three-digit number in which all three digits are unique (for example, "123"), that generates one straight bet and one six-way box bet. Straight/six-way box bets are limited to 50 cents for each bet type for a ticket price of \$1.

(7) Straight/three-way box. A three-digit number in which two of the digits are the same (for example, "122"), that generates one straight bet and one three-way box bet. Straight/three-way box bets are limited to 50 cents for each bet type for a ticket price of \$1.

(8) Combination six-way. A three-digit number in which all three digits are unique (for example, “123”), that generates six straight bets. The minimum cost of a combination six-way wager is \$3 (6 bets x 50 cents minimum bet).

(9) Combination three-way. A three-digit number in which two of the digits are the same (for example, “122”), that generates three straight bets. The minimum cost of a combination three-way wager is \$1.50 (3 bets x 50 cents minimum bet).

(10) Close Enough. A three-digit number, of which each digit must match or be one number greater or less than the corresponding digit of the three-digit number selected in a drawing. For purposes of this wager, one number greater than nine is defined as zero and one number less than zero is defined as nine. A detailed description of the odds, prize structure, wager price, play instructions and any further information in regard to this wager shall be communicated to the public and set forth on the website for the New York Lottery in advance of offering this wager. Such detailed description shall be consistent with the game rules otherwise set forth in this Part in regard to other wagers and features of the New York’s Numbers game.

(c) *Prize structure and odds for the numbers game.*

<u>Bet type</u>	<u>Odds</u>	<u>For each \$.50 bet</u>	<u>For each \$1 bet</u>	<u>Comment</u>
Straight	1:1,000	\$250	\$500	
Box six-way	1:167	\$40	\$80	
Box three-way	1:333	\$80	\$160	
Front pair	1:100	\$25	\$50	
Back pair	1:100	\$25	\$50	
Straight/box six-way	1:167	\$290 \$440	n/a n/a	If straight hits If box only
Straight/box three-way	1:333	\$330 \$80	n/a n/a	If straight hits If box only
Combination six-way	1:167	\$250	\$500	
Combination three-way	1:333	\$250	\$500	
Close Enough (straight match)	1:1,000	\$125	\$250	
Close Enough (1 digit, 1 off)	1:167	\$12	\$24	

<u>Bet type</u>	<u>Odds</u>	<u>For each \$.50 bet</u>	<u>For each \$1 bet</u>	<u>Comment</u>
Close Enough (2 digits, 1 off)	1:83	\$2	\$4	
Close Enough (3 digits, 1 off)	1:125	\$4	\$8	
Close Enough (overall; any prize)	1:37			

(d) The purchaser may place a bet for the current day or for one or more days in advance for up to six successive drawings from the day of transaction.

(e) To place a bet, a purchaser communicates the desired bet data (day, amount, bet type and bet number selections) to a lottery sales agent, who will issue a bet ticket. If desired, a purchaser may use the quick pick option for deciding bet number selections. When the quick pick option is used, the bet will be entered by computer in the next scheduled drawing as a straight bet in the amount of 50 cents and the numbers to be played will be randomly selected by computer. A purchaser using the quick pick option may specify such purchaser's own choice of drawing date (s), bet type or bet amount. The agent enters the bet into a secure computer system via a computer terminal. Upon acceptance of and payment for the ticket issued by the lottery sales agent, the transaction shall become binding and final.

(f) The commission reserves the right at any time, in the commission's sole discretion, to suspend play on any number(s) or to limit the number of bets made on any number(s) or combination(s).

(g) At some time in the future, the commission may change the daily numbers game from fixed prize payouts to pari-mutuel payouts. If the commission determines that this change should be made, it will be publicly announced in advance of the effective date. Prizes for the numbers game will be determined on a pari-mutuel basis (as explained below) for a test period of at least one month. If the commission determines that it is in the best interest of the players and/or the State, the commission may, at the commission's discretion, return prizes to a fixed payout basis. Such change will be publicly announced in advance of the date it is effective. Up to 50 percent of the sales from each drawing will be allocated to a prize pool for that drawing. The prize pool will be divided by the total amount bet on the winning daily number to arrive at the base prize amount from which all other prizes will be calculated as shown below. The commission may, at the commission's discretion, withhold up to two percent of the sales from each drawing for a prize reserve fund. This reserve fund may be used to fund promotions and maintain minimum prize levels, if desired. Prizes for all bets are calculated as a percentage of the base prize amount as follows:

Percentage of Base Prize for:

Bet type	\$.50 bet	\$1 bet	Comment
Straight	50%	100%	
Box six-way	8.33%	16.66%	
Box three-way	16.66%	33.33%	
Front pair	5.00%	10.00%	
Back pair	5.00%	10.00%	
Straight/box six-way	116.66%	n/a	If straight hits
	16.66%	n/a	If box only
Straight/box three-way	133.33%	n/a	If straight hits
	33.33%	n/a	If box only
Combination six-way	50.00%	100.00%	\$.50 bet cost is \$3
Combination three-way	50.00%	100.00%	\$.50 bet cost is \$1.50

Note: All prizes will be rounded down to the nearest 50-cent increment at the 50-cent payout level. The following is an example of a typical payout calculation.

Current sales = \$910,106.00

Prize pool = \$455,053.00 (50% of sales)

Total bet on winning number = \$603.78

Base prize = \$721.41 (prize pool divided by total bet on winning number)

Payout for:

Bet type	\$.50 bet	\$1 bet	Comment
Straight	\$360.50	\$721	
Box six-way	\$60.00	\$120	
Box three-way	\$120.00	\$240	
Front pair	\$36.00	\$72	
Back pair	\$36.00	\$72	
Straight/box six-way	\$420.50	n/a	If straight hits
	\$60.00	n/a	If box only
Straight/box three-way	\$480.00	n/a	If straight hits
	\$120.00	n/a	If box only

Bet type	\$.50 bet	\$1 bet	Comment
Combination six-way	\$360.50	\$721	\$.50 bet cost is \$3
Combination three-way	\$360.50	\$721	\$.50 bet cost is \$1.50

(h) *Lucky Sum*. Lucky Sum is a feature of New York's Numbers game. Lucky sum shall determine winners from bet tickets by correctly matching the sum of the player's number selection against the sum of the winning numbers drawn by the commission for that drawing.

- (1) To place a bet, a purchaser must communicate to a lottery sales agent:
 - (i) the desired game bet data, pursuant to subdivision (e) of this section; and
 - (ii) such purchaser's desire to add a lucky sum wager to the normal wager. Such bet ticket will reflect the sum of the numbers played by the purchaser on that wager as the additional lucky sum wager.
- (2) Lucky sum wagers shall not be placed with pairs or Close Enough wagers.
- (3) Up to 50 percent of the sales from each drawing will be allocated to a prize pool for that drawing.
- (4) Prize structure and odds for this feature.

Sum of Number Picked	Number of Ways to Match a Number	Expected Odds	Prize
0	1	1,000	\$500.00
1	3	333	\$166.00
2	6	167	\$83.00
3	10	100	\$50.00
4	15	67	\$33.00
5	21	48	\$23.50
6	28	36	\$17.50
7	36	28	\$13.50
8	45	22	\$11.00
9	55	18	\$9.00
10	63	16	\$7.50
11	69	14	\$7.00

Sum of Number Picked	Number of Ways to Match a Number	Expected Odds	Prize
12	73	14	\$6.50
13	75	13	\$6.50
14	75	13	\$6.50
15	73	14	\$6.50
16	69	14	\$7.00
17	63	16	\$7.50
18	55	18	\$9.00
19	45	22	\$11.00
20	36	28	\$13.50
21	28	36	\$17.50
22	21	48	\$23.50
23	15	67	\$33.00
24	10	100	\$50.00
25	6	167	\$83.00
27	1	1,000	\$500.00

(5) Lucky Sum bets may be purchased for a minimum of \$1 per wager.

(i) A New York’s Numbers type of bet or game feature may be added at the discretion of the commission, so long as such game feature is an alternative or additional method for playing the game within the same basic game design and a detailed description of the odds, prize structure, wager price, play instructions and any further information in regard to how a player may use such feature, if offered, shall be communicated to the public and set forth on the website for the New York Lottery in advance of offering such feature.

§ 5009.3. [Reserved].

§ 5009.4. Drawings.

(a) New York's Numbers drawings shall be held on a daily basis, Monday through Sunday, with the exception of certain holidays to be designated by the commission.

(b) The commission may postpone or revise the drawing schedule(s) and publicize the same if the commission finds, in the commission’s discretion, that such postponement or rescheduling will serve to protect the public interest.

(c) The site and time of the numbers drawings, as specified in subdivision (a) of this section, will be at locations specified by the commission, publicly announced, and held in accordance with procedures promulgated by the commission.

(d) At such time as may be deemed appropriate, the commission may issue a directive designating a special numbers draw where additional prizes may be awarded from the accumulated prize reserve monies.

(e) When any question shall arise as to the validity of a lottery drawing for any reason whatsoever, the commission shall make the determination as to the validity of said drawing on the basis of the information at the commission's disposal. The commission's determination shall be a final determination.

PART 5010

Win-4

Section	
5010.1	Win-4
5010.2	Game Description
5010.3	Drawings

§ 5010.1. Win-4.

The following rules pertain to Win-4 and are supplementary to those rules of general applicability heretofore and hereafter promulgated by the commission.

§ 5010.2. Game description.

The Win-4 game shall determine winners from tickets matching a permutation of a four-digit number from 0000 to and including 9999 randomly drawn at a regularly scheduled drawing conducted by the Lottery as described in section 5010.4 of this Part or by succeeding in a game feature as set forth in subdivisions (g) and (h) of this section. Correctly matching the winning four-digit number drawn, or a designated permutation thereof shall entitle the ticket holder to one of the prizes described in subdivision (c) of this section.

