
TITLE 65 STATE LOTTERY COMMISSION

Emergency Rule

LSA Document #13-296(E)

DIGEST

Amends [65 IAC 1-1-1](#) to update existing and add new definitions. Amends [65 IAC 1-5-1](#), [65 IAC 1-5-4](#), and [65 IAC 1-5-5](#) to modify and update the Commission's internal audit practices. Amends [65 IAC 1-7-1](#) and [65 IAC 1-7-4](#) to consolidate rules regarding promotional activities and drawings. Makes numerous other technical and ministerial changes such as elimination of references to "pull-tab" games and various additional changes in the rules regarding administration of the Lottery. Repeals [65 IAC 1-1-2](#), [65 IAC 1-1-3](#), [65 IAC 1-1-5](#), [65 IAC 1-1-6](#), [65 IAC 1-1-7](#), [65 IAC 1-1-12](#), [65 IAC 1-1-13](#), [65 IAC 1-1-15](#), [65 IAC 1-1-17](#), [65 IAC 1-3-4](#), [65 IAC 1-5-2](#), [65 IAC 1-5-3](#), [65 IAC 1-5-6](#), [65 IAC 1-5-7](#), [65 IAC 1-7-2](#), [65 IAC 1-7-3](#), and [65 IAC 1-7-5](#) to eliminate duplication with the Indiana Code or other administrative rules and to move certain retailer requirements to contractual documents instead of the administrative code. Effective June 28, 2013.

[65 IAC 1-1-1](#); [65 IAC 1-1-2](#); [65 IAC 1-1-3](#); [65 IAC 1-1-5](#); [65 IAC 1-1-6](#); [65 IAC 1-1-7](#); [65 IAC 1-1-8](#); [65 IAC 1-1-9](#); [65 IAC 1-1-10](#); [65 IAC 1-1-11](#); [65 IAC 1-1-12](#); [65 IAC 1-1-13](#); [65 IAC 1-1-14](#); [65 IAC 1-1-15](#); [65 IAC 1-1-17](#); [65 IAC 1-1-19](#); [65 IAC 1-3-1](#); [65 IAC 1-3-4](#); [65 IAC 1-5-1](#); [65 IAC 1-5-2](#); [65 IAC 1-5-3](#); [65 IAC 1-5-4](#); [65 IAC 1-5-5](#); [65 IAC 1-5-6](#); [65 IAC 1-5-7](#); [65 IAC 1-7-1](#); [65 IAC 1-7-2](#); [65 IAC 1-7-3](#); [65 IAC 1-7-4](#); [65 IAC 1-7-5](#)

SECTION 1. [65 IAC 1-1-1](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 1-1-1](#) Definitions**Authority:** [IC 4-30-3-7](#); [IC 4-30-3-9](#)**Affected:** [IC 4-30](#)

Sec. 1. (a) The definitions in [IC 4-30-2](#) and in this section apply throughout this title.

(b) "Applicant" means a person who has submitted an application to receive a certificate of authority to contract with the commission as a retailer.

(c) "Central computer" **system** means a computer system ~~designed to control, monitor, and communicate~~ **of computers, servers, and databases that is designed to provide comprehensive technology capabilities, including, without limitation, controlling, monitoring, and communicating** with the terminals and ~~to record~~ **recording** the plays and transactions processed by the terminals.

(d) "Chair" means the chairperson of the commission selected pursuant to [IC 4-30-4-3](#).

(e) "Commission" means the state lottery commission created by [IC 4-30](#), ~~doing business as the Hoosier Lottery. In order to differentiate the commission from agencies and commissions created in other states, the commission may use the name "The State Lottery Commission of Indiana" in the execution of agreements, contracts, and other documentation.~~

(f) "Director" ~~has the meaning set forth in [IC 4-30-2-3](#).~~

(g) ~~(g)~~ **(e)** "Draw game" means a lottery game in which ~~a player selects a combination of numbers or symbols, either manually or by a quick pick, and winning tickets winners are determined by appropriately matching the combination of numbers or symbols randomly selected~~ **a random selection conducted** by the commission at a designated ~~future drawing or selection event.~~

(f) **"Game rules"** means **written rules governing the procedures and manner in which a lottery game is to be played, and identifying the necessary criteria or conditions for winning a prize.**

~~(h)~~ **(g)** "Game play data area" means an area on a
~~(i)~~ scratch-off ticket covered with a latex or other covering or

~~(2) a pull tab ticket covered with one (1) or more tabs;~~
which, when uncovered, reveals play or prize symbols, bar codes, verification codes, or other means for determining the outcome of game play on that ticket.

