

October 17, 2025

Re: Public Comments on Proposed Rules to Regulate Lottery Courier Services

The Lottery proposed rule changes to establish a regulatory framework for Lottery retailers who chose to work with a courier service. Lottery provided 12 weeks for the public to submit comment in writing and held a rulemaking hearing.

Some commenters submitted more than one comment. For ease of reading, I've inserted a cover sheet at the start of a commenter's testimony, followed by all comments submitted by that person. (As opposed to ordering comments by the date received.) Use the bookmarks in the PDF to navigate through the document. One comment was redacted to protect the commenter's privacy. No redactions were made to comments submitted by businesses or by people who have shared their comments online.

If you have questions, please contact Kris Skaro at kris.skaro@lottery.oregon.gov or 503-540-1181.

Michael Platzer, Manager of Global Players Network USA (GPN)



Confidential

Michael Wells
Director
Oregon Lottery

Via Email to michael.a.wells@lottery.oregon.gov

Re: Proposed Courier Rulemaking

Dear Director Wells,

On behalf of GPN-USA, I write to respectfully request that the Oregon State Lottery (the “Lottery”) extend its proposed timeline rulemaking concerning lottery couriers. We understand that the Lottery intends to propose to the Oregon Lottery Commission (“Commission”)—at its July 25 meeting—a rulemaking timeline in which comments are due on August 29 and the rule takes effect on **October 1, 2025**.

As a business that has been operating in the state in open and transparent dialogue with the Lottery since 2018, I respectfully submit that this rapid timeline does not provide sufficient time for stakeholders or the Lottery Commission to adequately examine the myriad factual, legal, and operational issues that are involved in the proposed rules and in the July 14 Notice of Proposed Rulemaking.

The Notice of Proposed Rulemaking indicates that there were likely significant communications leading up to the proposed rulemaking, only a portion of which were made readily available upon request as “documents relied upon” by the Lottery in the rulemaking process. We are in the process of filing a public records request to obtain the full scope of these communications, which will take time for the state to process and provide, and for us to review and assess. This process will likely not be complete before the proposed August 20 hearing or the August 29 due date for comments.

These communications are critical to our ability to provide informed stakeholder feedback in the rulemaking process. We are concerned that certain documents relied upon contain factual and legal inaccuracies that must be addressed and corrected for the Commission’s consideration in the public comment period, and that there may be additional documentation obtainable through a public records request that would inform this analysis. Furthermore, the Notice of Proposed Rulemaking and supporting documentation indicates that there are multiple types of distinct lottery-related businesses operating in Oregon that are potentially being conflated together without making critical factual and legal distinctions between their operations. Only a public records request will allow us to adequately address these distinctions and account for them in proposed changes to the contemplated regulatory framework, which requires additional time.



As currently scheduled, there is only one month between the close of public comments and the proposed effective date of the regulations. This is a very short window for the Commission to incorporate any changes in response to the public comment, issue a final rule, and for stakeholders to implement the finalised regulations in time for them to take effect. Given the potential operational and compliance impact of these rules on any entity that may be subject to them, it is likely that the remainder of the year will be needed in order to effectively implement them.

Given these considerations, we respectfully request that the Oregon Lottery extend the timelines throughout this process, allowing additional time for stakeholder comment and proposing an effective date of **January 1, 2026**, to allow retailers and their partners sufficient time to assess the finalised rule's applicability to their services, implement any operational or compliance changes if needed, and ensure alignment with the Lottery's expectations.

Thank you for considering this request. We welcome the opportunity to engage further in the rulemaking process.

Sincerely,

Michael Platzer
Manager, GPN-USA
Date 21 July 2025



October 3, 2025

Kris Skaro
Rules Coordinator
Oregon State Lottery

Via Email to: kris.skaro@lottery.oregon.gov

Re: Notice of Proposed Rulemaking, “Adopting regulations for retailers who work with a courier including prohibiting out-of-state sales”

Dear Ms. Skaro,

Global Players Network Pty. Ltd. (“GPN”), including its Oregon-organized subsidiary Global Players Network USA, LLC (“GPN-USA”), submits these comments in response to the Oregon State Lottery’s (“OSL”) July 14 Notice of Proposed rulemaking regarding “Adopting regulations for retailers who work with a courier (corrected notice)” (the “Notice”), as well as the documents that OSL cited in support of the proposed rule.

GPN acknowledges the value of rulemaking to provide additional structure and oversight for certain types of lottery ticket sales and related activities within the state. GPN supports efforts to implement reasonable regulations that preserve and promote legal activity, ensuring continued revenue generation for the state and small businesses. At the same time, GPN respectfully urges that any new rules be carefully tailored to ensure the continuation of lawful conduct that advances the objectives of the Oregon Lottery and participating games, and that any prohibitions are no broader than necessary to enforce applicable laws and rules.

The background materials provided in the rulemaking process indicate that, in its effort to prevent conduct that could violate the law or game rules, OSL may be conflating distinct business practices whose differences have meaningful legal implications. Documents prepared both internally by the OSL and externally by third parties—including GPN’s largest corporate competitor in Australia, The Lottery Corporation Limited (TLC)—contain mischaracterizations regarding GPN’s business practices. By way of background, TLC is a publicly traded company and is not a governing body. TLC has licenses in several Australian states and in the Northern Territory under which it operates lotteries. GPN is an effective competitor of TLC and offers choice and competitive alternatives in Australia. Therefore, TLC has a significant commercial interest in limiting GPN’s participation in the Australian market. We urge OSL to weigh TLC’s submissions with these significant commercial incentives in mind. Further to this we note that publicly available materials show that TLC has corresponded with MUSL for several years in an attempt to supply U.S. Powerball in Australia. We strongly disagree with the majority of TLC’s statements, which we have addressed

separately in a legal opinion that will be provided to you, subject to the public records exemptions set forth in ORS 192.345.

In this context, it is disappointing that the December 18, 2024 TLC letter cited as supporting documentation to the Notice was not promptly shared with Game Store, OSL's largest lottery retailer, given the serious allegations made by TLC and their potential impact on Game Store and GPN's operations. Game Store and GPN only became aware of TLC's letter through the Notice several months later. OSL has maintained a long-standing retail relationship with Game Store, highlighting the importance of timely communication on matters of significance.

OSL's documentation indicates that it has drawn no distinction between international courier services, which facilitate the sale of Oregon lottery tickets to customers overseas, and matched lotteries such as GPN, which do not. Since the supporting documentation seems to have informed the OSL's rulemaking process in a way intended to limit GPN's lawful operations, we think it important to correct these characterizations on the record for your consideration in finalizing the proposed rules.

To be clear, **GPN is not a lottery courier service and GPN does not sell Oregon lottery tickets internationally.** GPN is a licensed Australian lottery operator that legally issues and sells Australian lottery tickets in compliance with all applicable Australian laws and regulations. The only lottery tickets sold by GPN are GPN-issued Australian lottery tickets, to individuals located in Australia.

Certain GPN lottery games in Australia are matched to foreign lotteries in accordance with GPN's license and Australian law. In conjunction with those matched games, GPN formed an Oregon subsidiary, "GPN-USA" to purchase multistate lottery tickets from a small business retailer in Oregon (currently Game Store). Prior to beginning purchase operations in 2018, GPN and GPN-USA met several times with OSL, communicating in full disclosure the nature of the business and detailing the legality of the operations. Since that time, GPN and Game Store have stayed in constant communication and transparency with OSL regarding the sale of tickets to GPN-USA.

GPN, GPN-USA, and Game Store each ensure that their respective activities comply with all applicable laws, regulations, and game rules. An agent of GPN-USA purchases multistate lottery tickets from an Oregon small business lottery retailer. The tickets purchased by the Oregon subsidiary remain in Oregon as the property of GPN-USA at all times. By the terms of GPN's Australian lottery game, GPN's customers have an ownership right only to Australian lottery tickets issued by GPN, disclaiming any right or interest in any tickets issued in another jurisdiction. All persons assisting in the collection of winnings have similarly disclaimed any right or interest in the tickets, with all prize money remaining the sole property of GPN-USA.

Neither GPN-USA's activities in Oregon, nor GPN's activities in Australia, fall within the conduct outlined in the proposed regulations, which seek to regulate ticket sales to couriers operating on behalf of in-state customers. They also seek to prohibit the sale of Oregon lottery tickets to couriers purchasing them on behalf of persons located out of state. However, the Notice and supporting documentation indicate that OSL may intend for these proposed regulations to prohibit GPN-USA's operations regardless. Such an application of the rules would be overbroad and harmful.

GPN-USA's lawful operations have material benefit to the state, a small business, and its employees. Since 2018, GPN-USA has purchased \$63 million in multistate lottery tickets, generating funds for the state of Oregon that support public programs such as education, veterans' services, state parks and economic development. These lottery sales also generate meaningful income for Game Store's small business owners and jobs for the store's employees. These small businesspeople and their employees—all Oregon residents—will be in a precarious financial position if OSL implements an overbroad application of this rule and they are unable to continue this work.

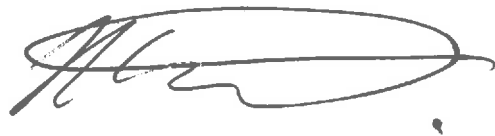
In the interest of ensuring that these beneficial, legal sales can continue, and to balance the state's interest in regulating conduct surrounding certain lottery ticket sales, GPN respectfully proposes that OSL expand upon the present rulemaking to adopt regulations specifically governing the sale of tickets in conjunction with legal matched lotteries such as those conducted by GPN. This would balance OSL's interest in ensuring adequate oversight over the sales while allowing for continued lawful purchases that have helped a local business, created jobs, and contributed millions of dollars to Oregon's public programs.

The matched lottery rules could largely follow the framework of the proposed courier rules, but be tailored to require that ownership of matched lottery tickets must be by an Oregon entity. The rules could further require that any ticket sales in conjunction with a matched lottery may only be made to an Oregon subsidiary whose parent company is an authorized matched lottery operator in a regulated jurisdiction. As a further requirement, any winnings should be deposited into the Oregon bank account of the subsidiary. GPN-USA currently complies with all of the above safeguards. GPN's proposed matched lottery rules—which largely track those of the courier rules—are included as an appendix in this submission.

GPN has requested meetings with OSL, the Multi-State Lottery Association, and the Mega Million Consortium to speak in more detail regarding our matched lottery operations under all applicable laws, regulations, and game rules, and to answer any questions—and address any concerns—that these groups may have. We would also be able to share written legal opinions regarding compliance with both U.S. and Australian law in a conversation with OSL (subject to the public records exemptions of ORS 192.345). As we have since the beginning, we seek to operate in open communication with any stakeholders, in good faith and in compliance with the law.

We respectfully submit that OSL has an obligation to its retailers and the people of Oregon to consider how best to ensure that appropriate lawful conduct is able to continue. Allowing the continued sale of multistate tickets in conjunction with matched lotteries would be wholly consistent with existing rules, regulations, and law. It would also meaningfully advance the express legislative mandate “to produce the maximum amount of net revenues to benefit the public purpose...commensurate with the public good.” Or. Rev. Stat. Ann. § 461.150. To the extent that OSL believes that sales related to matched lottery operations would benefit from rulemaking similar to the pending proposed courier regulations, we would welcome the opportunity to participate in the rulemaking process and operate subject to any reasonable regulatory structure.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Platzer', with a large, sweeping horizontal stroke across the middle.

Michael Platzer

Chief Operating Officer, GPN
Manager, GPN-USA

cc: Director Michael Wells
Via Email to michael.a.wells@lottery.oregon.gov

Appendix

Proposed New Rules on Purchases in Conjunction with Matched Lotteries

177-040-0054 Matched Lottery Purchases

(1) General Policy: A retailer under contract with the Lottery may sell multistate lottery tickets to a matched lottery service provider only pursuant to a written contract with the matched lottery service provider subject to the review and approval by the Lottery, and only as provided by this rule. Under no circumstances may a retailer knowingly facilitate the sale of Oregon multistate tickets to a person who is physically located outside the state of Oregon at the time of purchase, through a matched lottery service provider or any other method. A retailer may not sell lottery tickets for single-state games to a matched lottery service provider. For purposes of this rule: ¶

"Matched lottery service provider" means (a) an Oregon-organized entity associated with a "matched lottery operator" (b) that operates as a subsidiary of the "matched lottery operator" and (c) holds a contract with a retailer for the purchase of multistate lottery tickets subject to this rule. ¶

"Matched lottery operator" means a business that (a) holds a regulatory issued license in good standing to operate a lawful lottery in a jurisdiction outside of the United States; and (b) is authorized by such regulatory body to offer lottery games in which the winning numbers of tickets issued by the matched lottery correspond to tickets actually purchased by the matched lottery service provider. ¶

(2) Notification, Attestation, and Indemnification Required: A retailer shall notify the Lottery in writing within 14 calendar days of contracting with a matched lottery service provider or otherwise knowingly facilitating tickets sales to a matched lottery service provider. The retailer must attest, on a form provided by the Lottery, that the matched lottery service provider meets the standards described in section (3) of this rule, and that the retailer agrees to the following: ¶

(a) The retailer agrees that the Lottery has a right to review any service agreements or contracts that the retailer has or will have with a matched lottery service provider and that the Lottery may require the retailer to disclose the names and addresses of persons associated with the matched lottery service provider and other relevant information about the matched lottery service provider. ¶

(b) The retailer agrees they have an ongoing duty to ensure that the matched lottery service provider complies with the requirement of this rule, and to present any evidence of such compliance to the Lottery upon request. ¶

(c) The retailer agrees that if the Lottery determines that the matched lottery service provider has or will facilitate Lottery ticket sales to individuals physically outside the state of Oregon or has otherwise acted in a manner contrary to law, Lottery rules, or the retailer contract or otherwise presents an actual or apparent threat to the fairness, integrity, security, and honesty of the Lottery, the Lottery may prohibit the retailer from working with a matched lottery service

provider, or may take any other compliance action against the retailer up to and including terminating the retailer contract.¶

(d) The retailer agrees to indemnify, defend, and hold harmless the State of Oregon, the Oregon State Lottery Commission, the Oregon State Lottery, the Oregon State Police, and their agents, officers, employees, and representatives from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses arising out of, or relating to, the acts or omissions of the matched lottery service provider, its officers, employees, subcontractors, or agents under any contract or understanding between the retailer and the matched lottery service provider, or in any way related to retailer's performance under its contract with Lottery, including, but not limited to, the purchase of Oregon multistate lottery tickets, placement of requests for Oregon multistate lottery tickets through such matched lottery service's system or the generation of, or failure to generate, tickets to complete ticket purchases related to such requests for matched lottery tickets. The retailer's obligations will include, but are not limited to, any and all losses, damages, liabilities, settlements, judgments, fines, costs, fees, and expenses of any nature whatsoever, including, but not limited to, fees of attorneys and other professionals at trial and on appeal.¶

(e) The retailer agrees that transactions for tickets between the matched lottery service provider and the retailer will only occur on the retailer's premises.¶

(f) The retailer agrees not to permit any device to be connected to the gaming system except as specifically approved in writing in advance by the Lottery.¶

(3) Matched Lottery Service Provider Minimum Standards: A retailer may not contract with a matched lottery service provider or otherwise knowingly facilitate sales through a matched lottery service provider unless the retailer has attested to and continues to ensure that the matched lottery operator and matched lottery service provider meets the following requirements:¶

(a) The matched lottery service provider complies with all laws, rules, and regulations applicable to its operations and is the subsidiary of a matched lottery operator which also complies with all applicable laws and rules.¶

(b) The matched lottery service provider will hold the Oregon multistate lottery tickets as the legal owner and any winnings collected by its authorized agent shall be deposited into the Oregon bank account of the matched lottery service provider. ¶.

(c) Neither the matched lottery operator nor the matched lottery service provider will resell Oregon multistate lottery tickets to any person within or outside of the state of Oregon, or act as a lottery courier service to any person outside the state of Oregon.¶

(d) The matched lottery operator will not sell its own tickets within the state of Oregon or any jurisdiction other than what is permissible under its regulatory issued license. ¶

(e) The matched lottery service provider will notify the retailer and the Lottery of significant incidents relating to the operation of the matched lottery service provider's platform or that of the matched lottery operator, such as major system errors or outages, security breaches, or similar situations that may impact the fairness, integrity, security, and honesty of Lottery and its operations or the matched lottery operator's services in another jurisdiction.¶

f) The retailer uses play slips approved by the Lottery that conform to MUSL or Mega Millions Consortium's standards, as appropriate, and has mechanisms in place to ensure the accurate processing of orders for tickets.¶

(g) The matched lottery service provider and its retailer adheres to ticket storage and retention standards:¶

(A) The matched lottery service provider scans the front of every ticket purchased within a reasonable time period.