(a) Win-4 bets may be purchased for a minimum of 50 cents and in multiples of 50 cents thereof to a maximum of \$5.

(b) The following types of bets may be used in the determination of winners for the specified draw day indicated on the bet ticket:

- (1) Straight. A four-digit number (for example, "1234") designed to match in exact sequence the four-digit winning number drawn.

- (2) Twenty-four-way box. A four-digit number in which all four digits are unique (for example, "1234") designed to match in any order the winning four-digit number drawn for a given day.
- (3) Twelve-way box. A four-digit number in which two of the digits are the same (for example, "1233") designed to match in any order the winning four-digit number drawn for a given day.
- (4) Six-way box. A four-digit number in which there are two pairs of identical numbers (for example, "1122") designed to match in any order the winning four-digit number drawn for a given day.
- (5) Four-way box. A four-digit number in which three of the digits are the same (for example, "1112") designed to match in any order the winning four-digit number drawn for a given day.
- (6) Front pair. A two-digit number chosen to match in exact order the first and second digits of the four-digit winning number selected in a drawing.
- (7) Back pair. A two-digit number chosen to match in exact order the third and fourth digits of the four-digit winning number selected in a drawing.
- (8) Straight/twenty-four-way box. A four-digit number in which all four digits are unique (for example, "1234") that generates one straight bet and one box bet on a single ticket. Straight/box bets are limited to 50 cents for each bet type for a ticket price of \$1.
- (9) Straight/twelve-way box. A four-digit number in which two of the digits are the same (for example, "1233") that generates one straight bet and one box bet on a single ticket. Straight/box bets are limited to 50 cents for each bet type for a ticket price of \$1.
- (10) Straight/six-way box. A four-digit number in which there are two pairs of identical digits (for example, "1122") that generates one straight bet and one box bet on a single ticket. Straight/box bets are limited to 50 cents for each bet type for a ticket price of \$1.
- (11) Straight/four-way box. A four-digit number in which three of the digits are the same (for example, "1112") that generates one straight bet and one box bet on a single ticket. Straight/box bets are limited to 50 cents for each bet type for a ticket price of \$1.
- (12) Twenty-four-way combination. A four-digit number in which all four digits are unique (for example, "1234") that generates 24 straight bets on a single ticket. The minimum cost of a 24-way combination wager is \$12 (24 bets x \$.50 minimum bet).

(13) Twelve-way combination. A four-digit number in which two of the digits are the same (for example, “1233”) that generates 12 straight bets on a single ticket. The minimum cost of a 12-way combination wager is \$6 (12 bets x \$.50 minimum bet).

(14) Six-way combination. A four-digit number in which there are two pairs of identical digits (for example, “1122”) that generates six straight bets on a single ticket. The minimum cost of a six-way combination wager is \$3 (6 bets x \$.50 minimum bet).

(15) Four-way combination. A four-digit number in which three of the digits are the same (for example, “1112”) that generates four straight bets on a single ticket. The minimum cost of a four-way combination wager is \$2 (4 bets x \$.50 minimum bet).

(16) Close Enough. A four-digit number, of which each digit must match or be one number greater or less than the corresponding digit of the four-digit number selected in a drawing. For purposes of this wager, one number greater than nine is defined as zero and one number less than zero is defined as nine. A detailed description of the odds, prize structure, wager price, play instructions and any further information in regard to this wager shall be communicated to the public and set forth on the website for the New York Lottery in advance of offering this wager. Such detailed description shall be consistent with the game rules otherwise set forth in this Part in regard to other wagers and features of the Win-4 game.

(c) *Prize structure and game odds for Win-4.*

Bet Type and Prize Payouts Per Amount Bet

Bet Type	50 cents	\$1	\$2	\$3	\$4	\$5
Straight	\$2,500	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000
Box(24)	\$100	\$200	\$400	\$600	\$800	\$1,000
Box(12)	\$200	\$400	\$800	\$1,200	\$1,600	\$2,000
Box(6)	\$400	\$800	\$1,600	\$2,400	\$3,200	\$4,000
Box(4)	\$600	\$1,200	\$2,400	\$3,600	\$4,800	\$6,000
Front Pair	\$25	\$50				
Back Pair	\$25	\$50				
Straight/Box (24)	\$2,600 \$100	If Straight hits If Box only				
Straight/Box (12)	\$2,700 \$200	If Straight hits If Box only				



Straight/Box (6) \$2,900 If Straight hits
 \$400 If Box only

Straight/Box (4) \$3,100 If Straight hits
 \$600 If Box only

<u>Bet Type</u>	<u>50 cents</u>	<u>\$1</u>	<u>\$2</u>	<u>\$3</u>	<u>\$4</u>	<u>\$5</u>
Combination (all types)	\$2,500	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000
Close Enough (straight match)	\$1,250	\$2,500				
Close Enough (1 digit, 1 off)	\$62	\$124				
Close Enough (2 digits, 1 off)	\$12	\$24				
Close Enough (3 digits, 1 off)	\$7	\$14				
Close Enough (4 digits, 1 off)	\$16	\$32				

Game odds:

Bet type	Odds
Straight	1:10,000
Box(24)	1:417
Box(12)	1:833
Box(6)	1:1,667
Box(4)	1:2,500
Front Pair	1:100
Back Pair	1:100
Straight/Box(24)	1:417
Straight/Box(12)	1:833
Straight/Box(6)	1:1,667
Straight/Box(4)	1:2,500
Combination(24)	1:417
Combination(12)	1:833
Combination(6)	1:1,667
Combination(4)	1:2,500
Close Enough (straight match)	1:10,000
Close Enough (1 digit, 1 off)	1:1,250
Close Enough (2 digits, 1 off)	1:417

Bet type	Odds
Close Enough (3 digits, 1 off)	1:313
Close Enough (4 digits, 1 off)	1:625
Close Enough (overall; any prize)	1:123

(d) The purchaser may place a bet for the current day or for one or more days in advance for up to six successive drawings from the day of the transaction.

(e) To place a bet, a purchaser communicates the desired bet data (day, amount, bet type and bet number selections) to a lottery sales agent, who will issue a bet ticket. If desired, a purchaser may use the quick pick option for deciding bet number selections. When the quick pick option is used, the bet will be entered by computer in the next scheduled drawing as a straight bet in the amount of 50 cents and the numbers to be played will be randomly selected by computer. A purchaser using the quick pick option may specify such purchaser's own choice of drawing date (s), bet type or bet number. The lottery sales agent enters the bet into a secure computer system via a computer terminal. Upon acceptance of and payment for the ticket issued by the lottery sales agent, the transaction shall become binding and final.

(f) The commission reserves the right at any time, in the commission's sole discretion, to suspend play on any number(s) or to limit the number of bets made on any number(s) or combination(s).

(g) *Lucky Sum*. Lucky sum is a feature of the Win-4 game. Lucky sum shall determine winners from bet tickets by correctly matching the sum of the player's number selection against the sum of the winning numbers drawn by the lottery for that drawing.

(1) Lucky sum wagers shall not be placed with pairs or Close Enough wagers.

(2) To place a bet, a purchaser must communicate to a lottery sales agent:

(i) the desired game bet data, pursuant to subdivision (e) of this section; and

(ii) such purchaser's desire to add a lucky sum wager to the normal wager. Such bet ticket will reflect the sum of the numbers played by the purchaser on that wager as the additional lucky sum wager.

(3) Up to 50 percent of the sales from each drawing will be allocated to a prize pool for that drawing.

(4) Prize structure and odds for this feature.

Sum of Number Picked	Number of Ways to Match a Number	Expected Odds	Prize
0	1	10,000	\$5,000.00
1	4	2,500	\$1,250.00
2	10	1,000	\$500.00
3	20	500	\$250.00
4	35	286	\$142.00
5	56	179	\$89.00
6	84	119	\$60.00
7	120	83	\$42.00
8	165	61	\$30.00
9	220	45	\$22.50
10	282	35	\$17.50
11	348	29	\$14.00
12	415	24	\$12.00
13	480	21	\$10.00
14	540	19	\$9.00
15	592	17	\$8.00
16	633	16	\$7.50
17	660	15	\$7.50
18	670	15	\$7.50
19	660	15	\$7.50
20	633	16	\$7.50
21	592	17	\$8.00
22	540	19	\$9.00
24	415	24	\$12.00
25	348	29	\$14.00
26	282	35	\$17.50
27	220	45	\$22.50
28	165	61	\$30.00

Sum of Number Picked	Number of Ways to Match a Number	Expected Odds	Prize
29	120	83	\$42.00
30	84	119	\$60.00
31	56	179	\$89.00
32	35	286	\$142.00
33	20	500	\$250.00
34	10	1,000	\$500.00
35	4	2,500	\$1,250.00
36	1	10,000	\$5,000.00

(5) Lucky Sum bets may be purchased for a minimum of \$1 per wager.

(h) A Win-4 type of bet or game feature may be added at the discretion of the commission, so long as such game feature is an alternative or additional method for playing the game within the same basic game design and a detailed description of the odds, prize structure, wager price, play instructions and any further information in regard to how a player may use such feature, if offered, shall be communicated to the public and set forth on the website for the New York Lottery in advance of offering such feature.

§ 5010.3. Drawings.

(a) Win-4 drawings shall be held on a daily basis, Monday through Sunday, with the exception of certain holidays to be designated by the commission.

(b) The commission may postpone or revise the drawing schedule(s) and publicize the same if the commission finds, in the commission’s sole discretion, that such postponement or rescheduling will serve to protect the public interest.

(c) The site and time of the Win-4 drawings, as specified in subdivision (a) of this section, will be at locations specified by the commission, publicly announced, and held in accordance with procedures promulgated by the commission.