~~(i) "Major procurement" has the meaning set forth in [IC 4-30-2-5](#).~~

(h) "Lottery game" means any game that the commission authorizes under [IC 4-30](#), but shall not include promotional drawings under [65 IAC 1-7-4](#).

(i) "Lottery product" means any ticket or other offering authorized by the commission to be sold or distributed to consumers by retailers or by the commission.

(j) "Member" means a member of the commission, as described in [IC 4-30-3-1](#).

(k) "MUSL" means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by member commissions, state agencies, and other political subdivisions, which are authorized to conduct a lottery. ~~games.~~

(l) "Nth transaction award" means a free wager that the central system automatically generates either randomly or at a predetermined transaction interval.

~~(+)~~ **(m) "On-line game" means a lottery game where participation in the game is recorded on a computer-generated ticket distributed through terminals connected to a the central computer system by a communications network.**

~~(m)~~ **(n) "Pari-mutuel prize" means a prize equal to the total amount of the winnings pool available for prizes of that type divided by the total number of winning tickets for that prize.**

~~(n) "Person" has the meaning set forth in [IC 4-30-2-6](#).~~

(o) "Play slip" means a form prescribed by the commission on which a player may hand mark the player's desired numbers, symbols, or other characters and which is input into a terminal to generate a ticket for a lottery game.

(p) "Play symbol" means an alphabetic, numeric, or graphic character or symbol appearing in the game play data area of a ticket which is used to determine whether the player won a prize.

(q) "Prize symbol" means numeric symbol expressed in terms of United States currency appearing in the game play data area of a ticket and used to determine the value of a possible prize.

(r) "Prize winner" means any individual or other person ultimately entitled to receive full or partial payment of a lottery prize either directly or by means of a pass through entity, including, but not limited to, the:

- (1) beneficiaries of a trust;
- (2) partners, members, or shareholders of a business entity;
- (3) individual members of a group, club, or association; or
- (4) assigned guardian or adult member of a minor's family functioning as a custodian for a person who is less than eighteen (18) years of age and claiming a prize on a lawfully purchased ticket.

~~(s) "Pull tab game" means a lottery game that offers preprinted tickets on which one (1) or more tabs are opened to reveal immediately whether the player has won a prize.~~

~~(t) "Quick pick" means any numbers or symbols randomly generated by a terminal to compose or complete a play in a lottery game.~~

(u) "Retailer" has the meaning set forth in [IC 4-30-2-7](#).

(v) (s) "Scratch-off game" means a lottery game that offers preprinted lottery tickets that, after a covering is removed, immediately reveals numbers, play symbols, or other insignia of whether the player has won a prize.

(w) (t) "Selection event" means a drawing or other random **generation and** selection of the winning numbers, or play symbols in **or other objective indicators for the purpose of identifying the winner or winners of** a lottery game.

(x) (u) "Terminal" means a device which is authorized by the commission to function in an interactive mode with **a the** central ~~computer~~ system for the purpose of issuing lottery tickets and entering, receiving, and processing lottery transactions.

(v) "Ticket" means a ticket, receipt, voucher, token, or other acknowledgement of purchase or participation in a lottery game that is capable of being validated by the commission or an authorized agent or contractor.

(y) "Vendor" has the meaning set forth in [IC 4-30-2-8](#).

(State Lottery Commission; [65 IAC 1-1-1](#); emergency rule filed Jul 20, 1989, 4:10 p.m.: 12 IR 2290; emergency rule filed Sep 5, 1989, 3:20 p.m.: 13 IR 90; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: [20071212-IR-065070656RFA](#); emergency rule filed Sep 16, 2009, 2:24 p.m.: [20090923-IR-065090771ERA](#); emergency rule filed Dec 18, 2009, 10:05 a.m.: [20091230-IR-065090989ERA](#); emergency rule filed Aug 10, 2010, 10:39 a.m.: [20100901-IR-065100542ERA](#); emergency rule filed Jun 28, 2013, 1:11 p.m.: [20130710-IR-065130296ERA](#))

SECTION 2. [65 IAC 1-1-8](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 1-1-8](#) The chair

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30-4](#)

Sec. 8. The ~~chairman~~ **chair** shall preside at meetings of the commission. The ~~chairman~~ **chair** shall discharge all the duties inherent to a presiding officer and perform such other duties as from time to time may be assigned to the ~~chairman~~ **chair** by the commission or as prescribed by law or this rule.