(B) Each physical ticket shall be securely stored in a safe or vault of a type approved by the Lottery. The premises housing such safe or vault shall be protected by a burglary alarm system with 24-hour monitoring.¶

(C) A matched lottery service provider shall securely store tickets purchased for 30 days following either the prize being claimed and or the expiration of the prize claim period, whichever comes first.¶

(h) The matched lottery service provider maintains secure records of all tickets purchased and makes such records available to the retailer or the Lottery on demand.¶

(i) The matched lottery operator discloses on its website that it has no affiliation with MUSL or Mega Millions Consortium unless otherwise agreed in writing between relevant parties. The matched lottery operator refrains from unauthorized use of any trade or service marks of MUSL or Mega Millions Consortium.¶

(j) The matched lottery service provider and/or matched lottery operator state in its relevant U.S contracts and agreements with U.S. affiliates and vendors that nothing in the contract or agreement shall give rise to liability of the State or the Oregon State Lottery or Oregon State Lottery Commission, its officials, or employees.

(4) Penalties: Any violation of this rule, including, but not limited to, a retailer's failure to notify the Lottery promptly within 14 calendar days of contracting with a matched lottery service provider or failure to provide the Lottery with information regarding a matched lottery service provider, is a violation of the retailer contract and provides grounds for the Lottery to take compliance action against the retailer up to and including contract termination.¶

(5) Status of Purchased Tickets: The Director may withhold payment on reasonable grounds to investigate whether an Oregon multistate lottery ticket was sold in violation of these rules. The Director's reasonable determination on the validity of the claim is final and binding on all

parties as stated in OAR 177-046-0110. A matched lottery service provider may appoint an individual to claim a prize on its behalf using a power of attorney (see OAR 177-046- 0110); subject to review by the Director for good cause. ¶

(6) Non-Applicability of Bulk Purchase Restriction: The bulk purchase restrictions of 177-046-0020(4) shall not apply to multistate lottery ticket sales to matched lottery service providers pursuant to this section. ¶

Steve and Dani Rosendahl, Lottery Retailers, Game Store, LLC

From: [Dani Rosendahl](#)
To: [Wells, Michael.A.](#); [Skaro, Kris](#); [Steve Rosendahl](#)
Subject: Notice of Proposed Rulemaking
Date: Monday, July 21, 2025 7:10:23 AM

Director Mike Wells
Oregon Lottery

Vie email to michael.a.wells@lottery.oregon.gov

Dear Director Wells,

I am in receipt of your email from July 15, 2025, notifying retailers of your intent to recommend rulemaking regarding couriers to the Oregon State Lottery Commission on July 25. I understand from your email that the public comment period will be open through August 29, with the rules proposed to take effect on October 1.

I am a small business owner and have been an Oregon Lottery retailer since 2004, operating retail lottery operations at approved locations at the On Deck Pearl Sports Bar and Grill in Portland, The Pit Stop Sport Bar and BBQ Grill in Beaverton, The Tillicum in Beaverton, the On Deck Broadway Sports Bar & Grill in Portland and Game Store in Beaverton. Much of my commission as a lottery retailer comes from lottery tickets sales in relation to GPN-USA. My businesses have at all times been transparent with the Oregon Lottery about these operations and they have received the Lottery's tacit support. Just this year the Oregon Lottery Commission granted us an alternative compensation model, reflecting Game Store's innovative business model and your recommendation to protect and sustain this revenue stream.

While I understand the Lottery's desire to put rules in place to protect the integrity and security of lottery operations, the proposed timeline for implementation doesn't leave sufficient time for small businesses like my own to analyze and implement any business or operational changes, if any, that we may need to make once the rule is finalized. With the public comment period open through August 29, there will be very little time—if any—between the finalization of the rules and the proposed October 1 effective date. For small businesses like mine, that creates a real challenge. We do not have legal or compliance departments; we need time to review, understand, and adjust.

With respect I ask for your consideration in recommending to the Commission on July 25 a later effective date for the proposed regulations, to allow my small business and others like it adequate time to digest, assess, and implement the final rules as needed. Without this critical extension to comply with the rules (where applicable), Game Store will be forced to permanently close its doors. We have always acted in good faith and transparency in relation to our lottery retailer operations and extending the effective date until January 1, 2026, would strike a balance in enacting regulations but also giving retailers a fair shot at implementing the regulations as intended.

Thank you for your consideration.

Sincerely,

Steven Rosendahl

Owner
Game Store LLC

Dani Rosendahl
Director of Operations
Game Store LLC

***NOTE:** Mr. Rosendahl's testimony is also summarized in the Hearing Report, which we be provided to the Commission, along with a video of the hearing.

HEARING-8/20/2025 NOTICE OF PROPOSED RULEMAKING ON COURIER SALES

Thank you for the opportunity to testify today. My name is Steve Rosendahl, and I am an Oregon small business owner who has proudly served as an Oregon Lottery Retailer since 2004. I am speaking today because the Lottery's proposed courier rules seem to be based, in part, on a misunderstanding of certain facts that may have material negative impact on my small business. Adopting the proposed rules in their current form could unfairly harm my business, my employees, and revenue to the state of Oregon. For that reason, I respectfully ask your consideration in amending these rules before they are adopted.

Since 2018, my businesses (currently Game Store) have sold multistate lottery tickets to Global Players Network USA (hereinafter "GPN"), which is the U.S. subsidiary of a licensed and legal Australian lottery operator. Importantly, GPN is not a courier and does not sell U.S. tickets internationally. Instead, it buys tickets solely for its own business purposes. In Australia, players buy separate, Australian lottery tickets issued by GPN's parent company, which is appropriately licensed and authorized to issue and sell its tickets throughout Australia. Those Australian players never have any right or ownership to an Oregon lottery ticket. The U.S. tickets remain here in Oregon, owned by the U.S. entity at all times.

These sales to GPN are completely lawful and generate millions of dollars in annual revenue for the state of Oregon. This helps fund critical public programs and helps provide my business, Game Store and its employees, with stable income. And because GPN only buys large multistate game tickets, Oregon residents face no competitive disadvantage from these sales—they simply benefit from the added state revenue. These sales similarly have a small positive impact in boosting the multistate lottery jackpots while complying with all applicable game rules.

The Lottery's proposed courier rules apply only to entities that purchase tickets on behalf of customers, as well as those that facilitate ticket sales to any person located outside of the state of Oregon. GPN does neither. However, it appears from the supporting documentation, in the Notice of Rulemaking that GPN may be misidentified as a courier and therefore, be unfairly prohibited from operating once these rules take effect.

GPN plans to submit its own comments for your consideration, detailing exactly how its operations comply with all applicable laws, regulations and game rules; so I won't speak to that here. I just ask you to please amend the rules to provide a process for the Lottery to review and approve contracts between retailers and other, non-courier third parties interested in doing business in Oregon. This would ensure the Lottery's oversight over all aspects of these sales and allow them to continue generating revenue for the state, subject to all appropriate regulations.

Lottery sales are critical to Game Store's business. Without our arrangement with GPN, both the business and its employees' livelihoods would be placed at serious risk if the Lottery were to take a position that these rules prohibit the operations that I've been conducting without incident, and in cooperation with the Lottery, for over seven years. I respectfully ask that the Lottery fully consider the facts and law surrounding these operations, and adopt rules allowing for them to continue subject to state oversight.

Thank you for your time.

October 3, 2025

Kris Skaro
Oregon State Lottery
500 Airport Road SE
Salem, Oregon 97301

Via Email To lottery.adminrules@lottery.oregon.gov

Re: Courier Service Proposed Rules

Dear Kris,

As a small business owner and registered Oregon Lottery retailer for over 20 years, I'm writing in response to the Lottery's proposed rules for retailers who work with a courier. While I support the Lottery's efforts to ensure oversight over retailer activity as it relates to the sale of tickets, I'm frustrated by the Lottery's apparent lack of due diligence when it comes to distinguishing between various business models that could be impacted by the rules. Specifically, the documents supporting the rulemaking classify the operations of Global Players Network (GPN, doing business as The Lottery Office in Australia) and its Oregon subsidiary GPN-USA—my largest customer—as a “courier service” that “sell[s] Oregon Lottery jackpot games internationally”—a wholly inaccurate assessment of GPN's matched lottery business in Australia. Nonetheless, since the proposed rules seek to prohibit couriers from selling tickets internationally, it is apparent that the Oregon Lottery will attempt to use these rules to try to shut down much of my business's ticket sales that generate income for me—an Oregon resident—and my Oregon resident employees. Indeed, in a recent article published in the Oregonian, an Oregon Lottery spokesman (Melanie Mesaros) stated that the “agency does consider The Lottery Office a courier operation and expects the new rules would apply to them.”

What makes this all the more frustrating is that the Oregon's Lottery's assessment of GPN's operations appears to rely upon the self-interested and conflicted allegations of a foreign, non-governmental corporation that doesn't do business in Oregon. To make matters worse, this entity, The Lottery Corporation (TLC) is GPN's largest competitor in Australia and has a vested interest in closing down or impeding GPN's business. I have been alarmed to learn through public records that the Oregon Lottery has been consulting and coordinating with and receiving guidance from TLC. Moreover, it is disconcerting that the Oregon Lottery has accepted at face value misleading allegations made by TLC regarding GPN, the parent company of my customer and also TLC's largest competitor in the sale of legal lottery tickets in Australia.

It is a matter of public record that GPN-USA—an Oregon company—is the most substantial purchaser of tickets at my small business, Game Store LLC. GPN and I approached the Oregon Lottery in 2018, prior to conducting any ticket sales, to consult with them on our proposed operations. GPN explained at that time the legal basis for their proposed operations, and we both spoke about the planned operational aspects regarding the sale and purchase of multistate lottery tickets between my business and the Oregon entity, GPN-USA. My companies have conducted these ticket sales ever since, without any concerns or issues and with the cooperation of and in compliance with the Oregon Lottery. During this time, The Oregon Lottery has assisted in providing adequate terminals and other operational support, and even provided guidance on how to complete the necessary claims form when GPN-USA redeems prizes. In fact, in September 2018, the Oregon Lottery received a letter from the Mega Millions Consortia demanding the Oregon Lottery cease the operations of a courier operation (theLotter.com) that was allegedly selling tickets in violation of Mega Millions' rules. At the same time, our operation was given permission to continue purchasing tickets as we were not in violation of the rules. Since then, nothing that we know of has changed with the Mega Millions or Powerball rules that would make our operations in violation. Instead, it appears from the letters received

by the Oregon Lottery this year from Mega Millions and MUSL, that both entities have been given false and misleading information “that a company based in Australia is purchasing and re-selling tickets.” These alleged violations are not being committed by GPN or Game Store. The threat to stop the sale of Mega Millions and Powerball tickets in Oregon is not based on activities being done by GPN and/or Game Store.

Despite being an Oregon Lottery retailer for over 20 years, and selling tickets to the Oregon entity GPN-USA for over 7 years based on a framework tacitly endorsed by the Oregon Lottery, the Oregon Lottery never once mentioned TLC’s allegations as they related to my business, and never gave me the opportunity to provide the true facts on this matter. This is in stark contrast to the typical process that the Oregon Lottery has followed in the past regarding complaints involving retailer activity. In my 20+ years’ experience with the Oregon Lottery, when any type of complaint is received by the Lottery regarding a retailer, it initiates an investigation and the retailer is contacted to address the complaint/allegation. Even minor complaints are investigated in this manner, and my businesses have always cooperated with the Lottery in their inquiries into any complaints. The Lottery’s failure to alert me as to TLC’s complaints regarding sales to GPN-USA runs counter to all my prior experience with the Lottery as well as all prior precedent the Lottery has set into doing adequate due diligence in the fact gathering process.

Instead, the Lottery actively sought out TLC’s position: it solicited a letter of allegations from them, reviewed and approved a draft letter for TLC to put in final form, conducted related internal analyses on “international couriers” immediately after receiving those allegations, and then initiated rulemaking apparently intended to encompass and prohibit the conduct that TLC seeks to shut down, which involves ticket sales made by my small business. In background documents the Oregon Lottery misconstrued my customer and its parent company as a courier either delivering or reselling tickets internationally. That is simply not the case. GPN is a legal operator of matched lottery products in Australia, selling its own Australian tickets pursuant to a lawful governmental authorization. The tickets that its Oregon subsidiary purchases from my small business are the property of the Oregon subsidiary.

It’s concerning that the Oregon Lottery would seem to give credence to the competitive allegations of a foreign corporation who does no business in Oregon, without verifying this information by reaching out to GPN or me, a small Oregon business owner and longtime Oregon Lottery retailer who will be deeply impacted if these allegations harm my business and affect my livelihood and that of my employees, all of whom are Oregon residents. While the Lottery also solicited letters on international activities from multistate lottery associations, those letters were notable in being limited in scope to the sale of tickets to overseas customers through courier or resell operations. Unlike the TLC letter, neither of the multistate lottery letters mentions GPN by name, and GPN doesn’t meet the description of courier and resell operations described in either of those letters.

TLC, in dictating its rulemaking wishes to the Oregon Lottery despite having no apparent connection to the state, recognized that the current proposed courier rules don’t address GPN-USA’s lawful ticket purchases, and has suggested that the rules should be amended to specifically capture and prohibit such purchases. While TLC’s requests may be relevant to an inquiry into TLC’s competitive practices in Australia, they have no bearing on the lawful sale of tickets to an in-state customer in Oregon. I respectfully ask the Lottery *not to* include in the adopted courier rules any language that would prohibit these lawful sales, and to review the rules to ensure that they appropriately distinguish between prohibited courier or reseller sales to out-of-state customers, and lawful ticket purchases in which an Oregon-based purchaser is the lawful owner of the ticket, as is the case with GPN-USA.

In further feedback on the pending rules, I respectfully note that with all the pending and proposed changes to lottery operations, it’s important that all the rules work together to achieve their intended purpose and not unintentionally conflict with each other. I’d encourage the Oregon Lottery to consider how all of the Oregon Lottery’s rules, regulations and policies will work together and ensure that permissible conduct isn’t unnecessarily hindered by conflicting or counterproductive rules. For example, this rule seems to

contemplate bulk purchases, but there are also potentially incompatible measures that could impact that conduct in practice, including the pending proposed rule on bulk purchases, recent lottery policies limiting each retailer to no more than 5 terminals, and limitations on hours for issuing tickets. The pending rules also require use of a Class 150 safe (for electronic media) when a Class 350 safe (for paper, including thermal paper) would be more appropriate.

Finally, should the Lottery determine that it would be appropriate to implement regulations for matched lottery ticket sales, similar to those currently under consideration for lottery courier sales, my business would welcome the opportunity to participate in such rulemaking.

I respectfully ask for your consideration in implementing rules that do not unnecessarily restrict lawful ticket sales like those conducted at my small business. These ticket sales generate millions of dollars in state tax revenue and help support my family and those of my employees. I would consider it deeply unjust if the Lottery were to restrict the lawful operations of my small business, which only help our community, especially if it's based largely on the allegations of a foreign business interest that doesn't do any business here at all.

Thank you for your time.

Sincerely,

Steve Rosendahl
Owner, Game Store LLC

Peter Goodman

From: [Peter Goodman](#)
To: [Skaro, Kris](#)
Cc: mike.wells@lottery.oregon.gov; Tina.Kotek@oregon.gov
Subject: Testimony submitted on Lottery Courier Rule Change Proposed
Date: Tuesday, July 22, 2025 1:59:26 PM
Attachments: [Lottery Courier Testimony Submitted July 22nd, 2025.docx](#)

Hello Kris,

Please see the attached testimony to publish and submit. You will see there are no threats and I am being as diplomatic as possible. Mike Wells will realize I have not disappeared upon reading it. All good things take time as you know, and I am taking my time, where the Lottery is being given every opportunity, but just seems to keep digging a deeper hole. It really is worse than anything you can probably imagine Kris, and my advice is to seek new employment versus being a participant and hoping. If Governor Kotek does read this email, I would highly encourage her to give me a call directly. I guarantee it would be worth her time.

Sincerely,

Pete Goodman
(916) 247-3278

Attention: Oregon Lottery and Oregon Secretary of State Dated: July 22nd, 2025

To: Oregon Lottery Officer Kris Skaro. Kris.skaro@lottery.Oregon.gov

From: Pete Goodman, Concerned Oregon Citizen

Regarding: Proposed Rulemaking Change for Lottery Couriers Dated July 14th, 2025

<https://www.oregonlottery.org/wp-content/uploads/2025/07/2025-07-14-notice-40-46.pdf>

Action: Please submit this testimony into hearing scheduled on 8/20/2025

Oregon Lottery,

Legislators and Oregonians should be aware this entire rule making change proposed is a hoax on Oregonians. This is like the recently passed HB3115 where it claimed to end Jackpot ticket scalping while making all jackpot winners anonymous. This proposed rule change is yet one more example of a State Lottery who is facing massive consequences for operating an illegal gaming system called INTELLIGEN.

What most Oregonians do not know is INTELLIGEN is the system controlling the win loss outcomes and is being operating by the Oregon Lottery with no state gaming regulator. Oregon is the only Lottery in America who has allowed a state agency to operate this technology from IGT without entering into a Private Management Agreement requiring the technology to be operated by IGT, or another third party, where the State regulator ensures compliance. Oregon has no regulator and is illegally operating this G2S Class 3 technology referred to as a "Video Gaming System" in the FY 2024 Annual Statement.