(d) At such time as may be deemed appropriate, the director may issue a directive designating a “special Win-4 draw” where additional prizes may be awarded from the accumulated prize reserve monies.

(e) When any question shall arise as to the validity of a lottery drawing for any reason whatsoever, the commission shall make the determination as to the validity of said drawing on the basis of the information at the commission’s disposal. The determination of the commission shall be a final determination.

PART 5011**Pick-10**

Section	
5011.1	Definitions
5011.2	Payment of prizes and chances of winning for Pick-10
5011.3	Ticket sales
5011.4	Prize funds
5011.5	Miscellaneous

§ 5011.1. Definitions.

The definitions below apply to the Pick-10 game herein described:

(a) *Pick-10* is a game that has one field of 80 numbers from which a player selects 10 numbers.

(1) Prizes for the Pick-10 game shall be awarded for tickets on which various numbers of player selections match the winning numbers drawn. Prizes, payouts, and chances of winning are set forth in section 5011.2 of this Part.

(2) *Pick-10 play card* means a card that contains four game panels of numbered squares used by a player to select the game the player desires to play, the number of game panels to be played and the specific subset of numbers for each game selected. There is a separate play card for the Pick-10 game.

(b) *Pick-10 game panel* means the area of the Pick-10 play card that contains 80 squares numbered one through 80.

(c) *Net sales* means the sum of the dollar purchases (after cancellations) of Pick-10 tickets eligible for a particular Pick-10 game draw date.

(d) *Prize pool* means 40 percent of the net sales for a particular drawing that is allocated for the purpose of paying prizes in that game.

§ 5011.2. Payment of prizes and chances of winning for Pick-10.

(a) Prizes will be paid for all tickets on which the player selections match the winning numbers drawn for the day or days played. The number of selections that must match the winning numbers drawn, and the prize won is shown in the chart below:

Winning numbers matched	Prize	Chances of winning
10	\$500,000	1 in 8,911,711
9	\$6,000	1 in 163,381
8	\$300	1 in 7,384
7	\$40	1 in 621
6	\$10	1 in 87
0	\$4	1 in 22

Overall chances of winning: 1 in 17

These odds have been rounded to the nearest whole number. For any drawing in which there are more than 10 tickets on which the player selections match 10 winning numbers, the total prize payments available for such winning tickets shall be limited to \$5,000,000; and the amount of the prize payable to the holder of each such ticket shall be determined by dividing the sum of \$5,000,000 by the number of such tickets.

(b) The holder of a winning ticket may win only one prize per game panel in connection with the winning numbers drawn for a particular Pick-10 game, but shall be entitled to the highest prize won by those numbers.

(c) A Pick-10 reserve will be created using the funds made available as a result of drawings in which the total prizes paid are less than the 40-percent prize pool. This reserve may be used, at the option of the director, to increase any or all prize levels. Such increases may be permanent or for a specific period of time.

§ 5011.3. Ticket Sales.

(a) No person shall sell a Pick-10 ticket at a price greater than that fixed by the commission.

(b) The price of each game panel for the Pick-10 game is \$1. One-, two-, three- or four-game panels may be played on each play card.

(c) Bets may be placed either for the next scheduled drawing or for up to seven consecutive drawings. No other bet durations are available.

§ 5011.4. Prize funds.

(a) Forty percent of net sales for each Pick-10 game draw date shall be paid into the New York Lottery prize account for allocation of prize winnings.

(b) In the event of termination of the Pick-10 game for any cause, any prize monies remaining unallocated in the New York State Lottery prize account will be disbursed for the sole benefit of winners of other lottery games at the total discretion of the commission.

§ 5011.5. Miscellaneous.

(a) All number selections or other information appearing on a Pick-10 bet ticket shall be deemed to be made or given exclusively by the player. Where one person submits a ticket as agent or nominee for another person or persons, the commission shall not be deemed to have any knowledge of such transaction and all dealings of the commission will be conducted with the bearer of the ticket.

(b) The commission reserves the right to change the prize structure, frequency of draws, draw dates or the game itself.

(c) If, for any reason, a bet ticket is not entirely legible or is misprinted or altered in any way, then the computer record created at the time of sale will be the sole method of validation of the ticket. The commission reserves the right to refuse payment if all validation tests are not successfully completed.

(d) When any question shall arise as to the validity of a lottery drawing for any reason whatsoever, the commission shall make the determination as to the validity of said drawing on the basis of information at the commission's disposal. The determination of the commission shall be a final determination.

(e) Neither the commission nor the commission's contractors shall be responsible for lost or stolen tickets or for tickets redeemed or cancelled in error.

(f) Commission rules do not allow for the payment of prizes for previously redeemed or cancelled tickets. Accordingly, neither the commission nor the contractors shall be responsible for bet tickets inadvertently returned to a player following redemption or cancellation by a lottery sales agent. In such cases, the computer file will be the sole method for determining whether the ticket has been previously redeemed or cancelled.

PART 5012

Take Five

Section	
5012.1	Definitions
5012.2	Payment of prizes
5012.3	Ticket sales
5012.4	Prize funds
5012.5	Miscellaneous
5012.6	Determination of prizes
5012.7	Chances of winning

§ 5012.1. Definitions.

The definitions set forth in this section apply to the Take Five game described in this Part.

(a) *Take Five* means a game played by placing five-digit number bets at lottery sales agent locations.

(b) *Take Five* is a game that has one field of 39 numbers from which a player selects five numbers.

(c) *Take 5 play card* means a card that contains five game panels of numbered squares used by a player to select the games the player desires to play, the number of game panels to be played and the specific subset of numbers for each game selected.

(d) *Take Five game panel* means the area of the Take Five play card that contains 39 squares numbered one through 39.

(e) *Gross sales* means the sum of the dollar purchases of Take Five tickets eligible for a particular Take Five drawing date.

(f) *Winning pool* means 50 percent of the gross sales for a particular Take Five game that is allocated for the purpose of paying prizes in that game.

§ 5012.2. Payment of prizes.

(a) Prizes for all games shall be calculated as follows:

(1) The prize money allocated from the winning pool to the first prize category shall be divided equally by the number of game panels qualifying for a first prize. For any Take Five drawing in which there is no game panel qualifying for a first prize, the money allocated to the first prize category shall be added to the money allocated to the second prize category.

(2) The prize money allocated from the winning pool to the second prize category shall be divided equally by the number of game panels qualifying for a second prize. For any Take Five drawing in which there is no game panel qualifying for a second prize, the money allocated to the second prize category shall be added to the money allocated to the third prize category.

(3) The prize money allocated from the winning pool to the third prize category shall be divided equally by the number of game panels qualifying for a third prize.

(4) No prize money will be allocated from the winning pool to the fourth prize category. The fourth prize shall be a free play in a future drawing of the Take Five game to be awarded to each game panel that qualifies for a fourth prize.

(5) For the purpose of calculating any cash prize to be paid, the calculation shall be rounded down so that prize can be paid in multiples of 50 cents.

(6) The holder of a winning ticket may win only one prize per game panel in connection with the winning numbers drawn for a particular Take Five game, but shall be entitled to the highest prize won by those numbers.

§ 5012.3. Ticket sales.

(a) No person shall sell a Take Five ticket at a price greater than that fixed by this Part.

(b) The minimum number of game panels that must be played for the Take Five game is one for \$1 and increments of one game panel thereafter. Two, three, four or five panels may be played for \$2, \$3, \$4 or \$5 respectively.

§ 5012.4. Prize funds.

(a) Fifty percent of gross sales for each Take Five game draw date shall be paid into the New York Lottery prize account for allocation of prize winnings.

(b) Not less than 50 percent of gross sales for a particular Take Five drawing shall be the amount allocated to the winning pool for that particular game, and not less than such amount shall form the basis upon which the payment of prizes for the particular game shall be computed.

(c) In the event of termination of the Take Five game for whatever cause, any prize monies remaining undistributed in the New York State Lottery prize account will be disbursed for the sole benefit of winners of other Lottery games at the total discretion of the commission.

§ 5012.5. Miscellaneous.

(a) All number selections or other information appearing on a Take Five bet ticket shall be deemed to be made or given exclusively by the player. Where one person submits a ticket as agent or nominee for another person or persons, the Lottery shall not be deemed to have any knowledge of such transaction, and all dealings of the commission will be conducted with the bearer of the ticket.

(b) Take Five bet tickets may be canceled, once issued, by the issuing computer terminal within the time permitted by the commission.

§ 5012.6. Determination of prizes.

For each Take Five game, five winning numbers shall be randomly selected at a public drawing from a field of 39 numbers from one to and including 39.

<p>Any game panel on the bet ticket having the following shall be deemed to be a winning game panel:</p>	<p>The following shall be the prize categories:</p>	<p>The following shall be the percentage of the winning pool allocated to prize categories:</p>
All five winning	First prize	20%
Any four winning	Second prize	30%
Any three winning	Third prize	50%
Any two winning	Fourth prize	0%

§ 5012.7. Chances of winning.

- (a) *First prize.* Five winning numbers in one game panel. Chances of winning: 1 in 575,757.
- (b) *Second prize.* Any four winning numbers in one game panel. Chances of winning: 1 in 3,387.
- (c) *Third prize.* Any three winning numbers in one game panel. Chances of winning: 1 in 103.
- (d) *Fourth prize.* Any two winning numbers in one game panel. Chances of winning: 1 in 9.6. Overall chances of winning a prize for a \$1 bet: 1 in 8.77.

PART 5013
Quick Draw

Section	
5013.1	Definitions
5013.2	Quick Draw game play
5013.3	Payment of prizes; chances of winning
5013.4	Prize funds

§ 5013.1. Definitions.