(State Lottery Commission; [65 IAC 1-1-8](#); emergency rule filed Jul 20, 1989, 4:10 p.m.: 12 IR 2291; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: [20071212-IR-065070656RFA](#); emergency rule filed Sep 16, 2009, 2:24 p.m.: [20090923-IR-065090771ERA](#); emergency rule filed Jun 28, 2013, 1:11 p.m.: [20130710-IR-065130296ERA](#))

SECTION 3. [65 IAC 1-1-9](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 1-1-9](#) The director

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30-3-14](#); [IC 4-30-6](#)

Sec. 9. ~~The director shall be appointed by the governor.~~ The director is the chief executive and operating officer of the lottery and has the full and complete authority to act in the name of the commission. The director shall have such powers and authority and perform such duties as are expressed or implied by law, by resolution of the commission, or by this title. Without limiting the generality of the foregoing, the director is specifically authorized to perform the following duties on behalf of the commission:

- (1) To negotiate and, upon prior approval or subject to subsequent ratification of the commission, to enter into on behalf of the commission, contracts for the purchase, lease, or lease-purchase of goods and services necessary for the operation and promotion of the lottery, including assistance provided by a governmental agency.

- (2) To execute contracts and agreements entered into by the commission and other instruments and documents for and on behalf of the commission.
- (3) To manage and control the commission's administrative offices and exercise all powers and authority necessary to manage and control such offices or customary for such an administrative officer.
- (4) To create divisions within the commission and allocate the various functions of the commission among these divisions, except that all security matters shall be assigned to the division of security created by [IC 4-30-6](#).
- ~~(5) To establish and maintain a personnel program and to take personnel actions as provided in [IC 4-30-3-14](#).~~
- ~~(6)~~ **(5)** To transact such business of the commission as may require attention between meetings of the commission and to report all such business transacted, other than of a routine nature, to the commission at its next meeting.
- ~~(7)~~ **(6)** To exercise such other authority and powers as are customarily exercised under Indiana law by the chief executive and operational officer of an entrepreneurial business enterprise, except as otherwise required by law.

(State Lottery Commission; [65 IAC 1-1-9](#); emergency rule filed Jul 20, 1989, 4:10 p.m.: 12 IR 2291; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: [20071212-IR-065070656RFA](#); emergency rule filed Jun 28, 2013, 1:11 p.m.: [20130710-IR-065130296ERA](#))

SECTION 4. [65 IAC 1-1-10](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 1-1-10](#) Vice chair

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30-4](#)

Sec. 10. The ~~chairman~~ **chair** may appoint a vice ~~chairman~~ **chair** who shall preside at meetings of the commission when the ~~chairman~~ **chair** is not present. If no vice ~~chairman~~ **chair** is appointed by the ~~chairman~~ **chair**, the director shall preside at meetings of the commission when the ~~chairman~~ **chair** is not present.

(State Lottery Commission; [65 IAC 1-1-10](#); emergency rule filed Jul 20, 1989, 4:10 p.m.: 12 IR 2291; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: [20071212-IR-065070656RFA](#); emergency rule filed Jun 28, 2013, 1:11 p.m.: [20130710-IR-065130296ERA](#))

SECTION 5. [65 IAC 1-1-11](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 1-1-11](#) Selection of other officers

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30](#)

Sec. 11. The director ~~shall~~ **may** select a secretary and such other assistants and other officers as the director may decide upon to serve at the pleasure of the director **and to perform the functions determined by the director to be in the best interests of the commission, including, but not limited to, attesting to the execution of documents by the commission or the director.** The secretary may, but need not, be a commissioner.

