



# Memo

<b>Date:</b>	July 18, 2025
<b>To:</b>	Oregon State Lottery Commissioners
<b>From:</b>	Kris Skaro, rules and policy analyst
<b>Subject:</b>	Inform re bulk ticket purchases (OAR 177-046-0020; 177-046-0090)

## Background:

Recent incidents have come to light in which a group of individuals conspired to purchase all possible number combinations to ensure a jackpot win. See for example recent [reporting in the New York Times](#) in which foreign investors bought 26 million tickets for \$1 each to ensure a \$95 million jackpot win.

In another scheme, a group of students purchased a large number of Scratch-it Tickets in an attempt to ensure a top prize win. See for example reporting [in the Indianapolis Star](#).

Due to the negative public response to these schemes, other state lotteries are taking steps to prevent these schemes from happening in their jurisdictions. For example, Texas has outlawed the sale of “all or substantially all possible winning tickets for a drawing.” Other state lotteries have internal policies limiting the distribution of ticket printing equipment for the purpose of bulk ticket purchases. Other state lotteries are considering adopting new rules, policies, or statutory changes to prohibit bulk purchasing.

## Proposed Rulemaking:

Oregon Lottery has internal procedures in place to control the distribution of inventory and ticket printing equipment to retailers, which should prevent these schemes from happening in Oregon. But, in addition to these internal controls, Lottery recommends adopting the enclosed rules to state our policy that bulk ticket purchases intended to guarantee a jackpot or top prize are prohibited unless preapproved by the Director and Lottery Commission, and further, that tickets purchased in an unauthorized manner are ineligible for prize payment.

## Next Steps/Enclosures:

I will complete the rulemaking process to solicit public comment and report back to you in September. In the meantime, the draft Notice of Proposed Rulemaking is enclosed for your review.

Thank you, and please reach out to me or Director Wells if you have any questions.

# **NOTICE OF PROPOSED RULEMAKING<sup>1</sup>**

## **CHAPTER 177**

### **OREGON STATE LOTTERY**

**FILING CAPTION:** Prohibiting bulk purchases of Lottery tickets

**LAST DAY AND TIME TO OFFER COMMENT TO LOTTERY:** Friday, August 29, 2025 at 5 p.m.

#### **HEARING(S):**

DATE: Tuesday, August 19, 2025

TIME: 10-11 a.m.

OFFICER: Kris Skaro

#### **NEED FOR THE RULE(S):**

As noted in the memo to the Commission provided above, recent incidents have come to light in which a group of individuals conspired to purchase all possible number combinations to ensure a jackpot win. In a similar scheme, a group of students purchased a large number of Scratch-it Tickets in an attempt to ensure a top prize win.

Lottery needs to amend its rules as described in this notice to state that bulk ticket purchasing schemes are prohibited and tickets purchased in an unauthorized manner are ineligible for prize payment. These rules should deter people from attempting Lottery investment schemes in Oregon.

#### **DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE**

Lottery relied upon the following documents when considering the need for and in preparing the proposed rules. They are available at the URL provided or upon request to Kris Skaro at [Kris.skaro@lottery.oregon.gov](mailto:Kris.skaro@lottery.oregon.gov) or 503-540-1181:

- April 21, 2025, by J. David Goodman, "How Texas Officials Invited the Rigging of the State Lottery," available at <https://www.nytimes.com/2025/04/20/us/rigged-texas-lottery.html>.
- November 11, 2020, by Tim Evans and Tony Cook, "66 winning lottery tickets. \$6.3 million. What's up with Ivy League group's winning streak?," available at <https://www.indystar.com/story/news/investigations/2020/11/11/group-recent-princeton-grads-winning-lotteries-across-u-s/6146979002/>.

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<sup>1</sup> This is a draft Notice of Proposed Rulemaking presented to the public meeting of the Oregon State Lottery Commission for discussion purposes. The official notice must be filed with the Oregon Secretary of State through their online filing system. That version will be available on the [Secretary of State website](#) and [Lottery's website](#). To request a copy, contact [kris.skaro@lottery.oregon.gov](mailto:kris.skaro@lottery.oregon.gov).

- Texas Legislature SB 1346 (2025) available at <https://www.legis.state.tx.us/tlodocs/89R/billtext/pdf/SB01346S.pdf>.
- Arizona Lottery rule available at <https://www.arizonalottery.com/fast-play/game-rules-and-prohibition>.

**STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE:**

Lottery has no reason to believe this rule change will affect racial equity in Oregon.

**FISCAL AND ECONOMIC IMPACT**

Lottery estimates amending these rules will have no fiscal or economic impact on state agencies, units of local government, or members of the public. Lottery retailers, most of whom are small businesses, are subject to these rules but Lottery estimates no costs of compliance for business, including small business.

**COST OF COMPLIANCE:**

**(1) Identify any state agencies, unit of local government, and members of the public likely to be economically affected by the rule(s).**

Lottery estimates amending these rules will have no fiscal or economic impact on state agencies, units of local government, or members of the public. Lottery is not aware that bulk ticket purchases have occurred or are occurring and thus there should be no change to ticket sales or other fiscal impacts of the rule changes.

**(2) Effect on Small Businesses:**

**(a) Estimate the number and type of small businesses subject to the rule(s);**

About 3,200 Lottery retailers are subject to the rules described in this notice. Lottery estimates that most, but not all, of those retailers are small businesses as defined in ORS 183.310. The type of business that contracts with Lottery to sell traditional Lottery games are: grocery stores, convenience stores, gas stations, multistate chain retail stores, bars, restaurants, taverns, bowling alleys, pizzerias, and the like.