The definitions in this section apply to the Quick Draw game described in this Part:

- (a) *Quick Draw* means the Quick Draw game played at lottery sales agent locations as set forth in this Part. The Quick Draw game has one field of 80 numbers.
- (b) *Quick Draw bet ticket* means a bet ticket for either the Quick Draw base wager or a Money Dots wager.
- (c) *Quick Draw play card* means a card that contains designated areas used by a player to select the number of spots (numbers) such player desires to play for the base wager

of Quick Draw games, the specific subset of numbers such player selects, the amount of money such player desires to play per draw, the specific number of consecutive draws such player desires to play and, if the commission so chooses to offer, the Extra wager option. There is a separate play card for the base wager of Quick Draw games.

(d) *Assigned drawing* means a unique multi-digit consecutive number assigned by the central computer system, which corresponds to a particular draw.

(e) *Draw* means the process in which the winning numbers are drawn for a Quick Draw game. Draws will be held daily at intervals during the hours designated by the commission. If for any reason a draw cannot be held, the next draw will take place at the next scheduled draw time.

(f) *Money Dots*. Money Dots is a feature of the Quick Draw game in which a player may make a wager on the Money Dots winning number that will be selected after the Quick Draw base-wager winning numbers have been selected in a Quick Draw game.

(g) *Net sales* means the sum of the dollar purchases (after cancellation) of Quick Draw tickets eligible for a particular game draw.

(h) *Prize pool* means the portion of net sales for a particular draw that is allocated for the purpose of paying prizes in that game.

(i) *Spot* means the quantity of numbers a player chooses to play in the base wager of a Quick Draw game. For example, in a 10-spot wager, the player chooses 10 numbers; in a 9-spot wager, the player chooses nine numbers; etc.

§ 5013.2. Quick Draw game play.

(a) *Game components and draws*. Each Quick Draw game shall have a base-wager component and, if the commission so chooses to offer, a Money Dots wager component. A Quick Draw game draw shall comprise the drawing of the Quick Draw base-wager winning numbers, followed by the drawing on the Money Dots wager winning number, if the commission elects to offer such wager. Each Quick Draw game shall be assigned a unique multi-digit consecutive number by the central computer system, which corresponds to a particular draw. Draws will be held daily at intervals during the hours designated by the commission. If for any reason a draw cannot be held, the next draw will take place at the next scheduled draw time and any issued bet ticket for the draw not held instead shall be valid for the next scheduled and completed draw.

(b) *Wager types.*

(1) Quick Draw base wager.

(i) To make a Quick Draw base wager, a player selects:

(a) a quantity of spots, from 1 to 10;

(b) a wager of \$1, \$2, \$3, \$4, \$5 or \$10 per draw;

(c) the number of consecutive draws the player wishes to play, beginning with the next scheduled draw;

(d) numbers from a field of 80 numbers in the same quantity of spots selected, or chooses a Quick Pick option, in which the commission's central computer system randomly selects the numbers for the player after the player designates the quantity of spots to play.

(ii) The total wager amount allowed on a single Quick Draw play card may be capped, with the allowable total wager designated by the commission on the Quick Draw play card.

(iii) A single-draw Quick Draw bet ticket may be cancelled at the same computer terminal from which such ticket was issued, but only on the day of purchase and prior to the draw. A multiple-draw ticket may be cancelled only prior to the first draw stated on such ticket.

(iv) If a player redeems a winning Quick Draw base-wager ticket prior to all draws referred to thereon having been completed, an exchange ticket shall be issued, indicating the remaining draws to which the wager applies. An exchange ticket cannot be cancelled.

(v) For each draw, a random-number generator shall select 20 numbers from a field of 80 numbers to constitute the Quick Draw base-wager winning numbers.

(vi) Prizes for winning Quick Draw base wagers will be awarded for tickets on which various numbers of player selections match the winning numbers drawn for the assigned drawing, with prizes and payouts as set forth in section 5013.3 of this Part.

(vii) The commission may offer a Quick Draw Extra feature as an addition to a player's Quick Draw base wager.

(a) A Quick Draw Extra wager shall double the cost of the Quick Draw base wager. For example, if a player purchases a \$1 Quick Draw base wager and



Quick Draw Extra is also played, the total cost of the wager shall be \$2 (\$1 for the Quick Draw base wager and \$1 for Quick Draw Extra).

(b) When this feature is active, the randomly selected Extra symbol, with odds of selection as set forth in item (c) of this subparagraph, shall appear on the video monitor immediately following selection of the winning Quick Draw base-wager numbers.

(c) A player who has made a Quick Draw Extra wager shall win only the player’s base-wager prize, if any, when the “No extra” symbol is selected. A player who has made a Quick Draw Extra wager shall win a multiple of the player’s base-wager prize, if any, in the multiple indicated by the number associated with the symbol, when one of the following symbols is selected: 2X, 3X, 4X, 5X or 10X.

Symbol	Odds of selection, 1 in
No extra	2.5
2X	2.35
3X	16
4X	16
5X	26.67
10X	80

(2) Money Dots wager. The rules set forth in this paragraph shall apply when the commission chooses to offer a Money Dots wager within a Quick Draw game. If a Money Dots wager is offered, a player may make the wager separate from a Quick Draw base wager.

(i) To make a Money Dots wager, a player completes a Money Dots play card to select the number of consecutive draws such player desires to play or requests manual entry. The commission may choose to offer a Quick Draw play card that contains a designated area for a player to make a Money Dots wager, instead of completing a Money Dots play card.

(ii) Play on a Money Dots wager occurs with the next Quick Draw game that is not already in progress at the time the Money Dots wager is registered on the commission’s central computer system.

(iii) The price of each bet for a Money Dots wager is \$1 per draw.

(iv) A player making a Money Dots wager shall be issued a bet ticket on which eight randomly assigned numbers from the Quick Draw field of 80 are displayed.

(v) After the 20 Quick Draw base-wager winning numbers are drawn in a Quick Draw game, dollar values of \$5, \$10, \$20 or \$50 shall be randomly assigned to

each of the remaining 60 numbers that were not selected as base-wager winning numbers for that Quick Draw game, consistent with the odds set forth in paragraph (2) of subdivision (a) of section 5013.3 of this Part.

(vi) After the 60 remaining numbers in the Quick Draw game (which have not been selected as base-wager winning numbers) have been assigned dollar values, a randomly selected Money Dots winning number shall be displayed. A player wins a Money Dots bet, in the dollar amount assigned to the winning number pursuant to subparagraph (v) of this paragraph, if the Money Dots winning number drawn matches one of the numbers assigned to the player's Money Dots bet ticket for the assigned drawing pursuant to subparagraph (iv) of this subdivision.

(c) *Price fixed by commission.* No person shall sell a Quick Draw bet ticket at a price greater than those fixed by the commission.

(d) *Minimum age.*

(1) No Quick Draw bet ticket shall be sold to a person under the age of 18 years. On the premises of a licensee who holds a license issued pursuant to the Alcoholic Beverage Control Law to sell alcoholic beverages for consumption on the premises, no Quick Draw bet ticket shall be sold to a person under the age of 21 years and no person under the age of 21 years may participate in a Quick Draw game.

(2) The commission shall penalize a licensee found to have violated paragraph (1) of this subdivision according to the provisions of paragraph (2) of subdivision (c) of section 5001.27 of this Chapter.

(e) *Premises.* Quick Draw bet tickets may be purchased only at a licensed Quick Draw agent location. Quick Draw tickets shall be sold only on premises satisfying the following, as required by Tax Law section 1612(a)(1)(A):

(1) If the premises are not used for the sale of alcoholic beverages for consumption on the premises, the lottery sales agent must have certified in writing that the premises comprise an area greater than 2,500 square feet.

(2) *Exceptions.* The provisions of paragraph (1) of this subdivision relating to 2,500 square feet shall not be applicable to premises used as either:

(i) a commercial bowling establishment; or

(ii) a facility authorized under the Racing, Pari-Mutuel Wagering, and Breeding Law to accept pari-mutuel wagers.

§ 5013.3. Payment of prizes; chances of winning.

(a) *Prize amounts.*

(1) Quick draw base wager. Prizes will be paid for all bet tickets on which a player's Quick Draw base-wager bet ticket matches the winning numbers drawn for the assigned drawing. The number of selections that must match the winning numbers drawn, the prizes won for a \$1 bet and the odds of winning are shown in the tables below:

(i) 10-spot wager.

Number Matched	Prize	Odds of Winning, 1 in
10	\$100,000	8,911,711.18
9	\$5,000	163,381.37
8	\$300	7,384.47
7	\$45	620.68
6	\$10	87.11
5	\$2	19.44
0	\$5	21.84

Overall odds of winning in 10-spot wager: 1 in 9.05.

(ii) 9-spot wager.

Number Matched	Prize	Odds of Winning, 1 in
9	\$30,000	1,380,687.65
8	\$3,000	30,681.95
7	\$125	1,690.11
6	\$20	174.84
5	\$5	30.67
0	\$2	15.69

Overall odds of winning in 9-spot wager: 1 in 9.74.

(iii) 8-spot wager.

Number Matched	Prize	Odds of Winning, 1 in
8	\$10,000	230,114.61
7	\$550	6,232.27
6	\$75	422.53
5	\$6	54.64
0	\$2	11.33

Overall odds of winning in 8-spot wager: 1 in 9.17.

(iv) 7-spot wager.

Number Matched	Prize	Odds of Winning, 1 in
7	\$5,000	40,979.31
6	\$100	1,365.98
5	\$20	115.76
4	\$2	19.16
0	\$1	8.23

Overall odds of winning in 7-spot wager: 1 in 5.46.

(v) 6-spot wager.