(State Lottery Commission; [65 IAC 1-1-11](#); emergency rule filed Jul 20, 1989, 4:10 p.m.: 12 IR 2291; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: [20071212-IR-065070656RFA](#); emergency rule filed Jun 28, 2013, 1:11 p.m.: [20130710-IR-065130296ERA](#))

SECTION 6. [65 IAC 1-1-14](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 1-1-14](#) Delegation of authority

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30](#)

Sec. 14. **(a)** In case of the absence of any officer or employee of the commission, or for any other reason that the commission or the director may deem sufficient, the commission (in the case of the ~~chairman~~ **chair** or the vice ~~chairman~~ **chair**) or the director (in the case of any other officer or employee) may delegate the powers or duties

of such officer or employee to any other officer or employee, for the time being. ~~provided~~

(b) In the case of a delegation of authority by the commission, ~~that~~ a majority of the entire commission concurs therein. **must concur in the delegation.**

(State Lottery Commission; [65 IAC 1-1-14](#); emergency rule filed Jul 20, 1989, 4:10 p.m.: 12 IR 2292; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: [20071212-IR-065070656RFA](#); emergency rule filed Jun 28, 2013, 1:11 p.m.: [20130710-IR-065130296ERA](#))

SECTION 7. [65 IAC 1-1-19](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 1-1-19](#) Deviation from provisions

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30](#)

Sec. 19. The director or the commission may approve deviations from the provisions of this title if the director or the commission determines that:

- (1) the requirement or procedure is impractical or burdensome; and
- (2) an alternative means of satisfying the requirement or procedure:
 - (A) fulfills the purpose of the rule;
 - (B) is in the best interest ~~interests~~ of the public and the gaming industry in Indiana; ~~commission~~; and
 - (C) does not violate [IC 4-30](#) or any other law.

(State Lottery Commission; [65 IAC 1-1-19](#); emergency rule filed Dec 18, 2009, 10:05 a.m.: [20091230-IR-065090989ERA](#); emergency rule filed Jun 28, 2013, 1:11 p.m.: [20130710-IR-065130296ERA](#))

SECTION 8. [65 IAC 1-3-1](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 1-3-1](#) Employment status

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30-3-14](#); [IC 4-30-6](#)

Sec. 1. Employees of the commission are not employees of the state of Indiana. ~~and are not merit system employees under [IC 4-15-2](#).~~ Employees of the commission serve at the pleasure of the director and are subject to suspension, dismissal, reduction in pay, demotion, transfer, or other personnel action at the discretion of the director. Except as provided in [IC 4-30-6](#), employees shall not be hired or fired on the basis of political affiliation.

(State Lottery Commission; [65 IAC 1-3-1](#); emergency rule filed Oct 2, 1989, 2:10 p.m.: 13 IR 299; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: [20071212-IR-065070656RFA](#); emergency rule filed Jun 28, 2013, 1:11 p.m.: [20130710-IR-065130296ERA](#))

SECTION 9. [65 IAC 1-5-1](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 1-5-1](#) Definitions

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30](#)

Sec. 1. (a) The definitions in this section apply to this rule.

(b) "Audit programs" means detailed lists of audit procedures or questionnaires to be completed or considered in the performance of an audit, inquiry, or examination.

~~(c) "Audit staff" means the professional and clerical staff under the direction of the internal auditor.~~

~~(d)~~ **(c)** "GAAP" means generally accepted accounting principles.

(e) "Internal auditor" means the person appointed by the director to direct the internal audit functions for the commission.

(State Lottery Commission; [65 IAC 1-5-1](#); emergency rule filed Oct 24, 1989, 2:15 p.m.: 13 IR 406; emergency rule filed Jan 24, 1990, 4:00 p.m.: 13 IR 1068; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: [20071212-IR-065070656RFA](#); emergency rule filed Jun 28, 2013, 1:11 p.m.: [20130710-IR-065130296ERA](#))

SECTION 10. [65 IAC 1-5-4](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 1-5-4](#) Standards of performance

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30](#)

Sec. 4. The internal auditor and the audit staff shall abide by the Code of Ethics and Standards for the Professional Practice of Internal Auditors, Inc. and Statements of Internal Auditing Standards published by the Institute of Internal Auditors, Inc. Audits shall be conducted in compliance with GAAP and generally accepted auditing standards, where appropriate.