The Oregon Lottery has provided 13 large wins over \$1 million dollars to these out of state companies just since 2023. The problem goes back to 2015 where a Baghdad Iraq man won a \$6.4 million dollar drawing game jackpot. The statistic impossibility of these winners is apparent to everyone, yet nobody seems to understand it is not statistically impossible. These so-called Lottery Courier companies are associated with IGT, Bally's, and other gaming companies where the Oregon Lottery has been a willing participant for them to commit crimes and control the outcome using the technology.

The proposed rule change is a hoax. The Lottery is not attempting to ban Lottery Couriers in Oregon in this rule change. The Lottery is attempting to legalize Lottery Couriers in Oregon where the State is now not in compliance. Like the Lottery legalizing anonymous jackpot winners a few months ago. If the rule change is passed, the result is it becomes legal for Lottery retailers to work directly with these out of state Lottery companies. If the Lottery was serious about ending out of State Couriers illegally operating in Oregon it is very simple. The State would ban any Lottery retailer from accepting mass ticket purchases from an out of State or Country company. It is this simple. Just like it is as a simple as verifying the name of any person who does win a jackpot slot prize at the time it happens in any retailer and is not done.

Please notice this proposed rule change is for an Oregon Administrative Rule (OAR) change and not an Oregon Revised Statute (ORS) law change. This is done intentionally because the Oregon Lottery can revise OAR rules with no legislative or voter approval. The fact it is a proposed OAR rule change means the Lottery is going to take the action regardless of any input and is only attempting to provide legal cover for the illegal activities they are a full participant. If the Lottery truly wanted to ban out of state Lottery purchases or have this topic vetted by the legislature, voters, and the governor it would have been presented as an ORS law change to ban out of State Courier ticket purchases.

This proposed rule change is happening simultaneously to Jackpocket.com, an out of State Lottery Courier, rolling out a massive marketing campaign to Oregonians to download their app and buy on-line scratcher ticket games. This company received permission from the Oregon Lottery to begin allowing this on-line social gaming from their phones and computers. This is illegal in Oregon and there is no mention of this happening or how this would be impacted if the rule change is completed.

There are so many work-around solutions for these Lottery Couriers where they just need to utilize an Oregon Lottery Retailer to make the purchases either in person or through an Oregon website address to continue the scam. The scam is not out of state people purchasing tickets; but rigging the system to provide these companies with wins where the Oregon Lottery thinks nobody can prove it is happening, and they are legally impermeable for being a participant in the crimes.

I have written a 260-page book and completed a 2-year investigation into the Oregon Lottery where intentional actions harmed Oregonians in the last many years. An email was provided to both the Lottery Director, Mike Wells, and to IGT in April of 2025, where of course neither responded. This testimony should put the Oregon Lottery on notice any future actions done allowing Lottery Couriers to operate in the State of Oregon would be considered an intentional action to a known non-compliance and illegal activity allowed by the Lottery for many years. Anything short of banning Oregon Lottery Retailers and the Lottery from allowing out of state lottery couriers will be considered an intentional action to continue allowing it. Thank you for providing the size of this non-compliance in your rule making change notifying Oregonians.

This testimony is now the 2nd formal notification requesting someone at the Oregon Lottery reach out and provide solutions. It is way bigger than anyone realizes, and it will become public information by the time my testimony is read or published in the August 20th, 2025, hearing.

Sincerely,

Pete Goodman

Harmed Oregon Citizen

From: [Peter Goodman](#)
To: [Skaro, Kris](#)
Cc: mike.wells@lottery.oregon.gov; Tina.Kotek@oregon.gov
Subject: Re: Testimony submitted on Lottery Courier Rule Change Proposed
Date: Tuesday, July 22, 2025 6:55:57 PM

Hello Kris,

Please also add on public record it is noticed the Oregon Lottery Commission made this extensive document and written rule change proposal a few weeks after the bi-annual legislation session ended and it was not included in HB3115. No new information happened, an Oregon Lottery employee(s) worked on this proposal for many months, and the Lottery proposed this an OAR rule change versus State law. Doesn't take a genius to connect the dots and draw conclusions.

I am a big problem for the Oregon Lottery and would like to be put on the list to testify at the hearing in August. Should be a big exciting day to release my book, tell viewers and the press what I know, and see what impact my information has on curbing predatory illegal gaming activities. It is way bigger than curbing problem gaming and will likely require an emergency session by the governor on how to balance the budget moving forward. What I knew in April of 2025 is way different than what I know today is all I am saying. I also know iGT desperately wants to complete a \$4 billion dollar merger to go private in next month. Pin me in a corner or threaten me and I publish my information and go to the FBI, SEC, and Republican National Committee with what I know is information to be worth Billions. Otherwise, reach out, we all sit down to find solutions, where it doesn't put \$7.2 Billion in Lottery debt in jeopardy, tens of thousand of jobs, thousands of Oregon businesses, and a potential end to the State Lottery. The Lottery may think they can win legally win and is impermeable; however I can assure you each Oregonian will get to come to a verdict without any court actions upon reading what I have proven true and us not finding a solution together.

Sincerely,

Pete Goodman

Sent from my iPhone

From: [Peter Goodman](#)
To: [Skaro, Kris](#); mike.wells@lottery.oregon.gov; Tina.Kotek@oregon.gov
Subject: Highly important notification on Lottery August 20th hearing
Date: Monday, August 11, 2025 8:06:31 PM
Attachments: [August 2025 6 page Intro to Book.pdf](#)

Hello Kris, Mike, and Governor Kotek,

I would like to confirm I will be speaking on August 20th, 2025 at the Oregon Lottery hearing?

I am attaching a 6 page introduction to my book to be released and would like to have this printed and given to everyone in attendance. I am not sure how many copies to print as I am unsure how many copies may be needed. Please let me know if I need to pay the Oregon Lottery for these printing services or if I must complete the task.

Once again, this is earth shattering information where I have attempted on two previous occasions for feedback, prior to completing my investigation. I also am making no threats. I agree this is highly damaging and will become a State crisis if just ignored. It is the most important email the Governor has received while in office and I am sure we all can figure out the consequences upon my testimony, public statements, and the book being released to the public. There are 9 days left where I welcome any Lottery input I can add to the book and 2 year investigation.

Sincerely,
Pete Goodman
Lottery Gaming Expert and Consultant
(916) 247-3278

OREGON LOTTORY

RIGGED HOUSE OF CARDS



WRITTEN BY
GAMING CONSULTANT

PETE GOODMAN

COPY WRITTEN IN AUGUST 2025

OREGON LOTTERY RIGGED HOUSE OF CARDS

Copywritten Second Edition: August 2025

Author/Investigator/Gaming Consultant: Pete Goodman

This investigation into the Oregon Lottery is really an “American Greed” story where it leads readers into the realization the State of Oregon in 2025 has built a complex money laundering fraud, shadow economy of crime and addiction, and a Ponzi like scheme using primarily slot machines to balance the State budget for at least the last 8+ years. This extensive audit and investigation of the Oregon Lottery is the first independent investigation completed since the Lottery was formed in 1984. Anyone who enjoys reading a good crime novel should be captivated by the depth and sophistication of the many related crimes happening right now in Oregon.

While wanting to make a comparison to how the mafia ran Las Vegas 50 years ago or the systemic fraud of the mortgage crisis in 2008, these Lottery gambling crimes are highly unique because it the only unregulated Lottery in a state agency legally impermeable in their 40-year history. It was originated by the only Oregonian to serve 40 years in all three branches of Oregon government, former 2-term governor (2003-2012), attorney Democrat Ted Kulongoski. He teamed with IGT and gaming attorney Steven Ungar to get elected governor and unilaterally install digital Lottery slot machines in 2004 with no legislative or voter approval.

This multi-billion-dollar fraud is based on likely non-existent slot machine profits where the State has acquired \$7.1 billion in Lottery Revenue Bond debt obligations. In 1994, the Oregon Lottery became the first State in the nation to create Lottery Revenue Bonds where the State could sell these bonds based on the profits of the Lottery games. Oregon also was amongst only a handful of States allowing Video Lottery Terminals (VLT's), commonly known as slot machines, where it has been referred to as [The "OG" outstanding goat in slot Lotteries.](#)

Oregon currently has 1800 slot retailers, each with 6 slot machines, 10,800 slot machines. In 2024, 70% or 1271 locations each averaged \$88,000 in slot commissions while 127 locations, owned by the same 3 groups of people, were paid an average commission of \$233,000 each. The Lottery inflates prizes, revenues, and commissions in approximately 30% or 540 slot retailers.

It is estimated that each year since the pandemic ended the Oregon Lottery has falsified \$5+ billion in prize wins and reported approximately \$800+ million in slot net proceed profits that never actually happened. These actions allowed the Lottery to appear profitable so the State of Oregon could sell \$7.1 Billion in Lottery Revenue Bond debt obligations.

While creating jobs, solving emergency short-term financing needs, this money also is used to pay off falsified slot revenue and Lottery expenses transferred to the Secretary of State and Oregonian tax payors. Each year the Lottery must sell more Lottery Revenue Bonds in this Ponzi-like scheme to go undetected. In May of 2025, the State was able to sell [\\$555 Million in Lottery Revenue Bonds](#). In August of 2025, Governor Tina Kotek announced the State will issue \$45 million in new Lottery Bonds to pay for the Willamette Falls project. It has been a political crutch for the Democrats in Oregon since 1994 to solve any State funding crisis or improvement goal not approved in the bi-annual State budget. What investors and Oregonians do not understand is these Lottery Revenue Bonds are worthless, no new bonds will be issued, and a State financial disaster happens upon the corruption being confirmed.

We should begin with common sense and basics on how all casinos and other State Lotteries have chosen to operate. Operating a Las Vegas style slot business is very expensive where it requires a business or Lottery to pay for the expensive technology and many other costs for real estate, jobs, insurance, commissions, accounting, police, prizes and promotions to players, and hope to make a profit. Any state agency wanting to offer Vegas style slots would need to regulate, prevent addiction, and hire an outside gaming company to perform the player and casino data collection used to control short-term profits done by highly advanced gaming technology and casino management software.

All Lotteries who want to offer this slot technology must rely upon and hire a company called International Gaming Technology, IGT. They have a monopoly in America and Canada Lotteries where a gaming platform called INTELLIGEN CMS is used for all Scratcher tickets, Keno, Drawing Games, and any Video Lottery Terminal (VLT's) slot machines. Most States do have a Lottery; however, only a handful of States offer Lottery slots, and all these States regulate their slot Lottery. Only Oregon decided to not disclose the IGT contract, not form a regulatory gaming agency, or not update State gaming laws allowing G2S Class III technology.

No State lottery or casino business in America has chosen to operate only 6 slot machines in 1800+ private bars and restaurant locations and been profitable. No other State Lottery exists in a State with 10 large Tribal Casinos and is competing directly against those Tribes for slot players. If this was a successful and profitable business model there would be hundreds of thousands of other Casinos, and all State Lotteries would just duplicate the Oregon Lottery business model who have even less competition to Tribal or private casinos. No other Lottery in America has implemented this flawed business model, except the Oregon Lottery.

The Oregon Lottery could claim they are only profitable because they did not hire IGT to run operations, there are no cash kiosks or related costs for security, there is no ticket-in-out technology, there are no player promotions or player cards, the Lottery offers larger slot jackpots to increase play, the Lottery has not purchased self-exclusionary or player limit modules from IGT to prevent gambling addiction, only 2 Lottery payment locations in a large state, they have allowed and ignored out of state Lottery couriers and ticket scalping, and many operation costs get transferred to each retailer. All these facts would be true statements where it would be a self-incriminating admission of predatory State agency slot gaming designed to create gambling addiction and higher revenue.

Even with all these predatory Oregon Lottery actions it still is a flawed and not profitable business model. To become profitable to the State of Oregon a long list of other predatory and illegal activities was done so the Lottery appears profitable and can sell \$7.1 Billion in Oregon Lottery Revenue Bond obligations.

The rest of this next 260+ page crime novel should not shock anyone upon understanding the most basic truth this predatory money laundering Ponzi like scheme business model was always doomed to fall like a house of cards. This realization then allows people to open their eyes and start asking the many who, what, when, where, why, and how questions about the Oregon Lottery, politicians, gaming companies, and State agencies involved trapped in a business model of deep-rooted corruption.

The Oregon Lottery has told citizens and investors they have made \$1.2 billion in slot profits each year since the pandemic ended in 2021. This is mathematically impossible and is proven in three different statistical analysis methods in the book. The bomb shell found confirming falsified cash in and out results was found by comparing slot data in the New York Lottery where they shared their identical slot machine VLT games provided 49% versus 74.9% cash out tickets in the Oregon Lottery. This 26% difference allows the Lottery to inflate prizes by \$5+ Billion and go undetected since the Lottery fails to provide a "Payback Percentage" for slots.

It is a very complex Ponzi like scheme to explain, but common sense should tell everyone the Oregon Lottery falsified \$1.2 Billion in slot profits for three consecutive years between 2021 to 2024 to sell \$7.1 Billion in Oregon Lottery Bond obligations to unsuspecting investors to balance the State budget. It only requires business common sense to know this is true upon learning all the actions taken by the Lottery and State.

The State of Oregon in unprecedented and non-customary Lottery gaming operations established a solid foundation where the State violated laws and rules and created non-transparency for corruption to happen. All these items listed below are facts where it is highly responsible journalism gathered in a 2-year investigation.

All these facts make it impossible for the Oregon Lottery and State to prove they are not involved in money laundering and a Ponzi-like scheme to inflate the actual revenues and hide expenses to issue new Lottery Revenue Bonds.

Here is a list of unique actions taken by the Oregon Lottery and State:

- No State gaming agency or Lottery Commission tasked to regulate the Lottery
- Allowed Lottery digital slots with no legislative or voter approval in 2004
- Ignored slot casinos in Oregon in violation of Lottery rules and State Supreme Court
- Ignored Lottery retailers selling the slot contract and business for a monetary value
- Allowed an unregulated State Lottery to compete against and control Oregon Tribes
- False Lottery marketing and old State law claiming odds to win are shown at each slot
- False Lottery marketing and old State law claiming 96%+ possible slot payout
- Only Lottery to illegally install G2S Class III technology using Tribal laws not State law
- Only Lottery to install INTELLIGEN CMS and failed to disclose it for 8 years till late 2024
- Outdated 20+ year old technology laws for slot machines
- Allowed "gross receipt" slot machine accounting to inflate and redefine actual revenue
- Provide no payback percentage for slot machines in a State Lottery
- Entered a non-disclosed major agreement with IGT to provide the INTELLIGEN CMS
- Allowed a State agency access to the game platform controlling wins and losses
- Allowed a State agency player surveillance and to gather data in a private business
- Allowed IGT and slot game manufacturers to operate unregulated in a State Lottery
- Allowed another State agency to pay IGT and not shown on the Lottery annual report
- Failed to require IGT to provide public customary accounting of slot activities
- Failed to provide a summary of all jackpot prizes paid only by the State Lottery
- Failed to report the jackpot taxes collected by the Lottery and given to the State
- Failed to report jackpot prizes produced at each retailer, but paid by the Lottery
- Failed to provide the date and location of any slot jackpots created by Lottery
- Failed to disclose if slot jackpots produced at a retailer increase commissions
- Failed to require the retailer verify the slot jackpots and winner to be paid by the Lottery
- Created false cash flow statements showing 100% of the cash was handled by Lottery
- Created a retailer commission for slots based on undefined "Dollars Played per Year"
- Failed to report and separate prizes tickets paid by the retailer versus the Lottery
- Combined uncashed promotional slot play with cashed out tickets to define prizes won
- Failed to meet State Law in proving 50% of slot wagers became cashed out ticket wins
- Failed to define "Gross Receipts" and "Total Play" in State Law or Lottery rules
- Created Cash-in-out slot software with no declared Lottery rules or auditing
- Allowed the State Treasury agency three bank accounts to manage Lottery revenues
- Only State Treasury with a Lottery Administrative and an Economic Development Fund
- Only State Lottery using many other State Agency employees at unknown expense
- Only State Lottery to violate a State gaming law to commingle and hide slot expenses
- Only State Lottery to not report slot prizes paid in an audited GAAS financial statement

Continued a list of unique actions taken by the Oregon Lottery and State:

- Only State Lottery to wait 17+ months to provide an audited financial statement
- Only State Lottery to never complete an independent audit of operations in 40 years

All the previous non-customary intentional actions from the Oregon Lottery were necessary for the State of Oregon to pull off a Ponzi like scheme of money laundering, falsified accounting, predatory actions to encourage problem gambling, and most importantly commit securities fraud to allow the State of Oregon to sell Oregon Lottery Revenue Bonds based on inflated and falsified Lottery profits.

Money Laundering Definition per FinCen.gov: “Money laundering involves disguising financial assets so they can be used without detection of the illegal activity that produced them. Through money laundering, the criminal transforms the monetary proceeds derived from the criminal activity into funds with an apparent legal source.”

This would be a textbook definition of what the Oregon Lottery has accomplished by using unregulated slot machines and non-customary accounting practices in a State Lottery.