Number Matched	Prize	Odds of Winning, 1 in
6	\$1,000	7,752.84
5	\$55	323.04
4	\$6	35.04
3	\$1	7.70

Overall odds of winning in 6-spot wager: 1 in 6.19.

(vi) 5-spot wager.

Number Matched	Prize	Odds of Winning, 1 in
5	\$300	1,550.57
4	\$20	82.70
3	\$2	11.91

Overall odds of winning in 5-spot wager: 1 in 10.34.

(vii) 4-spot wager.

Number Matched	Prize	Odds of Winning, 1 in
4	\$55	326.44
3	\$5	23.12
2	\$1	4.70

Overall odds of winning in 4-spot wager: 1 in 3.86.

(viii) 3-spot wager.

Number Matched	Prize	Odds of Winning, 1 in
3	\$23	72.07
2	\$2	7.21

Overall odds of winning in 3-spot wager: 1 in 6.55.

(ix) 2-spot wager.

Number Matched	Prize	Odds of Winning, 1 in
2	\$10	16.63

Overall odds of winning in 2-spot wager: 1 in 16.63.

(x) 1-spot wager.

Number Matched	Prize	Odds of Winning, 1 in
1	\$2	4.00

Overall odds of winning in 1-spot wager: 1 in 4.00.

(2) Money Dots wager. Prizes will be paid for all bet tickets on which one of the Money Dot issued numbers matches the winning Money Dot number selected for the

assigned drawing. The odds of winning prizes on a \$1 Money Dot wager for a draw are as follows:

Prize	Odds of Winning, 1 in
\$50	400.00
\$20	266.67
\$10	88.89
\$5	17.39

Overall odds of winning in Money Dots wager: 1 in 13.33.

(b) *Total prize amount limitation.* For any draw in which there are more than 50 Quick Draw base wagers of \$1 in which the player selections match 10 winning numbers, the total prize amount available for payment of Quick Draw prizes on such winning base wagers shall be limited to \$5,000,000, and the amount of the prize payable to the holder of each bet ticket for such a wager shall be determined by dividing \$5,000,000 by the number of such winning wagers of \$1.

(c) *Payment of winning tickets.* Valid winning Quick Draw bet tickets valued at \$600 or less may be presented to any lottery sales agent for payment.

(d) *Highest prize applies.* The holder of a winning Quick Draw base-wager bet ticket may win only one prize per game in connection with the winning numbers drawn for a particular Quick Draw base-wager draw, but shall be entitled to the highest prize won by those numbers.

(e) *Reserve.* A Quick Draw reserve will be created using the funds made available as a result of draws in which the total prizes paid are less than the 60 percent prize pool. This reserve will be used to pay prizes for any draw in which the prize liability exceeds 60 percent of net sales for that draw and may be used, at the option of the lottery director, to increase any or all prize levels. Such increases shall be for a specific period of time.

§ 5013.4. Prize funds.

In the event of termination of the Quick Draw game for any reason, any prize monies remaining may be used for prizes in other lottery games at the discretion of the commission.

**PART 5014
 Courier Services**

Section	
5014.1	License requirement



5014.2	Courier license application and evaluation
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5014.4	Display of license
5014.5	Disclosure of games offered
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5014.18	Courier customer complaints
5014.19	Fees
5014.20	License suspension or revocation

§ 5014.1. License requirement.

No person shall carry on a business in which such person acts as agent for another person in purchasing a lottery ticket, unless such person is duly licensed as a courier service pursuant to this subchapter.

§ 5014.2. Courier license application and evaluation.

(a) *Application.* An applicant for a courier service license shall file an application in a form provided by the commission. An applicant shall have an ongoing duty to supplement such application as may be necessary to maintain updated information and accuracy. In addition to other requirements the commission may establish, such application shall describe how the audit and financial controls, technical standards and internal controls proposed for applicant's network will comply with the requirements of this subchapter.

(b) *Evaluation of application.* In evaluating an application for a courier service license, the commission shall consider such factors as:

- (1) financial responsibility and security of the business or activity in which such person is engaged;
- (2) sufficiency of existing lottery sales agent and courier service licenses to serve the public convenience;

- (3) whether the proposed network is predominantly frequented by persons under the age of 18 years;
- (4) volume of expected sales;
- (5) conviction of any offense as defined in the Penal Law;
- (6) veracity and completeness of information supplied on the application form or any supplement thereto;
- (7) applicant's indebtedness, if any, to State or local government;
- (8) business experience operating a network;
- (9) reputation of the applicant;
- (10) whether the audit and financial controls, technical standards, internal controls, proposed for applicant's network comply with the requirements of this Part; and
- (11) whether the application submitted contains a business plan demonstrating that compliance with all conditions of a courier service license is achievable.

(c) *Temporary licenses.* The commission may issue a temporary courier service license to an applicant on a provisional basis pending completion of an initial application review process. As a condition to the issuance of a temporary service license, the applicant shall waive any right to a hearing or to challenge any commission decision in regard to a temporary courier service license. Any such temporary courier service license may be issued only if:

- (1) the applicant has filed a complete application with the commission;
- (2) the completed application, on the face of such application, discloses no grounds from which the commission readily may ascertain that there are reasonable grounds to deny the application; and
- (3) the commission receives and reviews a fingerprint report from the New York State Division of Criminal Justice Services and Federal Bureau of Investigation that does not indicate any grounds to withhold a temporary approval.

(d) *Cooperation required.* An applicant for a courier service license shall cooperate fully with the commission in the course of the application process. Failure to cooperate with the commission shall be a violation of this section and shall be in itself sufficient grounds for denial of such license application.

(e) *Commission reservation of rights.* Nothing in this subchapter prohibits the commission itself from engaging in the sale of lottery tickets through a network the commission operates or that is operated on the commission's behalf.

§ 5014.3. Conditions and requirements of licensure.

(a) *Conditions.* A courier service shall, as a condition of licensure:

(1) display prominently on its platform a warning of the risk of being defrauded by lottery scams and information on playing responsibly, which information shall be substantially similar to the information displayed on the New York Lottery website or such other information approved by the commission;

(2) maintain a courier customer self-exclusion list and provide a mechanism for courier customers to register through the network to exclude themselves from using the network. Such list shall include any person who appears on a statewide exclusion list maintained by the commission. A courier service shall ensure to the satisfaction of the commission that any courier customer placed on the self-exclusion list is prevented from requesting tickets through the network;

(3) ensure the network includes the following features:

(i) a daily courier customer request limit of an amount approved by the commission, which may provide that prize amounts of \$600 or less awarded to a courier customer and credited to the courier customer's account may be excluded from the daily request limit;

(ii) the ability for a courier customer to set a lower personal daily request limit; and

(iii) a waiting period, as determined by the commission, before a courier customer can raise a previously set personal daily request limit;

(4) maintain a courier customer and ticket management system that includes a secure database of all tickets requested through the network;

(5) maintain at a separate physical location a secure backup database;

(6) not use trademarks or other marks owned or controlled by the commission or any multi-state lottery consortium except with the express approval of the commission;

(7) offer for delivery only games approved by the commission for delivery by such licensee; and

(8) provide courier customer support, for purposes of responding to courier customer inquiries and disputes, in a manner approved by the commission.

(b) *Approval of lottery games offered.* No courier service may offer for sale or delivery any lottery game unless the commission has approved in writing the offering of such game by such licensee. The commission may consider, without limitation, technical requirements and multistate game requirements in determining whether to grant such approval. Any commission approval may establish a date before which the licensee may not offer the delivery of such lottery game tickets.

(c) *Compliance audits.* At the sole expense of the courier service, the network shall be audited and certified to be compliant with this Part at least annually by an independent party approved by the commission.

(d) *Indemnification, release and hold harmless.* As a condition to the issuance and acceptance of a courier service license, such licensee agrees to:

(1) indemnify and hold harmless the State, the commission and any of the employees of the State or the commission from any and all claims, damages, claims for damages, causes of action or suits that may arise or occur directly or indirectly as a result of

(i) any act or omission of such licensee that affects the State, the commission and any of the employees of the State or the commission; and

(ii) any purchase of courier services through the courier service's network or any operation carried on, under and pursuant to a courier service;

(2) release the State, the commission and any of the employees of the State or the commission from any and all claims, damages, claims for damages, causes of action or suits that shall accrue to the licensee, such licensee's employees, representative or agents that may arise or occur directly or indirectly as a result of any operation carried on, under or pursuant to such license; and

(3) defend, at such licensee's own expense, any and all causes of action or suits against the State that may be brought by any party, including any courier customer, that may arise or occur directly or indirectly out of any act or omission of such licensee or operation carried on pursuant to or in accordance with such license, the placement of requests for courier services through such licensee's network or the generation of, or failure to generate, lottery tickets to complete ticket purchases related to such requests for courier services.

(e) *Insurance.* Each courier service shall obtain insurance, which may include cyber liability insurance, errors and omissions insurance and such other insurance coverage as

the commission may require, with limits and coverage requirements and minimum carrier ratings satisfactory to the commission.

(f) *Independent third-party testing.* As a condition to the issuance and acceptance of a courier license, a licensee shall implement, prior to offering a network, independent third-party testing required by the commission as provided in section 5014.9 of this Part.

§ 5014.4. Display of license.

Each courier service shall make available on such licensee's website and platform a true copy of the license issued by the commission pursuant to this subchapter.

§ 5014.5. Disclosure of games offered.

Each courier service shall disclose to the commission the lottery games, each of which the commission has considered and approved consistent with subdivision (b) of section 5014.3 of this Part, that such courier service intends to offer for sale. Each courier service shall notify the commission of any proposed changes to such list of lottery games already approved for delivery by such courier service, pursuant to subdivision (b) of section 5014.3 of this Part, no later than 30 days prior to the effective date of such change.