(State Lottery Commission; [65 IAC 1-5-4](#); emergency rule filed Oct 24, 1989, 2:15 p.m.: 13 IR 407; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: [20071212-IR-065070656RFA](#); emergency rule filed Jun 28, 2013, 1:11 p.m.: [20130710-IR-065130296ERA](#))

SECTION 11. [65 IAC 1-5-5](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 1-5-5](#) Audit programs

Authority: [IC 4-30-3-7](#); [IC 4-30-3-9](#)

Affected: [IC 4-30](#)

Sec. 5. The internal auditor shall develop a system of internal audits for the commission. The system of internal audits may include, but shall not be limited to, the following activities: **(a) On an annual basis, the director or the director's designee shall at a minimum:**

- (1) Examination of **review and evaluate relevant** internal controls intended to safeguard the assets of the commission, evaluation of those controls for operational sufficiency, and as appropriate, verification of the existence of assets: **necessary to ensure the fiscal accountability of the commission;**
- (2) Examination of security controls related to the commission's computer systems.
- (2) conduct a risk assessment of operating functions;**
- (3) review of the existence of and compliance with the following policies and procedures: **and evaluate controls necessary to ensure compliance with the operating standards of MUSL or any other similar and applicable multi-jurisdictional lottery association;**
 - (A) Daily cash balancing policies and procedures.
 - (B) Inventory procedures.
 - (C) Winner validation and prize payment policies and procedures.
 - (D) Procurement policies and procedures, including quality control.
 - (E) Cash collections policies and procedures.
 - (F) Contract management policies and procedures.
 - (G) Property management policies and procedures.
 - (H) Vendor payments policies and procedures.
 - (I) Payroll policies and procedures.
 - (J) Accounts receivable and collections policies and procedures.
 - (K) Security policies and procedures.
- (4) Preparation of procedures for examination and monitoring of drawing equipment and prize results.
- (5) Determination that all commission operations are in compliance with Indiana statutes, rules, regulations, policies, and procedures.
- (6) Determination that financial reports are presented fairly and in accordance with GAAP.
- (7) Participation in general management reviews of all phases of commission operations including regional inventory and distribution procedures.
- (8) Completion of special reviews and audits as requested by the director or the commission.

~~(9) Completion of follow-up audit reviews on issued audit reports to ensure that corrective action was actually taken.~~

(4) make a risk-weighted recommendation to the commission regarding an audit plan, which shall include:

(A) whether to perform an audit;

(B) when to perform an audit; and

(C) the appropriate scope of any proposed audit; and

(5) develop audit programs for use during any proposed audit.

(b) The commission shall annually approve an audit plan, which shall minimally identify the general scope and timing of any audit to be conducted.

(c) Upon completion of any audit, the results and any remedial plan shall be presented to the commission.

(State Lottery Commission; [65 IAC 1-5-5](#); emergency rule filed Oct 24, 1989, 2:15 p.m.: 13 IR 407; errata filed Jun 19, 1990, 4:56 p.m.: 13 IR 2002; readopted filed Nov 30, 2001, 11:02 a.m.: 25 IR 1268; readopted filed Nov 14, 2007, 3:02 p.m.: [20071212-IR-065070656RFA](#); emergency rule filed Jun 28, 2013, 1:11 p.m.: [20130710-IR-065130296ERA](#))

SECTION 12. [65 IAC 1-7-1](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 1-7-1](#) General provisions

Authority: [IC 4-30-3-7](#)

Affected: [IC 4-30-3-8](#); [IC 4-30-13-1](#)

Sec. 1. (a) The commission may promote and advertise the lottery and individual lottery games.

(b) A commission authorized promotion may include any generally accepted consumer and trade sales promotion, including, but not limited to, the following:

(1) Permanent and temporary point of purchase materials.

(2) Drawings, contests, or sweepstakes.

(3) "Buy ~~some~~, X, get ~~some~~ Y free" promotions.

(4) Consumer or trade ~~coupons~~: **incentives including without limitation bonus payments and Nth transaction awards.**

(5) Product samples or free tickets.

(6) Supplemental prizes or "second chance" promotions.

(7) Product bundles.

(8) Retailer **and sales clerk** incentives.

(9) "Ask for the sale" promotions.

(10) Retail clerk training.

(11) Functional discounts.

(12) Customer reward or loyalty programs.