**(b) Describe the expected reporting, recordkeeping, and administrative activities and cost required to comply with these rule(s);**

Lottery estimates no costs of compliance.

**(c) Estimate the cost of professional services, equipment supplies, labor, and increased administration required to comply with the rule(s).**

Lottery estimates no costs of compliance.

## DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULES

Lottery does not believe small businesses will be affected by or interested in this rule change but welcomes comment from small businesses during the rulemaking process.

## WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? IF NOT, WHY NOT?

Lottery did not convene or consult a rule advisory committee because this is a relatively straightforward rule change and we plan to use other means to solicit feedback from interested and impacted persons, such as distributing to Lottery's interested parties list and discussing at public meetings of the Oregon Lottery Commission.

## RULES PROPOSED:

### 177-046-0020

#### **Sale of Lottery Tickets and Shares**

- (1) General: The Director may contract with retailers for the sale of Lottery tickets and shares. Except as provided in section (3) of this rule, only a retailer under contract with the Lottery may sell Lottery tickets or shares. Nothing in this section shall be construed to prevent a person who lawfully purchases or possesses a Lottery ticket or share from making a gift of such ticket or share to another.
- (2) Retailer Sales Locations: Unless authorized by the Lottery, Lottery tickets or shares may only be sold by a Lottery retailer at the location listed in the retailer contract.
- (3) Lottery Sales: The Lottery may designate its agents or employees to sell Lottery tickets or shares directly to the public, either in person at Lottery Headquarters, digitally through a mobile app or site, at a Lottery kiosk, other locations designated by the Director for the sale of Lottery tickets and shares, or sales by the Lottery through electronic means. For purposes of Lottery's traditional lottery game rules, reference to a "retailer," "Lottery retailer," or "Lottery On-line retailer" includes Lottery sales unless the context or a specially applicable provision indicates otherwise.
- (4) Bulk Ticket Purchases Prohibited: Lottery games should not be played for investment purposes. Unless preapproved by the Director and Commission, an individual or group of individuals working together may not purchase more than 50,000 tickets in the same Scratch-It Ticket game or more than 50,000 unique possible winning number combinations for a single drawing.
- (45) Future Drawings: A player may purchase a ticket or tickets for future consecutive drawings to the extent permitted by the Lottery for each Lottery game. The player must specify at the time of purchase that the ticket or tickets include future consecutive drawings.

- (56) Sales Are Final: Unless otherwise provided in OAR chapter 177, the sale of all Lottery tickets and shares is final. A player may not return a Lottery ticket or share for a refund of the purchase price or exchange unless the specific game rules provide otherwise. The Lottery is not liable for Lottery tickets or shares that are purchased in error.
- (67) Distribution: The Director is authorized to arrange for the direct distribution of Lottery equipment, ticket stock, and supplies shipped directly from the manufacturer or supplier to an authorized retailer.

Statutory/Other Authority: [OR Const. Art. XV § 4\(4\)\(a\)](#) & [ORS 461.020, 461.100, 461.120, 461.210, 461.220, 461.230, 461.240, 461.250 & 461.260](#)

Statutes/Other Implemented: [OR Const. Art. XV § 4\(4\)](#), [ORS 461.020, 461.100, 461.120, 461.210, 461.220, 461.230, 461.240, 461.250 & 461.260](#)

### **177-046-0090**

#### **Validation Requirements**

- (1) General: Each type of Lottery game rule may specify unique or additional requirements necessary for validation for that specific game.
- (2) Requirements: In general, to be a valid Lottery ticket or share:
  - (a) The ticket or share must not be counterfeit, fraudulent, or a forgery in whole or in part or lacking the appropriate captions.
  - (b) The Lottery must have issued the ticket or share in an authorized manner.
  - (c) The ticket or share must not be altered, unreadable, reconstituted, or tampered with in any manner including, but not limited to, the signature area, and must meet all of the Lottery's security requirements.
  - (d) The ticket or share must not appear on any list of omitted, inactive, missing, previously paid, or stolen tickets on file at the Lottery, and, if applicable, the Lottery's Instant Ticket System (ITS) must accept and validate the ticket or share as a winner.
  - (e) The ticket or share must not be blank or partially blank, misregistered, non-scratchable, or printed or produced in error.
  - (f) The ticket or share is subject to all additional confidential validation tests of the Lottery including validation through the Lottery's computer system.
  - (g) The ticket was not purchased or sold in violation of any statutes or rules applicable to Lottery.
- (3) Proof of Play: A Lottery ticket or share is the only proof of a game play or plays and the submission of a winning ticket or share to the Lottery or an authorized retailer is the sole method of claiming a prize or prizes unless otherwise provided in OAR chapter 177. A play slip or

a copy of a ticket or share has no pecuniary or prize value and does not constitute evidence of ticket or share purchase or otherwise represent an opportunity to win a prize.

Statutory/Other Authority: ~~OR~~ Const., Art. XV, § 4(4)(a), ORS 461.120, 461.210, 461.230, ~~& 461.250,~~  
~~461.260~~

Statutes/Other Implemented: ~~OR~~ Const., Art. XV, § 4(4), ORS 461.120~~461.020~~, ORS 461.120, 461.210,  
~~461.220, 461.230, 461.250 & 461.260~~

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