§ 5014.6. Courier customer agreements.

By creating an account using the network of a courier service to place a request for courier services, a courier customer agrees:

(a) to be bound by the commission's regulations;

(b) to release and hold harmless the courier service, the State and the commission from any liability related to a request for courier services to purchase tickets that is not completed before the drawing cutoff and never results in the generation of the tickets requested; and

(c) that, in the event a dispute occurs as to whether a ticket generated to complete a draw game ticket purchase request in connection with a request for courier services placed through a network would have been a winning ticket had the ticket purchase occurred and no prize is paid, the commission may, at the commission's option, replace the ticket with a ticket equal in value to the price of the ticket that is the subject of the dispute, which remedy shall be the sole and exclusive remedy of the claimant against the commission.

§ 5014.7. Requirements for network.

(a) *Location of courier customers within the State.* A network shall employ a method of restricting requests for courier services to only those made by courier customers physically located in the State of New York at the time of purchase of courier services.

(b) *Prohibited sales areas.* A network shall employ a method of restricting requests for courier services made from any area within the State of New York that the commission designates as a prohibited sales area.

(c) *Geolocation.* A network shall employ a method of providing a courier customer with the location of the nearest lottery sales agents using GPS technology. In the event a courier customer attempts to request courier services through the network of a courier service in the period between the halt of requests via the network but prior to the drawing cutoff, such method shall be capable of directing the courier customer to the nearest lottery sales agent.

(d) *Courier service location.* A courier service shall receive and process in a location in New York requests from courier customers for courier services. Ticket processing shall occur in New York.

(e) *Play slips.* A courier service may employ a method or means to print play slips or facsimiles thereof, only after approval by the commission pursuant to these regulations. No such approval shall be granted by the commission unless such method or means has been tested, at the licensee's expense, and verified by an independent third-party testing facility to the satisfaction of the commission that such play slips perform at least as accurately as the commission's official play slips.

(f) *Ticket confirmation to the courier customer.* The network shall employ a mechanism to provide a user with the following:

(1) immediately following a request for courier services, a secure confirmation of the request including the relevant game, applicable request data and player's name;

(2) immediately following ticket processing of a draw game ticket or issuance of a ticket pursuant to a lottery promotion, a secure confirmation of the ticket processing including the serial number of the ticket and the relevant game, applicable data and player's name;

(3) for a draw game ticket, an image of the front and back of an issued ticket in its entirety, which image shall contain a watermark on the ticket. Such mechanism shall ensure that the image is available within the time frame required for ticket processing as set forth in subdivision (a) of section 5014.12 of this Part and only for the purchaser

of the ticket to view through the network, and is not accessible by any other user of the network.

(4) immediately following ticket processing of a printed instant ticket, a secure confirmation of the ticket processing including the instant ticket game, pack and ticket number of the ticket, applicable data and player's name;

(5) for a printed instant ticket, an image of the front and back of an issued ticket in its entirety and relevant shipment tracking information. Such mechanism shall ensure that the image and tracking information is available no later than 4:00 a.m. Eastern Time the day after ticket is shipped.

(g) *Record of courier customer purchases.* Each courier service shall provide to the commission, in an electronic format acceptable to the commission, the following data:

(1) In regard to each drawing for which such courier service provides a ticket:

- (i) lottery game;
- (ii) drawing date and time;
- (iii) full name of the courier customer as set forth in such customer's account;
- (iv) customer account number;
- (v) electronic mail address of the courier customer;
- (vi) date the ticket was issued;
- (vii) lottery transaction identification number for the purchase transaction;
- (viii) location of the purchase; and
- (ix) time of the purchase.

Such data shall be submitted to the commission no later than 15 minutes before the drawing to which such data relates. The provisions of such data to the commission does not constitute ticket processing and shall not be sufficient evidence of a purchased ticket. Ticket processing must occur pursuant to the requirements of section 5014.12 of this Part in order to generate a ticket that may be submitted for a prize claim.

(2) In regard to each instant game for which such courier service provides a printed ticket:

- (i) the name and game number of the instant lottery game;
- (ii) full name of the courier customer as set forth in such customer's account;
- (iii) customer account number;
- (iv) electronic mail address of the courier customer;
- (v) date the ticket was purchased;
- (vi) date the courier service shipped the ticket to the customer;
- (vii) location of the purchase; and
- (viii) time of the purchase.

Such data shall be submitted to the commission daily, no later than 4:00 a.m. Eastern Time for the prior day's shipments. The provisions of such data to the commission does not constitute ticket processing and shall not be sufficient evidence of a purchased ticket. A prize claim shall present the printed instant ticket purchased from the lottery sales agent, which must meet the validation requirements set forth in section 5006.8 of this subchapter in order to claim the prize.

(h) *Incident notice.* A licensee shall report immediately all significant incidents related to the operation of such licensee's platform, either personally or by telephone, within one hour of the discovery of the incident, followed by a letter addressed to the lottery director of operations within 24 hours of the incident. At a minimum, the licensee shall provide a written report for each of the following types of events:

- (1) platform outages;
- (2) major communications failures;
- (3) significant operator errors;
- (4) out of balance conditions;
- (5) emergency software or hardware changes;
- (6) security violations;
- (7) requests where purchase occurred as prescribed per regulations but either lottery or player purchase notification did not occur prior to a drawing;

- (8) customer reports that the courier service delivered a bet ticket that failed to meet the validation requirements set forth in section 5003.2 of this subchapter, in the case of a draw game bet ticket, or in sections 5003.2 and 5006.8 of this subchapter, in the case of an instant lottery ticket;
- (9) other conditions as defined by a memorandum of understanding;
- (10) any situation that may cause the general public to become alarmed and/or that may damage the integrity or public image of the commission.

§ 5014.8. Prevention of use by prohibited persons.

(a) *Participation prohibited.* A courier service shall prevent the following persons from opening an account or placing a request for courier services through such licensee's network:

- (1) persons under the age of 18;
- (2) employees, officers, directors or direct or indirect owners of such licensee;
- (3) any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any employee, officer, director or direct or indirect owner of such licensee; and
- (4) any person identified on a restricted list the commission provides.

(b) *Procedures to prevent prohibited play.* A courier service shall submit for commission approval procedures to prevent prohibited players from placing a request for courier services through such licensee's network. A courier service shall implement any changes to such procedures as the commission may direct at any time.

- (1) Such plan shall include the following, in regard to prevention of play by a minor:
 - (i) specification of parental controls procedures to allow parents and guardians to exclude persons under the age of 18 from placing a request for courier services through such licensee's network. The licensee shall explain what information is made available about the specific steps a parent or guardian may take to implement parental controls, including the toll-free number that a licensee shall provide for individuals seeking help in establishing such parental controls;
 - (ii) detailed explanation of the steps taken to prevent persons under the age of 18 from placing a request for courier services through such licensee's network. The licensee shall explain what types of native or third-party age verification

procedures are implemented to verify that each person registering for an account with such licensee is not under the age of 18;

(iii) procedures used to identify and deactivate accounts created or used by persons under the age of 18 and to exclude such persons from all paid activity offered through such licensee's network;

(iv) verification that any account balance attributable to a person under the age of 18 shall be refunded, less any prizes already awarded, within no more than two business days of discovery that such account is attributable to such person. The licensee also shall explain how deposits will be refunded; and

(v) procedures to ensure that persons under the age of 18 do not receive promotional materials that relate to a licensee's network.

(2) Such plan shall include, in regard to verification of geolocation capabilities, procedures to ensure the network's ability to prevent requests for courier services by players not physically present in the state of New York at the time of such request.

(c) *Required terms of use.* A courier service shall specify in the terms of use applicable to such licensee's network that each category of individuals identified in this section is prohibited from placing requests for courier services through such licensee's network.

(d) *Operator liability for violations.* A courier service shall be strictly liable for permitting any prohibited courier customer, as set forth in subdivision (a) of this section, to use such licensee's network. The commission shall consider, however, before imposing any penalty or sanction upon a licensee for a violation of this section, other than a mandatory penalty set forth in subdivision (e) of this section, any circumstances that such licensee presents in writing to the commission as mitigating factors for the commission's consideration, including, without limitation, good-faith reliance on false or misleading information provided by the prohibited person and good-faith compliance with appropriate internal controls designed to prevent play by a prohibited person.

(e) *Mandatory sanctions for allowing play by minors.* The commission shall penalize a courier service found to have allowed a minor to use such licensee's network as follows:

(1) for a first violation, a fine of \$5,000;

(2) for a second violation within one year of a violation, a fine of \$20,000;

(3) for a third violation within one year of a violation, a fine of \$25,000; and

(4) for a fourth violation or subsequent violation within one year of a violation, a fine of \$25,000 and such further action as the commission may deem appropriate, which may include, without limitation, the suspension or revocation of license.

§ 5014.9. Independent third-party testing.

(a) *Testing required.* Prior to engaging in courier operations, each licensed courier service shall submit such interactive systems, equipment and/or related components to an independent testing laboratory approved by the commission to conduct such category of testing, at the licensee's expense.

(b) *Topics for testing.* An independent testing laboratory shall use technical standards, as approved in writing by the commission, for the testing, certification and/or verification of the following topics:

- (1) player account registration;
- (2) player account controls;
- (3) control program;
- (4) client software;
- (5) gaming disable/enable;
- (6) shutdown and recovery;
- (7) malfunction;
- (8) geolocation;
- (9) advertising;
- (10) player loyalty programs;
- (11) reporting;
- (12) player interface;
- (13) game recall;
- (14) information security policy;
- (15) administrative controls;

(16) technical controls;

(17) physical and environmental controls; and

(18) any other function or feature as required by the commission.