The money laundering and inflated revenue is accomplished without detection by:

- Inflating the cash in-out software of slot machines
- Falsifying jackpot prizes in software where many prizes are never paid to a player
- No Player or Lottery retailer knows what slot prizes happened or were paid by Lottery
- Convert a retailer slot jackpot expense not paid by the Lottery into inflated sales
- Never report slot jackpot taxes collected where citizens find a total of all jackpots paid
- Provide falsified cash flow statements to hide actual cash handled and paid by Lottery
- Inflated commissions to specific retailers on falsified slot revenues and prizes not paid
- Each retailer reconciles cash flow not knowing jackpots produced and paid by Lottery
- Increase slot revenue by inflating “Total Play” and “Gross Receipts” in specific retailers
- Generating rigged jackpot tickets for specific retailers and individuals to increase sales
- Have individuals or software show cash inserted into a slot machine without playing
- Any money cashed out of a slot machine is considered a prize even without playing
- Providing falsified accounting at some retailers to inflate commissions and revenues
- Offering large game prizes to increase sales then falsify, rig, or never pay some prizes
- Allowing anonymous jackpot winners and no published jackpot summary by retailer
- Allow IGT to operate in public secrecy to change software and game modules
- Allow IGT to partner secretly with DraftKings, Out-of-State Lottery Couriers, to rig wins
- Lottery partnered with 3 small groups who own 127 retailer locations to inflate sales
- Lottery restructured where most employees are unaware of operations and accounting
- Using Tribes, politicians, State affiliated news agencies, and others to fool the public
- Issue a falsified fraudulent annual Lottery statement 17 months after the year started
- Create numerous laws and rules to make Treasury payments and secrecy appear legal

- Transfer losses or expenses to the State Treasury to appear as slot net proceed profits
- No financial statements of Treasury Department Administrative and Development Fund
- Pass laws allowing Treasury Department to pay operation costs of Lottery
- Never discuss or disclose material facts of slot machines and payments to IGT
- To be legally impermeable requires Lottery initiated lawsuits to establish concern
- To be legally impermeable the Lottery and State pass rules and laws to cover up fraud
- To be legally impermeable requires Lottery or State hiring most gaming attorneys
- To be legally impermeable requires State affiliated news agencies used by the Lottery
- To be legally impermeable requires Democrat party to go along with all Lottery actions
- To be legally impermeable requires all three branches of Oregon government

UPDATED INFORMATION SINCE JUNE OF 2025 in OREGON LOTTERY

The first edition of this investigation and book were completed in June of 2025; however, due to the rapidly changing events it is being updated in August of 2025 to make the public aware of the following news:

- 1) Social internet gaming, referred to as Igaming done from a phone or computer, was allowed to begin with IGT, DraftKings, 2025 jackpocket.com, and the Oregon Lottery creating the on-line games. This is illegal in Oregon.**
- 2) The Lottery ended their 2025 Fiscal year in June, where the public retailer database is reflecting approximately a 15% decline in slot revenues. This would be the first year of significant slot revenue declines and break the trend of the statistical impossible consistent \$1.2 billion reported each of the last 3 years. It will be interesting to see what the Lottery reports in late November of 2025, 17+ months after this fiscal year began.**
- 3) A new hoax on Oregonians claiming to place strict rules and ban out of State Lottery Couriers has been proposed by the Lottery Commission. This hearing and vote to legalize out of State Lottery Couriers are scheduled for August 20th and August 29th, 2025. Testimony to inform the Lottery of this investigation and this proposed hoax was given to the Oregon Lottery on July 22, 2025 [Pete Goodman public testimony on Out of State Lottery Courier Hoax](#)**
- 4) The Lottery legalized anonymous jackpot winners in May of 2025 in what was supposed to be part of the annual comprehensive Lottery reforms voted on by legislators and the governor. A few weeks after this law was passed the Lottery Commission released an extensive report [Oregon Lottery report on Proposed Ban of Out of State Lottery Couriers](#).**

- 5) The Oregon governor is holding an emergency session in August of 2025 on the budget shortfall for the Oregon transportation department. Governor Kotek also announced in August \$45 million of Lottery Revenue Bonds will be issued to solve the money needed for a Willamette Falls proposed project. Governor Kotek is part of the Lottery fraud and proved it with her actions between May and August of 2025.
- 6) Probably the biggest new update, where extensive writing is done in this book, is IGT merged with the 2nd largest Wall Street Hedge Fund, Apollo Global Management. Contrary to what was reported by the companies in the proposed merger, somehow IGT was successful in being delisted from the stock market, while getting to keep the name IGT to operate their monopoly in Lottery VLT slot machines. They have rebranded themselves, formed a new company, but were able to keep the name IGT, as the “digital division.”

All other Lottery games previously provided by IGT, such as drawing games, keno, social gaming, and scratcher tickets have been rebranded into a new company called “Brightstar Lottery.” The news that will only be found in this investigation, and no press releases, is all the slots and other games use the same INTELLIGEN CMS gaming platform used by every Lottery in America and Canada. Claiming two different companies operate different games but use the exact same gaming platform to control the win loss outcomes, where one company will be paying the other for the use of this technology, and both are primarily owned by Apollo Global Management, is a highly disappointing announcement to report to Oregonians and America.

It already is a disaster in Oregon where no gaming regulator exists, and it is proven IGT, and the State of Oregon, have been involved in a cover up where many crimes only happened because of this unregulated INTELLIGEN platform and secret agreements. IGT now will legally operates in complete secrecy from citizens and players to install new modules, artificial intelligence, data collection and distribution, where even a state agency will have the odds stacked against them in battling with Apollo Global Management in a dispute. You read it first from this investigation this will end in disaster for any State Lottery offering VLT slot machines. Like the Federal Government banning State Lotteries in the late 1800’s because of Lottery corruption; history is now set to repeat itself once the public realizes what is proven in this investigation.

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Mr. Goodman requested the full email exchanges be included in the public comment record:

8/13/25

From Peter Goodman

To Kris Skaro

Good Morning Kris Skaro,

Thank you for the response email and promising to post both my original testimony I sent on July 22nd, 2025 and the attached Introduction information.

I appreciate the opportunity to speak and will limit it to less than 10 minutes. I would be happy to continue speaking if time allows or questions happen.

Since my testimony will likely be a one way conversation and none of the rule makers at the Lottery are likely to respond I want to also submit a couple questions for the Lottery to attempt to answer in the meeting.

1) The proposed rule change is claiming to allow tickets to be transferred. This is in direct contradiction to the recently passed law HB3115 which made it illegal to transfer or sell a Lottery ticket. Can the Lottery explain why they waited after the new State law was passed to propose this rule change a few weeks later? Can the Lottery explain why they feel these are two totally unrelated issues where transferring tickets would not be a violation of both the original State law and new law recently passed?

2) What enforcement and punishments exist if a third party Lottery Courier, digital app company, or Lottery retailer violated any new rules proposed? A company such as IGT, Apollo Global Management, Brightstar Lottery, DraftKings who owns the digital app and company jackpocket.com certainly have deep pockets, many attorneys, who would need to know the potential fine or criminal prosecution if they were found to violate a new Oregon Lottery rule. Can someone answer this question in the meeting?

3) Can someone at the meeting answer and answer a very basic question for public knowledge. Can the Lottery explain how wins and losses are created for each game?

I personally know the answer; however there seems to be a disconnect and no public information available, to answer who does it, the gaming platform used for all games, and how the Lottery ensures fairness, integrity, and trust in each win and loss created?

Sincerely,
Pete Goodman

8/13/25

To Peter Goodman

From Kris Skaro

Hi Mr. Goodman,

That's correct, we don't answer questions at the hearing. The hearing is for me to transcribe your comments and submit them to decisionmakers for consideration. I've tried to answer your questions below.

[Note: Kris' answers to Mr. Goodman are in blue below.]

Thanks,
Kris

1) The proposed rule change is claiming to allow tickets to be transferred. This is in direct contradiction to the recently passed law HB3115 which made it illegal to transfer or sell a Lottery ticket. Can the Lottery explain why they waited after the new State law was passed to propose this rule change a few weeks later? Can the Lottery explain why they feel these are two totally unrelated issues where transferring tickets would not be a violation of both the original State law and new law recently passed?

HB 3115 prohibits the purchase or sale of a winning lottery ticket, or claiming a prize on behalf of someone else for compensation. The proposed changes to OAR 177-046-0100 allow a retailer to transfer ownership of the ticket *to the individual who has purchased the ticket*, or to allow a courier service to do that with the customer's authorization. We don't think this conflicts with HB 3115 but we will consider your comments before adopting final rules.

2) What enforcement and punishments exist if a third party Lottery Courier, digital app company, or Lottery retailer violated any new rules proposed? A company such as IGT, Apollo Global Management, Brightstar Lottery, DraftKings who owns the digital app and company jackpocket.com certainly have deep pockets, many attorneys, who would need to know the potential fine or criminal prosecution if they were found to violate a new Oregon Lottery rule. Can someone answer this question in the meeting?

There are no criminal penalties for violating our rules. The enforcement mechanism for Lottery is through the retailer contract. If a retailer engages in the prohibited activities in the rule, their retailer contract could be terminated, and the retailer would no longer be able to sell Lottery tickets.

3) Can someone at the meeting answer and answer a very basic question for public knowledge. Can the Lottery explain how wins and losses are created for each game? I personally know the answer; however there seems to be a disconnect and no public information available, to answer who does it, the gaming platform used for all games, and how the Lottery ensures fairness, integrity, and trust in each win and loss created?

Each Lottery game has rules explaining how winners are determined. You can find [each set of game rules here](#).

From: [Peter Goodman](#)
To: [Skaro, Kris](#)
Subject: Re: Highly important notification on Lottery August 20th hearing
Date: Wednesday, August 13, 2025 10:23:08 AM

Thank you Kris.

As you know the Oregon Lottery holds a monthly meeting for the public. Since this rule making decision have been delayed till October 3rd for further public comment it would seem the Lottery has implemented an extend and pretend strategy while appearing concerned. Did you know as the rule maker for the Lottery a company called jackpocket.com owned by DraftKings has implemented social Igaming in a mass marketing campaign (millions have been spent by them for billboards, TV commercials, and internet campaign.)

It would seem to be a very urgent issue, such as the emergency budget session, for the Lottery rule maker to add this information into the proposed rule change document and make a statement (a CYA) for yourself it is being recommended the regulator of the Oregon lottery (Governor and legislature)take immediate action. Since you have nicely communicated to myself I thought I should give you some friendly advice you probably have not received from your superiors who are putting you at risk by handling it as the rule maker for the Lottery.

Pete

Sent from my iPhone

From: [Peter Goodman](#)
To: [Skaro, Kris](#)
Subject: Re: Jackpocket commercial
Date: Wednesday, August 13, 2025 11:06:07 AM
Attachments: [Jackpocket.com Article July 30 2025.pdf](#)

Hello Kris,

I am going to send you the TV commercial for [jackpocket.com](#) playing in a mass marketing campaign. I am also going to send you an article I have not yet released to the public, but you can forward to the appropriate people. My previous email may not have been specific enough on how insufficient and lacking the proposed rule change document created and stamped on July 14th 2025 was on this specific topic. The mass marketing campaign coincidentally started just a week prior to the Lottery proposing this rule change and forgetting to mention social igaming. It was mentioned indirectly in the document as a "digital app" so obviously the Lottery was aware and had approved 2025 [jackpocket.com](#) to begin operating in Oregon.

Sincerely,

Pete Goodman
(916) 247-3278

On Wed, Aug 13, 2025 at 10:53 AM Peter Goodman <pete.d.goodman@gmail.com> wrote:

Download Attachment
Available until Sep 12, 2025

[Click to Download](#)

IMG_3962.MOV

0 bytes

Sent from my iPhone

Online Social Gaming through Jackpocket.com now available in Oregon

Written by gaming free lance Journalist: Pete Goodman of Slot watchdog 7/30/2025

It would appear the Oregon Lottery has allowed the State to begin offering on-line social gaming through scratcher tickets in Oregon. Beginning in July of 2025, many Oregonians have noticed the mass marketing TV commercial campaign for <https://jackpocket.com/>, jackpocket.com.

Oregonians are being asked to download an Android computer or phone app where they then can go on-line to purchase Oregon Lottery scratcher tickets where the user can see the ticket, scratch the ticket from their media device virtually, and find out instantly whether they lost or won. The company is shown to be owned by 2025 Jackpocket LLC.

This is all very confusing to Oregonians and there have been no press releases from the Oregon Lottery related to this out of state gaming company offering these scratcher ticket Lottery games. The company is offering promotional codes, \$10 in free play to start, and claiming to have paid more than \$500 million in prizes.

Upon attempting to register and learn more about the company, “[Jackpocket Terms of Service](#)” must be agreed upon to become a user. Buried within this lengthy document it shares this company is not associated with the Oregon Lottery and they are just a digital courier, not a lottery retailer, and just provide the software app for the games. Jackpocket.com shares they just charge a user fee to sign up or at the time the service is used. They claim no fees are added or charged in any ticket wins.

Any tickets must be purchased by a Lottery retailer in each State Lottery. It is presently unknown which Lottery retailers in Oregon are working with Jackpocket.com. It would certainly appear there are no Lottery retailers in Oregon involved since the game is played on the internet and all money exchanged and the player account is directly with jackpocket.com. The user agreement is clear the games are regulated by each state Lottery. There is even a section outlining specific rules established by the New York Lottery.

The TV commercials running non-stop in this massive marketing campaign specifically claim “Jackpocket.com is not associated to the Oregon Lottery”, yet all the scratcher games offered say, “Oregon Lottery” and are identical to the scratcher tickets available in the Lottery retailers in Oregon. In FY 2024 in the annual Statement there were 2002 Lottery retailers providing scratchers, keno, and drawing game tickets in gas stations and convenience stores. What most people do not and can be reported in this article is International Gaming Technology (IGT) is who creates all scratcher games in Oregon using a gaming platform known as INTELLIGEN CMS. The Oregon Lottery is in a partnership with IGT to create the scratcher games where Class 3 gaming technology is used to create the games and control the distribution of winning tickets.

The Oregon Lottery has made no public announcements about this company, and the company is simultaneously claiming to not be associated with the Oregon Lottery; however, jackpocket.com is claiming to be regulated by each state lottery. It is all very confusing and unfortunately, the research done for this article has only added more questions than answers for Oregonians.

Is this social gaming deemed illegal in the State of Oregon? Did the Oregon Lottery sign an agreement or approve jackpocket.com software? Who has tested, approved, and is regulating this software from the Oregon Lottery or State of Oregon? What Lottery retailers, if any, are working with jackpocket.com? What profits from these on-line games go to the Oregon Lottery? There are so many questions and Lottery official has yet commented or provided Oregonians with any information.

This also appears to be another out-of-state Lottery courier where the Lottery is presently attempting to overhaul the rules and set boundaries on what is allowed. The Lottery released a lengthy report and is accepting public testimony for a hearing scheduled for August 20th, 2025. The unfortunate part of this lengthy report and rule making decision for the Oregon Lottery is this specific Lottery courier, jackpocket.com, and on-line social scratcher tickets were never even mentioned. Since this is just a piece of software is it even considered a Lottery Courier?

We have reached out to the Oregon Lottery for comment and will post a follow-up article upon having some answer to report to Oregonians. In the meantime, caveat-emptor to any citizen tempted to play.

The following is a summary of Mr. Goodman's testimony at the rulemaking hearing on August 20, 2025 prepared by Kris Skaro, the presiding officer for the hearing. The Commission will also receive a copy of the official Hearing Report and video of the hearing for their reference.

8/20/25

Mr. Goodman testified that he has completed a two-year investigation into the Lottery and he wants to share his findings. Please refer to Mr. Goodman's written comments (see Public Comment Report) for further details, but he alleges wrongdoing by the Lottery such as entering secret agreements and falsifying Video Lottery revenue and operational expenses. He urges the Commission to consider his findings and vote no on the rules.

He says that the Oregon Lottery is the only Lottery in America operating slot machines with no state gaming regulator. He alleges the Lottery entered into a secret agreement with IGT in 2017 to install IGT's INTELLIGEN Centralized Management System (CMS). This is the monopoly technology used in a handful of states who offer Video Lottery. It's also the gaming platform used for Scratch-it tickets, draw games, and Keno.

He alleges that the Oregon Lottery has falsified the net proceeds of games, primarily through slots, where revenues and operational expenses have been falsified. For example, he says that money laundered through the slot machines exceeds \$400 million dollars and expenses not shown on Lottery's financial statements exceeds \$400 million dollars. This would be \$800 million in falsified net proceeds.

This money laundering is accomplished by using 30% (571) retailers, primarily in 127 retailers owned by three small groups of individuals. These inflated revenues resulted in each of these locations receiving an average commission of \$233,000. The other slot retailers (70%) received an average commission of \$88,000 in FY 2024.

These inflated revenues and commissions are done by being the only Lottery in America using fictitious terms like gross receipts, total play, cash in, cash out, with no accountability or transparency to jackpot prizes paid or taxes paid on those prizes.

He alleges that Oregon is also the only state lottery providing false marketing where no odds are shown to win prior to play and no payback percentage is available to the public.

He says Lottery has reported a mathematically impossible gross revenue from Video Lottery of \$1.2 billion over each of the last three years across 1,800 retailers. According to Mr. Goodman, these figures are impossible. Numerous rules and laws are being violated and no independent audits are being conducted of Lottery. The motive? The state of Oregon is involved in a Ponzi scheme to sell Oregon Lottery revenue bonds. This is securities fraud. This is the key method used by Democrats to balance the state budget.