(c) A commission authorized promotion may be conducted by:

(1) the commission by its own efforts or through its vendors or agents;

(2) one (1) or more authorized ~~retailer locations~~ **retailers** with written approval of the commission; or

(3) the commission in conjunction with one (1) or more authorized retailers.

(d) A temporary price reduction, product bundle, or other promotional activity, which:

(1) is conducted or authorized by the commission under this rule; and

(2) may alter the normal effective cash price of lottery tickets as established by the commission; is an adjustment to the commission established price and not a violation of [IC 4-30-13-1](#).

(e) All promotions conducted or authorized by the commission must comply with all applicable federal and state laws.

(State Lottery Commission; [65 IAC 1-7-1](#); filed Aug 19, 2010, 3:33 p.m.: [20100915-IR-065100240FRA](#);

SECTION 13. [65 IAC 1-7-4](#) IS AMENDED TO READ AS FOLLOWS:

[65 IAC 1-7-4](#) Promotional drawings

Authority: [IC 4-30-3-7](#)

Affected: [IC 4-30-3-8](#)

Sec. 4. (a) "Promotional drawing" means, for purposes of this section, a drawing or other event involving the random selection of winners that **either:**

- (1) does not require participants to purchase or hold a lottery tickets ticket in order to win; or**
- (2) may be entered into for the chance to win consolation or supplemental prizes by holders of scratch-off game or draw game tickets, whether or not such tickets are otherwise eligible for prizes.**

(b) "Authorized vendor" means, for purposes of this section, a commission vendor authorized to conduct promotional activities under [65 IAC 1-7-1\(c\)](#).

(c) The director **or an authorized vendor** shall establish written internal controls and procedures consistent with this section for a promotional drawing or drawings conducted under this section. The internal controls and procedures shall include at least the following:

- (1) Eligibility requirements for participation.
- (2) Method and mode of entry.
- (3) Date, time, and location of the promotional drawing.
- (4) Procedure for randomly selecting winners from qualified entries.

~~(e)~~ (d) The director **or an authorized vendor** may ~~at the director's discretion~~, amend or alter the written internal controls and procedures for any promotional drawing without notice prior to the time that the promotional drawing is conducted.

~~(d)~~ (e) All promotional drawings involving a prize with a fair market value greater than:

- (1) five hundred ninety-nine dollars (\$599) shall be witnessed by a representative of the commission's security division; and
- (2) five thousand dollars (\$5,000) shall be witnessed by a representative of the commission's security division and an independent certified public accountant.

~~(e)~~ (f) The liability of the commission, the director, and the commission's employees for failure to enter any person into a promotional drawing, for any improper operation or conduct of any promotional drawing, or for the failure of any person to win a prize in a promotional drawing is limited to entry of the aggrieved person in another promotional drawing with prizes of similar value and each participant in a promotional drawing agrees by the act of participating in the promotional drawing to this limitation of liability.

~~(f)~~ (g) Disputes regarding dates, times, requirements, or procedures shall be resolved by the director in the exercise of the director's sole discretion. All participants in a promotional drawing shall be deemed to have agreed to all internal controls and procedures by their participation in the promotional drawing or any proceedings in connection with the promotional drawing.

(State Lottery Commission; [65 IAC 1-7-4](#); filed Aug 19, 2010, 3:33 p.m.: [20100915-IR-065100240FRA](#); emergency rule filed Jun 28, 2013, 1:11 p.m.: [20130710-IR-065130296ERA](#))

SECTION 14. THE FOLLOWING ARE REPEALED: [65 IAC 1-1-2](#); [65 IAC 1-1-3](#); [65 IAC 1-1-5](#); [65 IAC 1-1-6](#); [65 IAC 1-1-7](#); [65 IAC 1-1-12](#); [65 IAC 1-1-13](#); [65 IAC 1-1-15](#); [65 IAC 1-1-17](#); [65 IAC 1-3-4](#); [65 IAC 1-5-2](#); [65 IAC 1-5-3](#); [65 IAC 1-5-6](#); [65 IAC 1-5-7](#); [65 IAC 1-7-2](#); [65 IAC 1-7-3](#); [65 IAC 1-7-5](#).

LSA Document #13-296(E)

Filed with Publisher: June 28, 2013, 1:11 p.m.