(c) *Independence of tester.* An independent testing laboratory shall adhere to the requirements for independence set forth in sections 5318.4 through 5318.6 of this title as if a courier service or any of the vendors of a courier service were a gaming facility licensee.

(d) *Waivers.* A courier service may submit a written request to the commission for a waiver for one or more of the requirements in this section. Any such request shall:

(1) include supporting documentation demonstrating how the courier service system, equipment or associated equipment for which the waiver has been requested will still meet operational integrity requirements; and

(2) be approved in writing by the commission.

§ 5014.10. Courier customer accounts.

(a) *Establishment of account.* Prior to placing a request for courier services through a network, a courier customer shall establish an account with the licensee operating such network.

(b) *Limitation on number of accounts.* A courier service shall establish controls to ensure that no courier customer is able to establish more than one courier customer account with such courier service. Each such account shall be non-transferable and unique to the courier customer who established the account.

(c) *Funding of accounts.* A courier customer account may be funded through the use of a courier customer's credit or debit card; promotional or other credit issued by the licensee, or such other method as the commission may approve.

(d) *Trust account for courier customer funds.* Each courier service shall establish and maintain a trust account or trust accounts in national or State chartered banking institutions with balances sufficient to pay all money deposited by or on behalf of courier customers for the purchase of tickets, including all courier customer prizes. All prizes collected on behalf of courier customers shall be placed promptly in such trust account or accounts. Monies may be withdrawn from such trust account or accounts for no purpose other than to transfer a courier customer's funds to such courier customer, purchase courier services through the network as requested by such courier customer or as otherwise may be provided by the Abandoned Property Law. A courier service shall make

available within five business days funds a courier customer requests to withdraw from such courier customer's account. A courier service shall make available to the commission any documents the commission requests in order to monitor compliance with this section.

(e) *Approval required to sell or provide courier customer data.* No courier service may sell or provide to another person or entity courier customer information or data on purchasers of courier services.

(f) *Abandoned property.* Each courier service shall remit all funds in abandoned customer accounts of courier customers as may be required by Abandoned Property Law section 1315. Unclaimed and abandoned prize money is governed by Tax Law section 1614.

§ 5014.11. Ticket sale occurrence.

(a) *Receipt is not a ticket.* No courier customer request for courier service and no receipt or acknowledgment of any such request constitutes evidence of a validly issued lottery ticket. A ticket, in order to be a validly issued ticket, shall be generated by a lottery terminal authorized by the commission or be a printed instant ticket produced by the commission for sale. A ticket is not deemed validly issued when a request for purchase is made of a courier service, when such a request is acknowledged or when a courier customer makes a payment to a courier service.

(b) *Required disclosures to courier customers.* A courier service shall disclose prominently on such licensee's network:

- (1) text of subdivision (a) of this section;
- (2) the text of subdivision (c) of section 5004.9 of this subchapter;
- (3) the text of section 5006.6 of this subchapter;
- (4) a warning to customers to take care to ensure the safekeeping of lottery tickets and not to risk claim complications by disseminating images of purchased tickets;
- (5) that the commission is not responsible for the courier service's failure to deliver or delay in delivering any lottery ticket to a courier customer; and
- (6) that the commission is not responsible for any acts, omissions or errors a courier service may make that cause a lottery ticket to fail to meet the commission's ticket validation requirements.

§ 5014.12. Courier service fulfillment.

(a) *Time requirements.*

(1) Completion of ticket processing. For each request for courier services through a network placed during normal business hours, a courier service shall complete ticket processing by:

(i) the sooner of 30 minutes before the relevant drawing cutoff or within 24 hours of the placement of the request, for a draw game ticket; or

(ii) within 24 hours of the placement of the request, for an instant lottery game ticket available for sale by a lottery sales agent.

(2) Cutoff for accepting requests for a draw game ticket. A courier service shall cease accepting requests for courier services for a draw game ticket no more than two hours and no less than a time period prior to the drawing cutoff, as specified by the commission. A platform shall provide a message to all courier customers who attempt to place requests after the drawing cutoff but prior to the drawing, informing such courier customers that the ticket purchase associated with the request will be fulfilled for the next available drawing, unless such courier customer chooses to cancel the request.

(3) Cutoff for accepting requests for an instant lottery game ticket. A courier service shall not accept a request for courier services for an instant lottery game ticket after the announced end of the game relating to such ticket.

(4) A courier service shall not accept a request to purchase an instant game ticket that is not available for sale to the public by a lottery sales agent at the time such request is made.

(b) *Required cancellation.* A network shall cancel a request for courier services automatically, notify the courier customer and refund any payment, including any courier customer fee, in the event ticket processing is not complete prior to:

(1) the drawing cutoff, for a draw game ticket; or

(2) the announced end of the game, for an instant lottery game ticket.

(c) *Purchase of multi-drawing lottery tickets.* A courier service may offer to purchase on behalf of a courier customer multi-draw tickets only to the extent that such tickets would be permitted to be purchased by a lottery customer directly from a lottery sales agent.

(d) *Ticket processing.* Each courier service shall accomplish all ticket processing requirements for each ticket issued on behalf of a courier customer. Each ticket purchased or obtained pursuant to a lottery promotion by a courier service on behalf of a courier customer shall represent the unique, individualized transaction of the courier customer on whose behalf the ticket was issued.

(e) *Storage of tickets.* Each courier service shall store each physical draw game ticket purchased on behalf of a courier customer securely in a safe or vault with a minimum fire rating of Class 150-1 Hour issued by Underwriter Laboratories Inc., or such equivalent rating approved by the commission. The premises housing such safe or vault shall be protected by a burglary alarm system with 24-hour central station monitoring.

(f) *Retention requirements.* Each courier service shall retain each draw game ticket issued for a courier customer until at least 90 days have passed from the expiration of the applicable period in which a prize claim validly may be made to the commission in regard to such ticket. In the event of a required cancellation pursuant to subdivision (b) of this section, the courier service shall destroy, prior to the drawing cutoff, the bet ticket for which ticket processing had not been completed and shall notify the commission within 24 hours of such action, providing in such notice the information set forth in paragraph (1) of subdivision (g) of section 5014.7 of this Part with respect to such ticket.

(g) *Instant lottery game tickets.* A courier service shall deliver each printed instant lottery game ticket to the courier customer who requested and paid for the purchase of such ticket. The commission shall not be responsible for any acts, omissions or errors a courier service may make in revealing an instant ticket's prize symbols or validation data or anything else that may cause such ticket to fail to meet the validation requirements set forth in sections 5003.2 or 5006.8 of this subchapter. The commission shall not pay any prize on an instant lottery game ticket that does not meet the validation requirements set forth in sections 5003.2 or 5006.8 of this subchapter.

§ 5014.13. Ticket ownership.

A courier service that purchases a lottery ticket on instruction from a courier customer holds such ticket in trust for such courier customer and acquires no ownership interest in such ticket. Notwithstanding such lack of ownership, a courier service may destroy a draw game lottery ticket so long as such courier service complies with the retention requirements set forth in subdivision (f) of section 5014.12 of this chapter.

§ 5014.14. Notification of and payment of prizewinners in draw games.

(a) *Notification.* A licensee shall notify a courier customer on whose behalf such licensee has purchased a winning draw game ticket of the amount of the prize within one hour of the commission's publication of the winning numbers and prize amounts. Such notification shall be made electronically through the network, secure electronic mail or other method

approved by the commission. If the prize is more than \$600, the licensee shall also notify the commission promptly of the identity of the prizewinner, the prize amount, the type of game, the date of the drawing and, for a draw game conducted more than once per day, the time of the drawing.

(b) *Draw game prizes at or below threshold.* For a draw game prize of \$600 or less, a courier service shall validate the winning ticket and redeem the prize on behalf of the courier customer. Such prize amount shall be disbursed to the courier customer by crediting the courier customer's account, direct deposit to the courier customer's bank account, redeemed for cash or by other means approved by the commission.

(c) *Draw game prizes above threshold.*

(1) For a draw game prize of more than \$600, a courier service shall deliver the physical winning ticket to the courier customer.

(2) A courier service shall provide electronically a courier customer who is a draw game prizewinner with a digitally completed claim form, tax withholding form and any other documentation required to redeem such prize, which the courier customer may use to claim the prize.

(3) A courier service shall provide the commission with all information the commission may request in regard to a prize of more than \$600.

(4) In all respects, payment of such draw game prize shall be in accordance with Part 5002 of this subchapter.

(5) The commission shall not be responsible for any acts, omissions or errors a courier service may make that cause a draw game bet ticket to fail to meet the validation requirements set forth in section 5003.2 of this subchapter. The commission shall not pay any prize on a draw game bet ticket that does not meet the validation requirements set forth in section 5003.2 of this subchapter.

(d) *Printing prizewinner name on ticket.* Within a reasonable time after notifying a courier customer of winning a draw game prize of more than \$600, a courier service shall print the prizewinner's full name, as set forth in such prizewinner's account, on the back of the draw game ticket.

§ 5014.15. Audit and financial controls.

(a) *Financial statements.*

(1) A courier service shall provide annually to the commission, no later than 120 days following the end of such licensee's fiscal year, financial statements audited in accordance with generally accepted auditing standards, unless the commission, in writing, waives such requirement. The commission may require additional financial information in a format the commission prescribes. The preparation of annual or other financial statements shall be at the sole expense of the licensee.

(2) In addition to the licensee's audited financial statements, each courier service shall submit a copy of the management letter prepared by the independent certified public accountant that lists any internal control or operational weaknesses noted during the financial statement audit and recommendations for improvement. The licensee shall prepare a response to the issues outlined in the management letter that describes any corrective actions taken or planned to be taken and include a copy of this response with its submission to the commission.