Mr. Goodman has released a book with his findings available at www.slotwatchdog.com. He will share a copy with Lottery for distribution.

He urges the Commission to vote no on passing any new lottery rules relating to the current topic, of legalizing out-of-state lottery couriers who all have direct or indirect ties to IGT. The current rule change is a hoax on Oregonians and he has submitted separate written testimony.

He acknowledges the goodwill and intentions of the Commissioners. He says that, unfortunately, all the focus maximizing revenue neglects the second half of the Lottery Commission mandate, which is to provide games commensurate to the public good. Having an in-depth understanding of the technology and how wins and losses are created needs to be done. Oregon is the only state lottery word in America where this is not the sole objective of a state gaming regulator for the Lottery Commission.

From: [Peter Goodman](#)
To: [Skaro, Kris](#)
Subject: Re: Urgent Testimony or Information to be delivered ASAP to Lottery Commission
Date: Monday, September 15, 2025 9:55:54 AM

This is related to the couriers and should be added to this testimony. This also is highly important urgent information where whatever process you have in place at the Oregon Lottery to deliver urgent information to the Lottery Commission should be done.

Thank you,
Pete

On Mon, Sep 15, 2025 at 9:10 AM Skaro, Kris <Kris.Skaro@lottery.oregon.gov> wrote:

Hello,

Thanks for your comments. Is the video link you sent in relation to the courier rules? If so, I will add that to the public comments. The Commission will receive the comments after the comment period ends on Friday, October 3.

If you have comments on a different matter, you can submit those to the Commission in the manner provided [here](#).

Thanks,

Kris

From: Peter Goodman <pete.d.goodman@gmail.com>
Sent: Monday, September 15, 2025 8:40 AM
To: Skaro, Kris <Kris.Skaro@lottery.oregon.gov>
Subject: Urgent Testimony or Information to be delivered ASAP to Lottery Commission

Good Morning Kris,

My testimony from August 21st. has not been provided to the Lottery Commission according to Director Mike Wells in the Commission meeting held Aug. 28th.

Can you forward this new Lottery Commission testimony immediately so it does get seen ASAP. The testimony involves a multi-billion dollar Lottery fraud and very important new information found in the last week.

<https://www.youtube.com/watch?v=MvEaP3glb4U>

Thank you,

Pete Goodman

(916) 247-3278

From: [Peter Goodman](#)
To: [Skaro, Kris](#)
Subject: Re: October 3rd Lottery Commission Testimony Exposing Massive Democratic Fraud. Glimpse into Oregon's future
Date: Friday, October 3, 2025 1:59:56 PM

Kris,

I appreciate you doing what you have been told to do by the Lottery Director, but it is illegal and is going to get him fired. Any URGENT news or testimony relating to day to day activities harming Oregonians must be given to him and the Lottery Commission IMMEDIATELY! As stated by Mike Wells himself in the August 28th Lottery commission meeting to a new Lottery Commissioner asking for my testimony "You will all receive the testimony in October".

Pete

On Fri, Oct 3, 2025 at 1:48 PM Skaro, Kris <Kris.Skaro@lottery.oregon.gov> wrote:

Thanks, I will add this to the record of comments that will be sent to the director and Commissioners.

From: Peter Goodman <pete.d.goodman@gmail.com>
Sent: Friday, October 3, 2025 1:08 PM
To: Skaro, Kris <Kris.Skaro@lottery.oregon.gov>
Cc: Sen.DavidBrockSmith@oregonlegislature.gov; Sen.CedricHayden@oregonlegislature.gov; Sen.KimThatcher@oregonlegislature.gov; Sen.DanielBonham@oregonlegislature.gov; sen.danielinthicum@oregonlegislature.gov; Rep.CourtBoice@oregonlegislature.gov; Rep.VirgleOsborne@oregonlegislature.gov; Rep.DwayneYunker@oregonlegislature.gov; Rep.KimWallan@oregonlegislature.gov; Rep.BoomerWright@oregonlegislature.gov; Rep.JamiCate@oregonlegislature.gov; Rep.DarinHarbick@oregonlegislature.gov; Rep.ShellyBoshartDavis@oregonlegislature.gov; Rep.EdDiehl@oregonlegislature.gov; Rep.RickLewis@oregonlegislature.gov; Rep.KevinMannix@oregonlegislature.gov; Rep.AnnaScharf@oregonlegislature.gov; Rep.LucettaElmer@oregonlegislature.gov; Rep.DarceyEdwards@oregonlegislature.gov; Rep.CyrusJavadi@oregonlegislature.gov; Rep.JeffHelfrich@oregonlegislature.gov; Rep.EWernerReschke@oregonlegislature.gov; Rep.EmilyMcIntire@oregonlegislature.gov; Rep.GregSmith@oregonlegislature.gov; Rep.BobbyLevy@oregonlegislature.gov; Rep.VikkiBreeselverson@oregonlegislature.gov; Rep.MarkOwens@oregonlegislature.gov
Subject: October 3rd Lottery Commission Testimony Exposing Massive Democratic Fraud. Glimpse into Oregon's future

Hello Kris,

I am sharing a third piece of video testimony I would like to have submitted on record. Please immediately forward this email to the Governor, Lottery Director, and all Lottery Commission members.

3rd Party Out of State and Country Lottery Commission Testimony::
https://www.youtube.com/watch?v=-gItjYn_Yqc

Thank you,

Pete Goodman

(916) 247-3278

Slotwatchdog.com or Slotwatchdog@gmail.com

Commenter #5

From:
To: [Oregon Lottery Admin Rules](#)
Subject: Proposed laws
Date: Saturday, July 26, 2025 8:36:58 AM

Kris Skaro,

As an Oregonian, I support the new proposed laws to crack down on lottery misuse. I don't want to see out of state buyers allowed to continue, especially in the bulk-buying scenarios. People should also not be allowed to buy other people's winning tickets at a discount and then claim them at full price. That is allowing some winners to avoid their responsibilities, such as back child support or taxes.

Thank you for taking the steps necessary to protect Oregon's ability to continue in the national lotteries by being good stewards of the management of PowerBall, etc.

Mike Robbins, Gaming Laboratories International (GLI)

PART 1: Proposed New Division based on Division 93

Division 42

COURIER SERVICES

177-042-0000

Purpose

These rules allow for **lottery ticket sales through a courier service**. The rules describe the type of game, how the game works, how players can purchase a **Lottery ticket**, and how the **courier service** determines winners and pays prizes.

177-042-0005

Definitions

Unless the context indicates otherwise, the following terms are defined for use in OAR chapter 177, division 042:

- (1) "Bonus" has the meaning given in OAR 177-046-0015.
- (2) **"Courier platform" means an online-enabled technology application service or electronic system offered or used by a courier service that enables a player to request the courier service to purchase Oregon Lottery tickets on their behalf and to deliver, or arrange for the delivery of, the purchased Oregon Lottery tickets, or copies thereof, either digitally or physically, to the player.**
- (3) **"Courier service" means a person or business that purchases Oregon Lottery tickets from a retailer on behalf of players for a fee.**
- (4) "Confirmed" means a **lottery ticket** was **purchased** by a player **through a courier service**, the **courier service** accepted the **purchase**, the **purchase** amount was successfully debited from the player balance, the **purchase** was recorded by the **courier service**, and the player received a **ticket** identification number or similar confirmation number.
- (5) "Digitally" has the meaning given in OAR 177-046-0015.
- (6) "Eligible player" means a person who is eligible to purchase **Lottery tickets** pursuant to OAR 177-042-0015.
- (7) "Funds balance" has the meaning given in OAR 177-046-0015.
- (8) **"Geolocation" means the use of technology, including but not limited to Global Positioning System (GPS), Radio Frequency Identification (RFID), Wi-Fi, cellular data, or other similar location detection technology as approved by the Oregon State Lottery, to establish a virtual boundary around a defined geographic area.**
- (9) "Mobile app" has the meaning given in OAR 177-046-0015.
- (10) "Payout" means the prize that may be received by a player for a winning **Lottery ticket**.

Commented [MR1]: Recommended New Section based on Division 93 since they both involve wagering online. Used Division 42 since it is near the ORIGINAL DRAFT 177-040-0053.
Green text represents alterations I made to the requirements copied from Division 93.
Blue text means it came from the ORIGINAL DRAFT 177-040-0053.

Commented [MR2]: Recommend adding new Definition. Based on other markets.

Commented [MR3]: Taken from ORIGINAL DRAFT 177-040-0053(1)

Commented [MR4]: Recommend adding new Definition. Based on other markets.

- (11) "Player account" has the meaning given in OAR 177-046-0015.
- (12) "Player balance" has the meaning given in OAR 177-046-0015.
- (13) "Prize" has the meaning given in OAR 177-010-0003.
- (14) "Purchase" means the amount of money paid by a player for a Lottery ticket and risked on a Lottery game. Available Lottery games are determined by the courier service and displayed to players within the courier service's mobile app or site.
- (15) "Site" has the meaning given in OAR 177-046-0015.
- (16) "Ticket" has the meaning given in OAR 177-010-0003.
- (17) "Terms and conditions" has the meaning given in OAR 177-046-0015.
- (18) "Terms of use" has the meaning given in OAR 177-046-0015.

177-042-0010

General Game Description

- (1) The courier services may be authorized by the Oregon State Lottery Commission that allow eligible players to purchase lottery tickets digitally. The courier service allows an eligible player to purchase tickets for future draws only to the extent that such tickets could be purchased directly from a retailer. Available Lottery games are disclosed to the player a purchase is made. The Lottery determines winning bets based on the official drawing results.
- (2) The Oregon State Lottery Commission has authorized Lottery tickets sales through a courier service as described in these rules. The Oregon State Lottery may authorize the courier service to conduct any of the activities described in these rules, but such actions are done on behalf of the Oregon State Lottery and must comply with these rules and the terms of use.
- (3) A retailer shall notify the Lottery in writing within 14 calendar days of contracting with a courier service or otherwise knowingly facilitating tickets sales through a courier service. The retailer must attest, on a form provided by the Lottery, that the courier service meets the standards described in section (3) of this rule, and that the retailer agrees to the following:
 - (a) The retailer agrees that the Lottery has a right to review any service agreements or contracts that the retailer has or will have with a courier service and that the Lottery may require the retailer to disclose the names and addresses of persons associated with the courier service and other relevant information about the courier service.
 - (b) The retailer agrees they have an ongoing duty to ensure that the courier service complies with the requirement of this rule, and to present any evidence of such compliance to the Lottery upon request.
 - (c) The retailer agrees that if the Lottery determines that the courier service has or will facilitate Lottery ticket sales to persons physically outside the state of Oregon or has otherwise acted in a manner contrary to law, Lottery rules, or the retailer contract or otherwise presents an actual or apparent threat to the fairness, integrity, security, and

Commented [MR5]: Taken from ORIGINAL DRAFT 177-040-0053(1)

honesty of the Lottery, the Lottery may prohibit the retailer from working with a courier service, or may take any other compliance action against the retailer up to and including terminating the retailer contract.

- (d) The retailer agrees to indemnify, defend, and hold harmless the State of Oregon, the Oregon State Lottery Commission, the Oregon State Lottery, the Oregon State Police, and their agents, officers, employees, and representatives from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses arising out of, or relating to, the acts or omissions of the courier service, its officers, employees, subcontractors, or agents under any contract or understanding between the retailer and the courier Service, or in any way related to retailer's performance under its contract with Lottery, including, but not limited to, the purchase of courier services through the courier service's system, placement of requests for courier services through such courier service's system or the generation of, or failure to generate, tickets to complete ticket purchases related to such requests for courier services. The retailer's obligations will include, but are not limited to, any and all losses, damages, liabilities, settlements, judgments, fines, costs, fees, and expenses of any nature whatsoever, including, but not limited to, fees of attorneys and other professionals at trial and on appeal.
- (e) The retailer agrees that transactions for tickets between the courier and the retailer will only occur on the retailer's premises when the retailer is open to the public during regular business hours.
- (f) The retailer agrees not to permit any device to be connected to the gaming system except as specifically approved in writing in advance by the Lottery.

(4) A retailer may not contract with a courier service or otherwise knowingly facilitate sales through a courier service unless the retailer has attested to and continues to ensure that the courier service meets the following requirements:

- (a) The courier service complies with all laws, rules, and regulations applicable to the courier service.

~~(b) The courier service verifies the identity and age of a prospective customer to prevent people under age 18 from placing orders for tickets.~~

~~(c) The courier service uses geolocation to verify that the customer is located within the state of Oregon and not on tribal lands at the time of purchase.~~

(b) The courier service discloses to the Lottery the lottery games that such courier service intends to offer for sale and notifies the Lottery of any proposed changes to such list of lottery games already approved for delivery by such courier service no later than 30 days prior to the effective date of such change.

(c) Prior to engaging in courier operations, and annually thereafter, the courier service submits their courier platform, equipment, and/or related components to an independent third party's testing laboratory for testing, certification and/or verification

Commented [MR6]: Taken from ORIGINAL DRAFT 177-040-0053(3)

Commented [MR7]: Removed as this can be covered by 177-046-015(1) and 177-046-022(3)

Commented [MR8]: Removed as this is covered by NEW DRAFT 177-042-0010(4)

Commented [MR9]: Recommend adding requirement for game signoff based on other markets.

Commented [MR10]: Recommend adding requirement for lab testing based on other markets. It is unclear if the next section implies that more than just the geolocation functionality is checked, so the drafted wording provides additional coverage.

against the testable rules of this Division, as well as any technical standards adopted by the Lottery.

- (d) An independent third party periodically tests the courier service's technology including geolocation. The courier service must provide testing results to the retailer and the Lottery upon request.
- (e) The courier service takes reasonable steps to protect the personal and financial information of its players as required by law.
- (f) The courier service notifies the retailer and the Lottery of significant incidents relating to the operation of the courier's platform such as major system errors or outages, security breaches, or similar situations that may impact the fairness, integrity, security, and honesty of Lottery and its operations.
- (g) The courier service discloses all fees charged by the courier in a manner that makes clear that those fees are separate from the ticket price set by the Lottery prior to taking payment from and finalizing a player's order. The courier service may not charge a fee for the payment of any prize amount or require or otherwise collect or accept any portion or percentage of a prize as payment for courier services.
- (h) The courier service provides a method for the public and players to contact the courier service and quickly resolves customer service issues, disputes, and complaints. This information must be clearly displayed to the public and players on its website and on its online and mobile platforms.
- (i) The courier service uses play slips that conform to MUSL standards and has mechanisms in place to ensure the accurate processing of orders for tickets.
- ~~(j) The courier service allows the purchase of tickets for future draws only to the extent that such tickets could be purchased directly from a retailer.~~
- (j) The courier service employs a method or means to print play slips or facsimiles thereof, only after approval by the Lottery. No such approval shall be granted by the Lottery unless such method or means has been tested and verified by an independent third party's testing laboratory to the satisfaction of the Lottery that such play slips perform at least as accurately as the Lottery's official play slips.
- (k) The courier service adheres to ticket delivery, storage, and retention standards:
 - (A) The courier service scans the front and back of every ticket purchased and sends the image to the player within a reasonable time period. The courier service notifies the player of a winning ticket within 24 hours.
 - (B) The courier service provides an option for any player to obtain any ticket purchased by the player through the courier service for the purpose of claiming a prize at any time subsequent to its purchase. The courier service may not charge a fee to deliver the ticket to the player.

Commented [MR11]: Merged into NEW DRAFT 177-042-0010(1)

Commented [MR12]: Recommend adding requirement for game play slips based on other markets.

- (C) Each physical ticket not provided to the player shall be securely stored in a safe or vault with a minimum fire rating of Class 150-1 Hour issued by Underwriter Laboratories, Inc., or such equivalent rating. The premises housing such safe or vault shall be protected by a burglary alarm system with 24-hour monitoring.
- (D) A courier service shall securely store tickets purchased on behalf of players for 30 days following either the prize being claimed and paid to the player or the expiration of the prize claim period, whichever comes first.
- (I) The courier service maintains secure records of all tickets purchased through the courier service linked to the respective players and makes such records available to the retailer or the Lottery on demand.
- ~~(m) The courier service allows players to place daily, weekly, and monthly limits on their spending or to self-exclude from ordering tickets through the courier. The courier service displays information online and on its mobile app on how to seek help for problem gambling, such as through the problem gambling helpline or website.~~
- (m) The courier service submits to the Lottery 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 Lottery 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, data privacy, incident response, disaster recovery, document retention and any other control issue the Lottery may identify.
- (n) The courier service does not target advertisements for Oregon Lottery tickets to underage persons or persons located outside the state of Oregon.
- (o) The courier service states in their marketing that the service is a private business entity that has no official affiliation with the state of Oregon or the Oregon State Lottery. The courier service refrains from unauthorized use of Lottery trade or service marks as described in OAR 177-010-0110 and does not otherwise state or imply that the courier service has a relationship with or affiliation to or is acting as an agent of the Lottery.
- (p) The courier service maintains liability insurance.
- (q) The courier service states in its contracts and agreements with its affiliates, vendors, and players that nothing in the contract or agreement shall give rise to liability of the State or the Oregon State Lottery or Oregon State Lottery Commission, its officials, or employees. The courier service shall state on its websites and mobile applications, along with any other disclaimers, legally required notices, or other notices concerning liability of the courier service, that nothing appearing on the courier service website and no transactions conducted on or through the courier service website or systems shall give rise to liability of the State or the Oregon Lottery, its officials, or employees

Commented [MR13]: Incorporated into 177-046-0155(2)

Commented [MR14]: Recommend adding requirement for internal controls based on other markets.

- (5) In addition to this division of rules, a [courier service](#) is subject to other applicable Lottery rules in OAR chapter 177. In the event of a conflict, the rules in this division of rules supersede the general rules.
- (6) The [courier service](#) is governed by additional terms of use, terms and conditions, and [lottery](#) rules pertaining to particular [Lottery games](#). These are available to players on the [courier service's](#) mobile app or site and upon request from the Lottery.

[177-042-0015](#)

Eligibility

To be eligible to purchase a [Lottery ticket through a courier service](#) and win a prize, an individual must meet all the following requirements:

- (1) Age Restricted. An individual must be [18](#) years of age or older.
- (2) Player Account and Agreement Required. An individual must successfully establish a personal digital player account on the [courier service's](#) mobile app or site as described in OAR 177-046-0022. Upon creation of the player account, the player shall agree to and comply with the terms of use and terms and conditions provided to the player on the mobile app or site. This includes any terms of use presented to the individual by the entity holding the player account, including, but not limited to, terms relating to the flow of funds through the player account as described in OAR 177-046-0027. The continued use of the player account on the mobile app or site constitutes the player's consent to all applicable terms of use and terms and conditions, as they are amended from time to time, which are available to players and the public on the mobile app or site or upon request to the Lottery.
- (3) Certain Persons Prohibited. A person must not be prohibited by law, contract, policy, administrative rule, or terms of use from playing Lottery games. This includes, but is not limited to:
 - (a) Commissioners and all Lottery employees (including the Director and any Assistant Directors) and any spouse, child, brother, sister, or parent of such persons as provided in ORS 461.250; and
 - (b) Employees of the [Courier Service](#) or immediate family members of such persons as provided in the terms of use.

[177-042-0020](#)

Purchasing a [Lottery ticket](#)

- (1) To purchase a [Lottery ticket through a courier service](#), an eligible player must first deposit money into a valid player account on the mobile app or site. The funds in the player account can then be used (in addition to bonus funds, when applicable) to purchase [Lottery tickets](#) through the [courier service's](#) mobile app or site.
- (2) The odds and payout associated with each [Lottery game](#) are determined by the Lottery and must be digitally displayed to the player before the [purchase is made](#).

- (3) The **courier service** only accepts **Lottery ticket purchases made** digitally.
- (4) A **Lottery ticket purchase** may only be **made through a courier service** when the player is physically located within the geographic boundary of the state of Oregon and not on tribal lands.
 - (a) The **courier service** must be able to verify the physical location of the player when the **lottery ticket** is **purchased**. Players must consent to the **courier service's** use of geolocation technologies as described in OAR 177-046-0022.
 - (b) The **courier service must** use official, publicly available data sources to geolocate tribal lands and prohibit mobile gaming therein. For purposes of this rule, "tribal lands" means federal Indian reservations, lands held in trust by the federal government for the benefit of federally recognized tribes, and lands held in fee by federally recognized tribes.
- (5) The **courier service** may, from time to time, offer bonuses, which include, but are not limited to, free **buys**, credits, and similar promotional incentives. These appear in the player balance and may be used to **purchase Lottery tickets** but have no cash value and are not eligible for withdrawal. Each bonus or promotional offer is subject to terms and conditions or limitations that will be disclosed to players on the mobile app or site such as, but not limited to, deadlines for use and the requirement to use the full amount of the bonus in a single transaction or forfeit the unused portion. Players must comply with any additional terms and conditions or requirements to be eligible to use bonuses, free **buys**, and similar promotional incentives.
- (6) **Lottery tickets** may only be **digitally purchased through the courier service**. The **courier service** determines available **Lottery** games at any given time at the **courier service's** sole discretion. Available **lottery games** are displayed to players on the mobile app or site. The **courier service** may refuse a **lottery ticket purchase** at any time for any reason.
- (7) A **lottery ticket** is not valid until it is confirmed. Once confirmed, a **lottery ticket** cannot be cancelled or changed by the player. It is the sole responsibility of the player to verify the accuracy of the **lottery ticket** prior to confirmation. The **courier service** is not responsible for any **lottery tickets purchased** in error.
- (8) Disputes regarding player eligibility, the amount of a **lottery ticket purchase**, the time a **ticket** was **purchased**, odds on a particular **lottery game**, whether a **ticket** is valid or a winning **ticket**, and the amount of any prize are resolved at the sole discretion of the Director of the Oregon State Lottery or the Director's designee.

177-042-0025

Price

The price to purchase a **Lottery ticket through a courier service** is the amount the player chooses to **spend** subject to all of the following limitations:

- (1) In order to responsibly manage funds for the public purpose, the Lottery reserves the right to impose minimum and maximum limits on the **purchase** amount or prize amount at any given time based on the odds, risk, and related factors. This will be communicated to the player when the player attempts to **purchase a lottery ticket** at a certain amount or for a certain prize payout that the **courier service** will not accept.

- (2) The **purchase** amount may not exceed the player balance; under no circumstances will the **courier service** extend credit to a player. The player balance may be further limited by the **courier service** or any financial institution or payment processor involved in a transaction.
- (3) The player may establish personal limits using the responsible gaming tools in the player account. When in effect, the player may not **make purchases** above the personal limit.

177-042-0030

Method for Validating Tickets and Determining Winners

An eligible player wins a prize by **purchasing** a confirmed and validated winning **Lottery ticket**:

- (1) A **Lottery ticket** is valid if the **Lottery ticket** was **purchased** in accordance with OAR 177-042-0020 and other applicable rules by an eligible player through a valid player account, the **purchase** was confirmed, and the **Lottery ticket** is not otherwise voided or refunded by the **courier service** pursuant to any applicable rule or the terms and conditions. Decisions regarding the validity of a **Lottery ticket** are final and binding.
- (2) A validated **ticket** is a winning **ticket** if the outcome of **Lottery ticket purchased** accord with the official **drawing** results as provided in this section. The **courier service** has the sole discretion to determine winning **tickets** based on the official **drawing** results as described in the **lottery** rules.
 - (a) The Lottery reserves the right to delay entering official **drawing** results when needed to review information relevant to the outcome of the **Lottery game**. The Lottery will generally defer to the governing body for official **drawing** results as described in the **lottery** rules, but the Lottery retains ultimate discretion to determine winners and pay prizes.
 - (b) If a **Lottery game** is cancelled, suspended, abandoned, or interrupted or the Lottery is for any reason unable to determine the outcome of a **Lottery game** on which **Lottery ticket** were **purchased**, then related **Lottery tickets** may be voided at the Lottery's sole discretion as provided in OAR 177-042-0045 and the **lottery** rules.

177-042-0040

Prizes

- (1) A prize on a winning **Lottery ticket purchased through the courier service** is subject to OAR 177-046-0110, which establishes the Lottery's general prize claim, validation, and payment framework and describes certain limitations and requirements that apply when a prize is claimed, validated, and paid digitally through a player account **with the courier service**. This includes, but is not limited to, subsections (1)(i) (requiring certain personal disclosures when applicable) and (1)(j) (requiring deductions from prize for taxes and debt offsets when required by law). A player may withdraw a prize (or other moneys in the player account) as provided in OAR 177-046-0027 and the terms of use.
- (2) A player forfeits a prize if, even after a **Lottery ticket** is settled, the **courier service** determines the **Lottery ticket** was void, refunded, resettled, or otherwise invalid pursuant to these rules, the terms of use, the terms and conditions, or the **lottery** rules. In such case, the player is not

entitled to the payout and the **courier service** may recover previously paid payouts from the player account.

- (3) The Director may withhold payment to investigate whether a ticket was sold in violation of these rules. The Director's determination on the validity of the claim is final and binding on all parties as stated in OAR 177-046-0110. A person may not claim a prize using a power of attorney (see OAR 177-046-0110) on behalf of a player who was outside the state of Oregon at the time of purchase.

Commented [MR15]: Taken from ORIGINAL DRAFT 177-040-0053(5)

177-042-0045

Voided Tickets, Refunds, and Resettlements

- (1) In order to maintain the fairness, integrity, security, and honesty of the **courier service** and its operations, the **courier service** reserves the right to void any **Lottery ticket** at any time for any reason, even after the **Lottery ticket** has been settled, including, but not limited to, when:
 - (a) The **courier service** knows or has reason to believe that the player has engaged in conduct prohibited by any applicable source of law, including but not limited to conduct prohibited by OAR 177-046-0022 or 177-042-0050;
 - (b) The **courier service** knows or has reason to believe that the player does not meet all of the eligibility requirements in OAR 177-046-0022 or 177-042-0015, or the **courier service** is unable to verify any of the information that the player provided in order to establish the player account;
 - (c) The **courier service** knows or has reason to believe that the **Lottery ticket** was not **purchased** in accordance with all of the requirements of OAR 177-042-0020;
 - (e) The **Lottery ticket purchase** was accepted when the account did not have sufficient funds to cover the original **purchase** amount; or
 - (f) As provided in the terms and conditions, terms of use, or **lottery** rules.
- (2) A player may not initiate a refund on a confirmed **Lottery ticket** for any reason.
- (3) The **courier service** has discretion to issue a refund to players on a confirmed **Lottery ticket** only in the following circumstances:
 - (a) The **courier service** has voided a **Lottery ticket** under section (1) of this rule.
 - (b) The **courier service** is unable to satisfactorily determine official **drawing** results because the **lottery drawing** was not held.
 - (c) The **courier service** has reason to believe the **lottery ticket purchase** was accepted or confirmed after the advertised start time, the outcome of the **Lottery game** is known, or a material advantage had been achieved.
 - (e) The **Lottery** game resulted in a circumstance that warrants refund in the **lottery** rules.
 - (f) When otherwise provided for in the terms of use or **lottery** rules.

- (g) At the discretion of the Lottery for any other reason.
- (4) Resettlements: From time to time, **courier service** errors may occur. A player is not entitled to a prize paid in error. The **courier service** may recover any such prizes.
- (5) Prize Forfeiture: As stated in OAR 177-042-0040, a player forfeits their prize when the Lottery voids, invalidates, refunds, or resettles a **lottery ticket**.

177-042-0050

Prohibited Conduct

- (1) The Lottery has determined that the following conduct negatively impacts the Lottery's constitutional mandate to ensure the fairness, integrity, security, and honesty of the Lottery. Therefore, the following conduct is prohibited:
 - (a) Conduct that is prohibited in relation to the player account in OAR 177-046-0022;
 - (b) Conduct that is prohibited by the terms of use that a player has agreed to;
 - (c) Conduct that is prohibited by the terms and conditions that a player has agreed to;
 - (d) Conduct that is prohibited by these rules or other applicable rule or law;
 - (e) Using unfair external factors or influences on the **Lottery** game outcome; and
 - (f) Using software, bots, or other automatic software to manipulate **Lottery** game results or the mobile app or site.
- (2) In order to maintain the fairness, integrity, security, and honesty of the **courier service** and its operations, the **courier service** may close or suspend a player account and will not pay prizes on such **Lottery tickets** if the **courier service** has any reason to believe that a player has engaged in prohibited conduct described in section (1) of this rule or the integrity of the underlying **Lottery game** has been compromised.
- (3) When the **courier service** suspects or knows prohibited conduct has occurred or is occurring, the **courier service** may inform and share information as the **courier service** determines to be appropriate with relevant authorities and third parties including, but not limited to, **the Lottery, retailers, vendors, law enforcement, governing bodies, credit card companies, and financial institutions**.

177-042-0055

Disputes and Decisions of the Director

- (1) Generally, the transaction log database maintained by **the courier service** on behalf of the Lottery is the ultimate authority when resolving disputes about whether (or not) a transaction occurred and the details thereof.
- (2) An individual who has a complaint or dispute or believes their money or prize has been misallocated, compromised, mishandled, or otherwise unlawfully or improperly withheld or revoked may register a complaint with the Director's designee.

(3) If the designee's resolution under section (2) of this rule is not satisfactory, the individual may escalate the complaint to the Director of the Oregon State Lottery or the Director's designee for a decision pursuant to OAR 177-046-0160. As stated in OAR 177-046-0160, the decisions of the Lottery Director are final. This includes, but is not limited to, the amount or nature of a prize, the validity of a lottery ticket, whether a lottery ticket is a winner, whether it was submitted in error or by fraud, and whether a player has won a prize.

(4) Any violation of this rule, including, but not limited to, a failure to notify the Lottery promptly within 14 days of contracting with a courier service or failure to provide the Lottery with information regarding a courier service, is a violation of the retailer contract and provides grounds for the Lottery to take compliance action against the retailer up to and including contract termination.

177-042-0060

Integrity and Security Assessments

- (1) Courier services shall, within 90 days after commencing operations in Oregon, and annually thereafter, have integrity and security assessments of their courier platform conducted by an independent third party experienced in security procedures, including, without limitation, computer security and systems security. The independent third party shall be selected by the courier service and shall be subject to approval by the Lottery.
- (2) The scope of the integrity and security assessments is subject to approval of the Lottery and shall include:
 - (a) An information security controls audit of the courier service's information security management system against the provisions of OAR 177-010-0115 and any other criteria, standards, or security framework adopted by the Lottery, with generally accepted professional standards and as approved by the Lottery; and
 - (b) A technical security assessment of digital platforms, mobile apps, sites, internal, external, and wireless networks and firewalls with the intent of identifying vulnerabilities or potential vulnerabilities of devices, servers, and applications transferring, storing, or processing personally identifiable information or other sensitive information connected to or present on the networks, and to confirm if the identified vulnerabilities are susceptible to compromise.

Commented [MR16]: Taken from ORIGINAL DRAFT 177-040-0053(4)

Commented [MR17]: Recommend adding section regarding security testing, even if it isn't called out for sports wagering.

As an option, this could always be moved to a generic section and be worded to cover the sports wagering system.

PART 2: Proposed Updates to Existing Divisions

Division 10

GENERAL PROVISIONS

177-010-0080

Sale of Tickets and Shares

- (1) Sales by Retailers: The Director shall contract with retailers for the sale of Lottery tickets and shares. The contract shall include the terms and conditions and incorporate by reference the rules applicable to the sale of all Lottery tickets and shares sold by the retailer.
- (2) Sales by the Lottery: The Director may develop procedures for the sale of Lottery tickets and shares directly to the public. The procedures shall contain measures to ensure the accountability and security of all tickets and shares sold to the public by Lottery employees.

(3) Sales by Courier Services: A retailer under contract with the Lottery may facilitate ticket sales through a courier service only pursuant to a written contract with the courier service subject to Lottery's review and approval and only as provided in this rule. A courier service may not facilitate the sale of Oregon Lottery tickets other than pursuant to a contract with a retailer and subject to this rule. Under no circumstances may a retailer knowingly facilitate ticket sales to a person who is physically located outside the state of Oregon at the time of purchase, through a courier service or any other method.

Commented [MR18]: Recommended updates to Division 10 and Division 46 as applicable which can be extended to courier service player accounts. Track changes is on since it's updating existing regulations. Blue text means it came from the ORIGINAL DRAFT 177-040-0053.

Commented [MR19]: Taken from ORIGINAL DRAFT 177-040-0053(1)

Division 46

LOTTERY GAMES GENERAL OPERATING RULES

177-046-0015

Definitions

For purposes of divisions 10, 46, 50, 52, 69, 70, 75, 81, 83, 85, 92, 93, 94, 98, and 99, and if specifically cross-referenced in division 200, the following definitions apply, unless another definition is specifically provided or the context requires otherwise:

- (1) "Bonus" means free plays or similar promotional deposits, credits, or similar incentives that are credited to the player balance when the player meets any requirements that are applicable to the particular promotion. Each bonus may be subject to unique restrictions on use. Bonuses can be used to play Lottery games subject to limitations and restrictions, but bonuses have no cash value.
- (2) "Cash" means United States currency.
- (3a) "Courier service" has the meaning given in OAR 177-042-0005.
- (3) "Digitally" means an action done through a player account on the mobile app or site.
- (4) "Dormant" means a player account has had no login activity for at least 36 months.