(3) If a courier service or any of its affiliates is publicly held, such licensee or affiliate shall make available and provide, to the commission, written notice of any report, including, without limitation, forms S-1, 8-K, 10-Q, 10-K, proxy or information statements, and all registration statements required to be filed by such licensee or affiliates with the United States Securities and Exchange Commission or other domestic or foreign securities regulatory agency, at the time of filing with such agency.

(4) The commission has the authority to conduct, or to have conducted at a licensee's expense, an audit or review of any of such licensee's financial controls and records.

(b) *Anti-money laundering.* A courier service shall submit to the commission by April 15th of each year an anti-money laundering compliance finding statement on a form issued by the commission and duly executed by the licensee's designated anti-money laundering compliance officer. A courier service shall implement anti-money laundering procedures that shall, at a minimum:

(1) establish a system of internal policies, procedures and controls to assess anti-money-laundering-related risks present within its business, considering, among other things, play volume and character, range of financial services offered, characteristics of certain games, contestant behaviors and contestant characteristics;

(2) designate an anti-money laundering compliance officer and file the name of such officer with the commission, updating such filing as may be necessary to maintain a current and accurate record at the commission;

- (3) conduct an internal and/or external independent audit to test for compliance and provide copies to the commission;
- (4) train appropriate employees in reportable currency transactions and identifying unusual or suspicious transactions;
- (5) assign an individual or group of individuals to be responsible for day-to-day compliance; and
- (6) employ the use of automated programs to aid in assuring compliance when automated processing systems are in use.

§ 5014.16. Internal Controls.

Each courier service shall submit to the commission for approval a written description of its initial system of internal controls prior to the start of operations. Such system of internal controls shall demonstrate to the satisfaction of the commission that such courier service has adequate controls in place to address data security, responsiveness to cybersecurity events to mitigate any negative events, recovery from cybersecurity events and restoration of normal operations and services, risk assessment and mitigation, training, access controls and identity management, systems operations and availability concerns, courier customer data privacy, incident response, disaster recovery, document retention and any other control issue the commission may identify.

§ 5014.17. Advertising and marketing.

(a) *Promotions in general.* A network shall offer any promotion, discount or other marketing feature authorized by the commission and offered by lottery sales agents licensed in accordance with Part 5001 of this subchapter. In addition, a courier service may offer to courier customers, at such licensee's own expense, any promotion, discount

or other marketing feature not inconsistent with this subchapter. The commission may order a licensee to cease any promotion that the commission deems to be not in the best interests of the lottery program, in the discretion of the commission. Each licensee shall provide to each courier customer each promotional benefit to which such courier customer is entitled and shall in no case retain for such licensee's benefit any promotional benefit intended for a lottery player.

(b) *Promotions at lottery sales agents.* A network shall be capable of promoting lottery games that may be available only at lottery sales agent locations, including advertising new instant games, as the commission may direct.

(c) *Commission website.* A network shall provide links to lottery web pages as the commission may direct from time to time.

(d) *Approval of announcements.* No courier service may make any announcement of a prizewinner, whether live or through any media, without the prior written approval of the commission.

(e) *Advertising restrictions.*

(1) Definitions. As used in this subdivision:

(i) *advertisement* means any notice or communication to the public or any information or statement concerning the lottery or courier-service-related business presented through telecasting, publication or any other means of dissemination, including electronic dissemination. Social media, promotional activities content on the courier-service platform, targeted communication such as newsletters and alerts, press releases, and statements made about the lottery or courier-service-related business are considered advertisements for purposes of this subdivision; and

(ii) *direct advertisement* means any advertisement as described in subparagraph (i) of this paragraph that is disseminated to a specific individual or individuals.

(2) Any advertisement for a courier service shall be submitted to the commission in draft form for review at least 15 days prior to publication or other dissemination. If the commission determines, in the commission's discretion, that such draft does not comply with this subdivision, the commission may so notify such courier service, within 10 days of submission of the draft, and such courier service then is not permitted to publish or otherwise disseminate such advertisement. The commission may authorize continual use of a particular advertising template (e.g., a form of jackpot announcement).

(3) Advertising shall be based upon fact and shall not be false, deceptive or misleading.

(4) Advertisements shall comply with the advertising guidelines issued by the North American Association of State and Provincial Lotteries (approved March 19, 1999), 7757 Auburn Rd. Unit #7, Concord, OH 44077, which is hereby incorporated by reference. Such advertising guidelines are available for public inspection at the New York State Gaming Commission located at One Broadway Center, Suite 500, Schenectady, NY 12305 and at the Department of State, 99 Washington Avenue, Albany, NY 12210.

(5) No advertising by or on behalf of a lottery courier service licensee shall:

- (i) use any type, size, location, lighting, illustration, graphic depiction or color resulting in the obscuring of any material fact;
 - (ii) fail to clearly and conspicuously specify and state any material conditions or limiting factors;
 - (iii) depict any person under the age of 18 engaging in lottery and related activities;
 - (iv) contain content that contradicts contest guidelines or terms and conditions of the courier service site; or
 - (v) conflict with New York Lottery brand messaging, as determined in the commission's discretion.
- (6) Each advertisement shall, clearly and conspicuously, contain a problem gambling assistance message comparable to one of the following:
- (i) If you or someone you know has a gambling problem, help is available. Call the HOPEline at 1-877-8-HOPENY (1-877-846-7369) or text HOPENY (467369);
 - (ii) Gambling Problem? Call 1-877-8-HOPENY (1-877-846-7369) or text HOPENY (467369); or
 - (iii) any other message approved in writing by the commission.
- (7) Each direct advertisement shall, clearly and conspicuously, describe a method or methods by which an individual may notify the courier service that the individual does not wish to receive any future direct advertisement.
- (i) The described methods must include at least two of the following:
 - (a) telephone;
 - (b) regular U.S. mail; or
 - (c) electronic mail.
 - (ii) Upon receipt of an individual's request to discontinue receipt of future direct advertisements, a courier service shall block the individual in the courier service's database so as to prevent the individual from receiving future direct advertisements, with such block to take effect within 15 days of the courier service's receipt of the individual's request.

(8) Each courier service shall provide to the commission at its main office a complete and accurate copy of all advertisements within five business days of the advertisement's public dissemination. Courier services shall discontinue the public dissemination upon receipt of notice from the commission to discontinue an advertisement.

(9) A courier service shall maintain a complete record of all of its advertisements for a period of at least two years. Records shall be made available to the commission upon request.

(10) A courier service shall prevent self-excluded customers and self-excluded former customers from receiving direct advertisements.

(f) *Marketing restrictions.*

(1) A courier service shall not market nor advertise such courier service's platform as providing an opportunity to "play" lottery games or "buy" lottery tickets directly from the courier service through such platform. A courier service may market or advertise services such as the procurement or delivery of a lottery ticket, for example, referring to itself as a "digital lottery courier." A courier service shall not market services as "digital lottery."

(2) A courier service shall not use misleading embedded keywords or similar methods in its platform to:

- (i) attract minors, self-excluded persons or persons who are or may be problem gamblers; or
- (ii) accomplish any other misleading or deceptive purpose.

(g) *Directive to cease use.* The commission may direct a courier service to cease using any advertisement that does not comply with either or both of subdivisions (e) or (f) of this section. Any such directive, and any violation issued for failure to comply with such directive, may be in addition to any other sanction the commission may impose pursuant to applicable law for a violation or violations.

§ 5014.18. Courier customer complaints.

Each courier service shall maintain for a period of two years a record of each courier customer complaint, the inquiry or investigation undertaken by the licensee, action taken by the licensee to resolve the complaint and the final disposition of the complaint. Such records shall contain the original or copies of the complaint, all written communications between the licensee and the complainant, all documents or telephone recordings

created in connection with a complaint and any documentation provided to the courier customer by the licensee. Such courier customer complaint records shall include:

- (a) the name and address of the complainant;
- (b) the purpose of the complaint;
- (c) the date the complaint was received by the courier service;
- (d) the complaint denial whenever a complaint is denied; and
- (e) any additional information used by the courier service in determining how to resolve the complaint.

The courier service shall also maintain a permanent record summarizing the number and nature of consumer complaints and the resolution or outcome of such complaints.

§ 5014.19. Fees.

(a) *Service charges.* The commission may grant approval to a courier service to charge courier customers a reasonable service charge per request for courier services, and not per ticket requested to be purchased on the customer's behalf, or other charge for service associated with use of a network and fulfillment of a request for services.

(b) *Other charges prohibited.* No courier service is permitted to charge any fee other than the service charge described in subdivision (a) of this section. Prohibited fees include, without limitation, any fee relating to validation of a winning ticket, payment of a prize or a withdrawal from a courier customer's account.

(c) *Service charges not part of ticket price.* Any charge assessed or collected in accordance with this section shall not be deemed to be part of the lottery ticket price.

(d) *Refunds for tickets requested but not generated.* Any fee charged for a transaction in which requested tickets were never generated, for whatever reason, shall be refunded.

§ 5014.20. License suspension and revocation.

(a) *Grounds.* A courier service license may be suspended or revoked:

- (1) for any of the grounds set forth in Tax Law section 1607 or section 5001.19 of this subchapter, with a courier service being considered a lottery sales agent for purposes of applying section 5001.19 of this subchapter;

(2) a violation of any of the conditions and requirements of licensure set forth in section 5014.3 of this Part; or

(3) if the commission determines that there are an excessive number of courier customer complaints about such licensee, with due disregard being given to complaints that are vexatious or wholly without merit.

(b) *Review.* A courier service whose license has been suspended or revoked may seek review or hearing on such action according to the procedures set forth in section 5000.6 of this section, as if such licensee were a lottery sales agent.