Commented [MR20]: Added to reflect Courier Service

- (5) "DraftKings Sportsbook" has the meaning given in OAR 177-093-0005.
- (6) "Drawing" means the procedure whereby the Lottery, or a drawing agent, selects the winner or the winning combination in accordance with the rules of the game.
- (7) "Drawing agent" means a Lottery vendor or other designee who, subject to the approval of the Director, is designated by the Assistant Director of Security to conduct specified drawings on behalf of the Lottery.
- (8) "Electronic drawing" means any drawing that involves the use of a random number generator or other computer-driven or computer-assisted device to determine winners or winning combinations, and manual interaction is incidental to the selection process.
- (9) "Electronic drawing equipment" includes any computer-driven or computer-assisted device used by the Lottery, or a drawing agent, for the purpose of determining winners or winning combinations, including, but not limited to, devices used by the Lottery's central gaming system for the Lottery's Draw games, or for the Lottery's periodic internet entry, raffle, second-chance drawings, or promotional games.
- (10) "Funds balance" means the amount of money in a player account including deposits and prizes (after required withholdings are successfully completed) but not bonuses.
- (11) "Highest Prize" means the highest level of prize according to the rules applicable to the game in which the prize is won, including, but not limited to, a Jackpot prize won in the Mega Millions game, a Grand Prize in the Megabucks game, or a High Tier prize in the Powerball game.
- (12) "In-game rules" has the meaning given in OAR 177-093-0005.
- (13) "Lottery Branch" means Wilsonville Payment Center or such other office as the Director may designate.
- (14) "Lottery Headquarters" means the office of the Oregon State Lottery located at 500 Airport Road SE, Salem, Oregon 97301 that is responsible for processing prize claims and payments.
- (15) "Lottery Kiosk" means a location, other than Lottery Headquarters, designated by the Director as a Lottery Kiosk, where Lottery tickets or shares are sold directly to the public by Lottery employees.
- (16) "Mailing Address" means P.O. Box 14515, Salem, Oregon 97309.
- (17) "Manual drawing" means any drawing that does not involve the use of a random number generator or any other computer-driven or computer-assisted device to determine winners or winning combinations, and manual interaction is primary to the selection process.
- (18) "Manual equipment" includes any mechanical equipment or non-electronic method used by the Lottery, or a drawing agent, for the purpose of determining winners or winning combinations, including, but not limited, to Lottery's periodic raffle games.
- (19) "Mobile app" means application software operated by the Lottery that is designed to operate on a mobile device or tablet through which a player can access their player account and play Lottery games. "Mobile app" includes the DraftKings Sportsbook mobile application through which

players can play sports betting games and a courier service's mobile application through which a player can purchase a Lottery Ticket.

- (20) "Payment Device" means an electronically loaded card or other device loaded with or representing Lottery prize winnings, which may include, but is not limited to a debit card with a corresponding player account.
- (21) "Person" means a natural person 18 years of age or older.
- (22) "Player account" means a digital gaming account that an individual 21 years of age or older opens as described in OAR 177-046-0022 that allows eligible players to play games or purchase lottery tickets digitally. A player account includes a personal DraftKings Sportsbook digital sports betting account as described in OAR chapter 177, division 93, and an account used with a courier service as described in OAR chapter 177, division 42.
- (23) "Player balance" means the amount available for the player to play games or purchase lottery tickets digitally. The player balance is a reflection of the funds balance plus any bonuses.
- (24) "Privacy policy" means a statement that discloses the type of personal information an entity may collect and how the entity will use, store, or disclose such information. Such disclosures, as amended from time to time, are provided to players online and are also available upon request from the Lottery. A privacy policy may be incorporated by reference into terms of use and terms and conditions that a player agrees to when creating a player account.
- (25) "Private express carrier" has the meaning given in ORS 293.660.
- (26) "Random number generator" means a computer-driven electronic device capable of producing numbers at random.
- (27) "Site" means any website operated by the Lottery or courier service through which a player can access their player account and play Lottery games or purchase lottery tickets. "Site" includes <https://sportsbook.draftkings.com/> where a player can access their player account and play sports betting games as described in OAR chapter 177, division 93.
- (28) "Terms and conditions" means an agreement between an individual and the Lottery that sets out each party's rights and responsibilities regarding use of a Lottery-authorized mobile app and site and playing games and claiming prizes digitally.
- (29) "Terms of use" means an agreement between a player and a third party that sets out each party's rights and responsibilities. For example, but not limited to, an individual may agree to the DraftKings terms of use that set out each party's rights and responsibilities regarding the DraftKings Sportsbook player account, including funding the player account as described in OAR 177-046-0027, and playing sports betting games on the mobile app or site.

Commented [MR21]: Recommend removal so definition can be used for Courier Services. Minimum age is handed in 177-046-0022

177-046-0022

Player Account

- (1) General: To play Lottery games or purchase lottery tickets digitally, an individual must establish a player account by accurately completing the registration form provided on the mobile app or site.
- (2) Eligibility: To be eligible to create a player account and play games or purchase lottery tickets digitally, an individual must:
 - (a) Be at least 21 years of age to play Lottery games digitally;
 - ~~(b)~~ Be at least 18 years of age to purchase lottery tickets through a courier service
 - ~~(c)~~ Open one player account only in the individual's own legal name, for their sole benefit, and not on behalf of anyone else;
 - ~~(d)~~ Have a high-speed Internet connection and consent to the use of geolocation technologies to verify the individual's location when playing a Lottery game on a mobile app or site;
 - ~~(e)~~ Provide all information requested to verify the individual's age, identity, and eligibility and consent to the verification of the individual's identifying information, including the release of information provided by the individual to third parties to verify such information;
 - ~~(f)~~ Consent to the terms of use presented to the individual by the entity holding the player account, including, but not limited to, terms relating to the flow of funds through the player account as described in the terms of use and OAR 177-046-0027; and
 - ~~(g)~~ Agree to and comply with any terms of use, terms and conditions, privacy policies, and in-game rules, as they are updated from time to time, provided on the mobile app or site.
- (3) Verification. The Lottery must be able to verify an individual's identity. This includes sharing information provided by the individual with third parties for the purpose of verifying the information. The player may need to provide additional documentation to the Lottery, Lottery contractor, or other third-party including, but not limited to, government-issued photo identification and proof-of-address documentation.
- (4) Player Account Maintenance Responsibility. A player must ensure that the player account information is kept updated. The player is responsible for all activity, charges, and damages that occur on their player account. The player must take reasonable efforts to protect the privacy of the player account password and prevent unauthorized access to the player account including, but not limited to, logging out of the player account when not in use. The player must immediately notify the Lottery or the entity holding the player account if the player suspects unauthorized access to the player account.

Commented [MR22]: Recommend revision to support different age limits for couriers.

(5) Prohibited Conduct. A player may not engage in any conduct prohibited by this rule or other applicable rule, law, terms of use, or the terms and conditions. Without limiting the forgoing, a player may not:

(a) Use the player account for any other purpose than its intended purpose, which is to facilitate playing Lottery games or purchasing lottery tickets, digitally; this includes, but is not limited to, use of the player account for any commercial purpose or in a way that impairs, interrupts, or damages the mobile app or site; to promote any products or services; or to distribute any communications, including any defamatory, offensive, or obscene content;

(b) Use (or upload to the mobile app or site) any form of malware or engage in any automatic game playing or similar manipulation of game;

(c) Allow, facilitate, or encourage a person:

(A) Who is under 21 years of age to play Lottery games that require a player account;

(B) Who is under 18 years of age to purchase lottery tickets through a courier service; or

(C) To otherwise allow any other person to use the player account;

(d) Engage in or attempt any illegal, fraudulent, or dishonest activity in connection with a player account, including, without limitation, using a stolen payment card, forgery, collusion, cheating, bribery, bookmaking, money laundering, and providing false information to the Lottery;

(e) Take unfair advantage of or exploit any technical fault or loophole on the mobile app or site or an error by the Lottery or its contractor or in the Lottery's or its contractor's software.

(6) Player Account Monitoring and Reporting: The player account may be monitored to ensure the player is not engaging in any prohibited conduct. Information on such activities may be reported to law enforcement or the appropriate regulatory authorities and other third parties.

(7) Player Account Denial, Closure, or Suspension by the Lottery:

(a) Player accounts are offered at the discretion of the Lottery to facilitate digital game play and lottery ticket purchases. The Lottery, or the Lottery's vendor acting on behalf of Lottery, may refuse to open, suspend, deny access to, or close a player account at any time and without prior notice in order to protect the fairness, integrity, security, and honesty of the Lottery, including, but not limited to, for any of the following reasons:

(A) Inability to verify the accuracy of the information provided by a player at registration;

Commented [MR23]: Recommend revision to support different age limits for couriers.

- (B) A player breaches or violates any administrative rule or applicable law or the terms of use or terms and conditions the player has agreed to on the mobile app or site;
- (C) A request by law enforcement or other government agency;
- (D) Unexpected technical or security issues or problems, including any suspected compromise or breach of the player account security;
- (E) A player engages in any of the prohibited conduct described in this rule or applicable game rule or in the terms of use or terms and conditions the player has agreed to;
- (F) A player has more than one player account;
- (G) A player account is dormant;
- (H) Monitoring of player account activity indicates the player account is not being used for its intended purpose;
- (I) One or more deposits is charged back;
- (J) Pending resolution of processes required by ORS 461.715 and 461.719 (holding of certain prizes for child support or overpayment recovery); or
- (K) At the discretion of the Lottery or Lottery's vendor for any other reason, or by Lottery or Lottery's vendor as described in the terms of use for the player account.

(b) If a player account is suspended or closed, the player will be unable to play games. However, if a player account is suspended or closed, generally the player will be able to have their funds in their player account returned to them, unless the account has been suspended or closed based on suspicion of illegal activity or prohibited conduct. Any purchases by a player of tickets or shares that are pending or unconfirmed bets, bonuses, and entries in promotions or competitions will be void. If a player has confirmed purchases of tickets or shares at the time of account suspension or closure, such confirmed tickets or shares will stand unless otherwise voided or refunded by the Lottery. If the confirmed tickets or shares are for future events or games (such as a bet on a future sporting event or a ticket for a future drawing), any prizes will credit to the player account during account suspension or closure.

(c) The Lottery, either directly or acting through Lottery's vendor, will notify a player if a player account is refused, suspended, closed, or considered dormant, or if a player is denied access to games. This notice is a decision of the Director and is a final order in other than a contested case under ORS 183.484.

(8) Account Closure by Player:

(a) Except as provided in subsection (b) of this section, a player may close their player account at any time for any reason as provided in the terms of use.

- (b) Closure of a player account may be delayed in certain circumstances including, but not limited to, when the player account has a negative balance, has confirmed purchases of tickets or shares on future events (such as a bet on a future sporting event or a ticket for a future drawing), or the player account has been suspended.
 - (c) At the time a player closes the player account, any purchases by a player of tickets or shares that are pending or unconfirmed bets, bonuses, and entries in promotions or competitions will be void. If a player has confirmed purchases of tickets or shares at the time a player closes the player account, such confirmed tickets or shares will stand. If, at the time the player account is closed, the confirmed tickets or shares are for future events or games (such as a bet on a future sporting event or a ticket for a future drawing), any prizes will credit to the player account.
 - (d) If a player closes the player account, the player will be prompted to withdraw any remaining funds. If the player has confirmed purchases of tickets or shares or confirmed bets on future events, the funding account will remain open pending settlement of those purchases to allow the Lottery to pay the player in the event the player wins a prize at a future date.
- (9) Limitation of Liability: In addition to other limitations on the Lottery's liability in OAR chapter 177 or applicable terms of use or terms and conditions:
- (a) The Lottery is not liable for any loss or damage arising from any use of or access to the player account, including, without limitation, any authorized or unauthorized use of the player account. All purchases and activity on a player account are the sole responsibility of the player account registrant.
 - (b) The Lottery will, and will require its vendors, to take reasonable precautions to protect the privacy of the player's username, password, account information, and all financial information. The Lottery may not and do not guarantee or warrant that information transmitted through the Internet is secure or that such transmissions are free from delay, interruption, interception, or error.
 - (c) The Lottery will, and will require its vendors, to take reasonable care to provide players with digital access to their player account and Lottery games. However, the Lottery nor its vendors may not and do not guarantee or warrant the accuracy, availability, completeness, or timeliness of any content available through the mobile app or site. The Lottery nor its vendors are not liable for any damages or losses resulting from unavailable, inaccurate, inadequate, incomplete, or untimely content. The Lottery nor its vendors do not promise the mobile app or site will have uninterrupted availability or be free of malfunctions, bugs, or other errors. The Lottery nor its vendors are not liable for any disruption in access to the mobile app or site.

177-046-0027

Funding the Player Account

- (1) General: The Lottery does not hold or manage money on behalf of players. Therefore, to play Lottery games and claim prizes digitally, the player must establish a digital player account as

described in OAR 177-046-0022. This includes agreeing to and complying with any terms of use presented to a player by the entity holding the player account. The player account will then be used, as described in the terms of use, to provide digital credits to the player account that may be used by the player to purchase tickets or shares and receive prizes.

- (2) Fees. The entity holding the player account does not charge for deposits or withdrawals in or out of the player account. Neither the Lottery, nor the entity holding the player account, are responsible for any fees that may be charged to the player by a payment processor, or financial institution, pursuant to an agreement with the player.
- (3) If a deposit is charged back for any reason, the amount of the original deposit will be deducted from the player account and any prizes paid from winning tickets or shares that were purchased using the original deposit that was charged back will be forfeited and deducted from the player account.
- (4) Player Credits. A player may only purchase tickets or shares up to the player balance; under no circumstances will the Lottery or its vendor extend credit to a player. A player is not entitled to funds incorrectly allocated to the player account. The entity holding the player account is entitled to reverse such credits from the player account and recover any funds that may have been withdrawn related to any over crediting of the player account.
- (5) Bonuses: The Lottery may, from time to time, offer bonuses or similar promotional incentives. Bonuses appear as digital credits in the player account and may be used to play Lottery games subject to limitations, but bonuses have no cash value and are not available to withdraw.
- (6) Prizes: For Lottery games played and lottery tickets purchased digitally, prizes are claimed, validated, and paid digitally through the player account according to the rules for the particular game and OAR 177-046-0110.
- (7) Withdrawals:
 - (a) Once a player's prize is deposited in the player account, the Lottery considers the prize claimed by the player. A player may withdraw from their player account at any time up to the funds balance, subject to any limitations in the terms and conditions or terms of use of the entity holding the player account or other payment processors used by the player.
 - (b) The player is responsible for providing accurate and updated information to Lottery and its service providers and for providing accurate information when requesting to withdraw. The Lottery is not responsible for delays or losses caused by incorrect payment method information provided by the player. Once a withdrawal is approved, the Lottery is not responsible for any third-party financial clearing processes that may delay or prevent the player's receipt of any withdrawn funds.
- (8) The money in a player account is held solely for the benefit of the player and is not monitored or managed by the Lottery for the player. The funds associated with a dormant player account may be considered abandoned. Any abandoned funds may be subject to escheat or similar laws

regarding abandoned property under the laws of the jurisdiction where the player account is held.

177-046-0100

Ownership of Lottery Tickets and Shares

(1) Bearer Instrument:

- (a) Except for a Lottery ticket or share claimed jointly in accordance with the provisions of OAR 177-046-0110(5), until such time as a name of an individual or individuals is placed upon a physical Lottery ticket or share, the ticket or share is a bearer instrument and is owned by the bearer of the ticket or share. When a name or names is placed on the ticket or share, the ticket or share ceases to be a bearer instrument and the individual whose name appears on the ticket or share is the owner of the ticket or share. Only a natural person at or above the age of game eligibility may own a ticket or share and claim a prize.
- (b) A retailer may transfer ownership of a ticket to an individual who has purchased the ticket by placing the individual's name on the ticket. The retailer may authorize a courier service contracted with the retailer to place the individual's name on the ticket on the individual's behalf, provided that the individual also has authorized the courier service to do so.

(2) Multiple Names: Multiple individuals at or above the age of game eligibility may jointly own, possess, and claim a prize as owners of a winning ticket or share as provided in OAR 177-046-0110(5). Multiple individuals each hold individual and equal shares of ownership in the ticket or share.

(3) Notwithstanding sections (1) and (2) of this rule:

- (a) Second Chance Drawing: Only one natural person can claim ownership of a non-winning ticket or share used to enter a second chance drawing. Non-winning tickets submitted and accepted as a valid entry in a Lottery second chance drawing cannot be jointly owned. Only the person who claims ownership may submit the non-winning ticket as an entry to a second chance drawing and only that person may claim the prize if the person's entry is selected as a winning entry in a second chance drawing.
- (b) In the DraftKings Sportsbook, only the registrant of the player account can claim ownership of a prize on a winning bet purchased through the player account.

(c) For courier services, only the registrant of the player account can claim ownership of a prize on a winning lottery ticket purchased through the player account.

Commented [MR24]: Recommended adding based on (b)

(ed) Win for Life: Only one natural person can claim ownership of the Top Prize in Win for Life as described in OAR 177-094-0080.

177-046-0110

Payment of Prizes

- (1) General Provisions for Claiming Prizes; Determining the Validity of Claims; and Paying Claims:
- (a) All winning Lottery tickets or shares may be presented to the Oregon State Lottery for payment or, if permitted by the applicable game rule, some winning tickets or shares for prizes of \$600 or less may also be presented for payment to the appropriate Lottery retailer.
 - (b) Timing and Deadline for Submitting a Claim: Any winning draw game ticket of \$50,000 and over is not eligible for prize payment until the next Lottery business day after it is issued. Whether a claim for a prize is submitted to a retailer or to the Lottery by mail, private express carrier, secure drop box, or by an individual personally presenting the claim, the winning ticket or share (including the completed claim form, if applicable) must be received by the retailer or the Lottery within one-year after the drawing results become official (for draw games) or one year after the end of the lottery game in which the prize was won, unless a different time period is specified by the Lottery in the rules for a particular game or promotion. If the final day of the one-year claim period falls on a day when the Lottery is not processing prize claims, such as a weekend, Lottery holiday, furlough closure day, or unforeseen circumstances, the claim period shall be extended until 5:00 p.m. on the next day the Lottery is processing prize claims.
 - (c) Failure of Delivery: The claimant of a prize bears all risk associated with the method chosen to submit a claim, the timeliness of the claim submission and, in the case of submission by mail, private express carrier, or secure drop box, failure of the claim to be received by the Lottery or a retailer.
 - (d) If the Director determines that the ticket or share is invalid, or a non-winning ticket or share, or the claim is invalid, the Director shall deny the claim and the Lottery will notify the claimant. An invalid ticket or share will not be returned to the claimant and is not eligible for any second chance or promotional drawing. A non-winning ticket will only be returned to the claimant if the claimant provides return postage and a self-addressed envelope or mailing container in which to return the ticket.
 - (e) Conflicting Information or Discrepancies: If there is conflicting information or discrepancies including, but not limited to, between the name or names on a winning Lottery ticket or share and the name or names on a claim form, the Lottery may withhold prize payment until the conflicting information has been resolved to the Director's satisfaction. Discrepancies include, but are not limited to, names or addresses scratched out or erased or unreadable or altered names or addresses.
 - (f) Investigations: At the discretion of the Director or Assistant Director for Security, the Lottery may conduct an investigation to aid in the determination of the rightful owners prior to payment of any prize. An investigation may be conducted under circumstances including, but not limited to, multiple signatures on a ticket or share or a signature that appears altered or forged.

- (g) Determinations: The Director's decisions regarding the determination of a winning Lottery ticket or share, or the determination of the rightful owner or owners of a prize, or of any other dispute or matter arising from payment or awarding of prizes are final and binding on all parties claiming an ownership interest in a prize.
 - (h) Payment Decisions: The Director shall make the final decision on whether any prize is paid or any annual prize payment is made. All prizes shall be paid within a reasonable time after they are validated, unless the Director delays a prize payment. The Director may, at any time, delay any prize payment in order to review the validity of a prize claim, or review a change of circumstances relative to the prize awarded, the payee, or the claim, or review any other relevant matter that may come to the Director's attention. Except as set forth in OAR 177-098-0060, for any prize requiring annual payments, all payments after the first payment shall be made on the anniversary date of the first payment in accordance with the type of prize awarded. Any delayed annual payment will be brought up to date immediately when payment is authorized by the Director.
 - (i) Social Security Numbers or Individual Taxpayer Identification Numbers (ITIN): Each United States resident or nonresident who is to receive a payment of winnings greater than \$600 shall furnish to the Lottery the information required on the Internal Revenue Service Form W-2G (or any other form required by the IRS,) including but not limited to the winner's name, address, and social security number or ITIN. This disclosure is mandatory and the authority for such disclosure is 42 USC 405(c)(2)(C), 26 CFR 31.3402(q)-1(e), ORS 461.715(1)(a), and 461.719(2)(a). A winner's social security number or ITIN will be used for the purpose of identifying child support or public assistance overpayment obligors and payments owed and to administer state and federal tax laws, including collection of tax.
 - (j) Deductions from Prize Amount Paid: When a prize claim is submitted or claimed digitally through a player account, the Lottery will reduce the amount of the prize actually paid to the winner by any amounts required by law to be withheld from payment, including without limitation applicable tax withholding, a writ of garnishment or other legal attachment, child support, or other obligations owed to the State of Oregon. A winner will not be entitled to the full prize amount in such cases and the amounts withheld will be transferred or retained by the Lottery as required by law.
- (2) Retailer Validation and Payment of Prizes: To determine whether a physical Lottery ticket or share presented for payment entitles the holder to a prize, a retailer must validate the claim with the Lottery by scanning the bar code or manually entering the bar code number printed on each Lottery ticket or share into equipment provided by the Lottery, and, if authorized by the Lottery, pay the holder the prize amount due.
- (a) Retailer Payment: Unless the prize has multiple owners, a retailer is authorized to pay a prize of \$600 or less and shall pay that prize in cash or check, or any combination thereof.
 - (b) Dishonored Check: If a retailer's prize payment check is dishonored, the payee of the check may seek payment from the Lottery by presenting a copy of the dishonored check

at Lottery Headquarters or a Lottery Branch during Lottery business hours, or by mailing a copy of the dishonored check with a winner claim form to the Lottery Mailing Address. If the Lottery determines that payment of the prize is authorized, the retailer has not paid the prize, and it is unlikely that the retailer will pay the prize, the Lottery may then issue a check to the payee of the dishonored check in the amount of the prize due. The Lottery may require submission of the original check issued by the retailer prior to making payment to the payee.

- (c) Retailer Sanction: A retailer that pays a prize with a check that is dishonored may be subject to termination of its Lottery Retailer Contract.

- (3) Submission of Prize Claim to Lottery: The holder of a winning ticket or share may claim a prize by submitting the winning ticket or share using one of the methods described in this section, unless a different method is provided for claiming a Highest Prize in the specific rules for the game from which the Highest Prize is derived. A winner claim form may be obtained from any Lottery retailer, from the Lottery Headquarters or a Lottery Branch, or may be downloaded from the Lottery's website.

- (a) Presenting Claim at Lottery Headquarters or Lottery Branch:

- (A) Except as provided in subsections (d) and (e) of this section, a claimant may bring and present a ticket or share at Lottery Headquarters or a Lottery Branch during Lottery business hours, unless the ticket or share, or a Lottery rule, specifies that the ticket or share may only be presented at Lottery Headquarters. Prize claims worth \$50,000 or more must be presented to the Lottery in person unless an exception is approved under subsection (b) of this section.
- (B) Except as otherwise provided in this paragraph, when presenting a claim to the Lottery, including a Video Lottery cash slip claimed pursuant to OAR 177-200-0020, the claimant must provide government-issued photo identification that is acceptable to the Lottery.
 - (i) If a claimant is unable to obtain or provide government-issued photo identification, Lottery may accept alternative forms of identification. The decision to accept alternative identification and the type of identification required shall be subject to Lottery's discretion.
 - (ii) For a prize claimed jointly under section (5) of this rule, all claimants must provide identification.

- (b) Presenting Claim by Mail, Private Express Carrier, or Secure Drop Box:

- (A) When submitting a claim by mail, private express carrier, or drop box, the claimant must provide a photocopy of the claimant's government-issued photo identification with the claim form. If a claimant is unable to obtain a government-issued photo identification or obtain a photocopy, Lottery may accept alternative identification or may authorize an alternative method for verifying the claimant's identity. The decision to authorize alternative forms of

identification or an alternative method for verifying the claimant's identity and the type of identification required shall be subject to Lottery's discretion.

- (B) A claimant may present a claim by mail or private express carrier by signing the ticket or share, writing the claimant's mailing address on the ticket or share, completing a winner claim form, attaching a photocopy of their government-issued photo identification, and mailing it together with the winning ticket or share to the Lottery Mailing Address. Certified mail is recommended.
 - (C) The Lottery may provide a secure drop box on Lottery Headquarters premises into which a claimant may deposit a signed ticket or share, completed winner claim form, and a photocopy of their government-issued photo identification. Such secure drop box will be marked as such with Lottery signage. The claim is considered received by the Lottery on the date the claim is retrieved by Lottery personnel from the secure drop box.
 - (D) Unless an exception is approved by the Director or Assistant Director for Security (or, in the event of both of their absences, a person acting as a designee for the Director or Assistant Director for Security), only claims worth less than \$50,000 may be submitted to the Lottery by mail, private express carrier, or secure drop box.
- (c) Electronic Claim Form: A winner may submit an electronic claim form through the Internet if a winning ticket or share has already been presented using one of the methods specified in subsection (a) or (b) of this section. If the winner submits an electronic claim, the form is received by the Lottery only when the claim enters the Lottery's information processing system in a form that is retrievable by the Lottery and at the time and date noted by the Lottery's information processing system. The Lottery is not responsible for any electronic transmission failures or errors. An electronic winner claim form must include the winner's electronic signature that meets the requirements specified by the Lottery on the instructions for the winner claim form.
- (d) Claiming Through the DraftKings Sportsbook Player Account: In the DraftKings Sportsbook, a prize is considered claimed immediately upon validation that the share is a winning share as determined by the rules for the particular game. Upon such validation, any taxes or other offsets required by law to be withheld will be withheld and any amounts remaining will be credited to the player account. There are no unclaimed prizes in the DraftKings Sportsbook game and prizes in such games may only be claimed as provided in this subsection.
- (e) Claiming Through the Courier Service Player Account: With the courier service, a prize is considered claimed immediately upon validation that the lottery ticket is a winning lottery ticket as determined by the rules for the particular game. Upon such validation, any taxes or other offsets required by law to be withheld will be withheld and any amounts remaining will be credited to the player account. There are no unclaimed prizes in the lottery game and prizes in such games may only be claimed as provided in this subsection.

Commented [MR25]: Recommended adding based on (d)

(ef) During a public health or other emergency, the Lottery may limit available methods for claiming prizes, especially in-person claiming, during the state of emergency.

(4) Lottery and Prize Payment Methods:

(a) Except as provided in subsection (b) of this section, upon validation of a winning Lottery ticket or share presented to the Lottery for payment, the Lottery shall pay the amount of the prize due to the owner of the ticket or share by check, payment device, or other appropriate payment method. The prize payment method is at the Lottery's discretion. Lottery does not pay prizes in cash.

(b) In the DraftKings Sportsbook digital sports betting game, the Lottery only pays prizes digitally by crediting the player account after the withholding of any amounts required by law to be withheld.

(c) For winning Lottery tickets purchased through a courier service, the Lottery only pays prizes digitally by crediting the player account after the withholding of any amounts required by law to be withheld.

Commented [MR26]: Recommended adding based on (b)

(5) Claiming Lottery Tickets or Shares Jointly: If a Lottery ticket or share is owned by two or more persons, and the joint ownership by more than one person was mutually agreed upon, the prize must be claimed in accordance with the following:

(a) Limitations: A ticket or share may not be claimed jointly for the purpose of avoiding or reducing the amount of the prize that will be offset against outstanding debts.

(b) General: All persons claiming ownership of the winning Lottery ticket or share must complete and sign a claim form and the Lottery's Request to Divide and Release Form or Relinquishment of Ownership Form at the time the prize is claimed. At least one of the owners of the ticket or share must sign the ticket or share. That person's signature must also appear on the Request to Divide and Release Form. Lottery retailers are not authorized to pay multiple owners who share a single winning prize.

(c) Unless an exception is approved by the director or the director's designee, each owner will receive an equal share of the prize. For example, if the prize is \$600 and there are three owners, each owner will receive \$200. In no event will an owner be permitted to reduce their share of the prize for the purpose of avoiding legally required offsets including for outstanding child support or public assistance overpayment.

(d) Unless an exception is approved by the director or the director's designee, each owner of a ticket for the top prize in Megabucks, Powerball, or Mega Millions must select the same payment option, either single lump sum or annuity.

(e) The Lottery may issue a single prize payment to an owner whose name appears on the ticket or share instead of multiple prize payments to the owners of the ticket or share if the value of each separate prize share would be less than \$50 or if the number of owners claiming a share of the prize exceeds 100 people.

- (f) Unless directed otherwise by judicial order pursuant to ORS 461.253, the Lottery only pays prizes to the owners of a ticket or share; Lottery will not pay part of a prize to another person who is not an owner, such as a relative.
 - (g) Unless an exception is approved by the director or the director's designee, owners may not be changed or added after the initial presentment of the claim to the Lottery.
 - (h) Relinquishment of Interest: To relinquish a person's ownership interest in a Lottery ticket or share, the person must sign the Lottery's Relinquishment of Ownership Form relinquishing the person's ownership interest to the person the owner designates on the form. In no event will a person be permitted to relinquish ownership interest once it is determined that the person owes money for child support, other legal attachment has taken place, or other amounts are otherwise required to be withheld by law. Once the Lottery receives the release of ownership form, it is irrevocable.
- (6) Second Chance Drawing Prize: Sections (5) and (7) of this rule are not applicable to a prize claim from a second chance drawing. Prizes awarded by the Lottery from second chance drawings must be claimed in accordance with the provisions of OAR 177-052-0060 and only the person who submitted the winning entry in a second chance drawing may claim and be paid the prize.
- (7) Power of Attorney.
- (a) General: The owner of a winning ticket or share may designate in a written power of attorney an agent to act on the owner's behalf and to receive a prize payment on behalf of the owner. The Director shall confirm both the written authorization and the agent. An owner is encouraged to select a bonded agent. The Director may pay a prize to an agent for the owner of a winning ticket or share only if the Director determines that the agent has presented a valid power of attorney under Oregon law authorizing the Lottery to disburse a winning prize amount to the agent on behalf of the owner named on the winning ticket or share. The Director may require that any power of attorney submitted to the Lottery be in a form prescribed by the Lottery. The Director will accept a power of attorney for a winning ticket or share only when there is a single owner of the ticket or share. The owner of the ticket or share for whom a claim is submitted under a power of attorney must be a natural person over the age prescribed in the applicable game rules and be otherwise eligible to play Lottery games and claim a Lottery prize.
 - (b) Method of Payment: The Lottery will not disburse cash to an agent for a winner. The Lottery will disburse payment to the designated agent for a ticket owner only by check, payment device, or other method payable to the named owner of the ticket or share, not to the name of the agent.
 - (c) Power of Attorney Form: A power of attorney submitted to the Lottery must, at a minimum: (i) be in written form, (ii) specify the name, address and telephone number of the owner of the ticket or share; (iii) be dated with a date that is later than the determination of the winner for the game in which a winning prize is being claimed, (iv) specifically identify the winning prize and the game won, (v) specify the name, address and telephone number of the agent who is authorized to claim the prize for the owner;

and (vi) clearly state that the agent may complete a claim form and sign the ticket or share in the name of the owner and receive payment of the prize for the owner. The Director, in his or her discretion, may also accept a general power of attorney form for a disabled or incompetent player if the Director determines that the general power of attorney is valid under Oregon law and that payment to the agent of a Lottery prize is within the authority conferred upon the agent under the general power of attorney.

- (d) Identification of Owner: The Director may confirm to the Director's satisfaction that the agent is authorized to claim a prize on behalf of the owner of a winning ticket or share. The Director may attempt to verify or contact the owner of a winning ticket or share that is being claimed by an agent. The Director may request copies of additional documentation to establish the identity of the owner and the validity of the power of attorney including, without limitation, a driver's license, passport or similar identification and documents pertaining to the identity and signature of the owner in order to verify the validity of the power of attorney.
- (e) Appearance: An agent may not present a winning ticket or share through the mail or by private express carrier, but must physically present the winning ticket or share with the power of attorney and any supporting documentation at the Lottery Headquarters to claim the prize payment on behalf of the owner. Subsequent to receipt of acceptable identification, along with a completed claim form from the agent, and the Director's review and approval of the power of attorney and other supporting documentation required by this rule or requested by the Director, the agent, in the presence of a duly authorized Lottery official, shall sign the owner's name on the winning Lottery ticket or share in the place indicated on the ticket or share and immediately return it to the Lottery. The Director shall then disburse payment as provided in these rules.
- (f) Discharge of Lottery from Liability: The owners of lottery tickets or shares are responsible for safeguarding their tickets or shares and assume the risk of an agent with apparent authority from the owner presenting a claim for payment from the Lottery on behalf of the owner. The State of Oregon, its agents, officers, employees, and representatives, including but not limited to, the Oregon Lottery, its Director, agents, officers, employees, and representatives, are discharged of all liability upon payment to an apparent agent for the owner of a winning ticket or share in accordance with this rule. The Lottery is not responsible in any way for the fulfillment or completion of any agreement or power of attorney between the owner and the agent. The Director's decisions regarding the determination that a Lottery ticket or share is, or is not, a winning ticket or share or any question or dispute arising from the payment of such a prize is final and binding on all parties. In the event a question or issue arises regarding payment of a prize through an agent, the Director may withhold payment until the question or issue is resolved. The Lottery, the owner or the purported agent may petition a court of competent jurisdiction for judicial resolution of the matter.
- (g) This section does not apply to the DraftKings Sportsbook digital sports betting game. Prizes in the DraftKings Sportsbook may not be claimed through a power of attorney;

provided, however, moneys may be withdrawn from a player account through a power of attorney, if the form of power of attorney is approved and given effect by Lottery.

(h) This section does not apply to courier services. Prizes with a courier service may not be claimed through a power of attorney; provided, however, moneys may be withdrawn from a player account through a power of attorney, if the form of power of attorney is approved and given effect by Lottery.

Commented [MR27]: Recommended adding based on (g)

(8) Validation and Payment of Lost, Damaged or Destroyed Tickets or Shares: If a player of a game cannot submit an intact winning ticket or share because a retailer lost, damaged, or destroyed the ticket or share while attempting to perform validation procedures on the game ticket or share, or because the ticket or share was otherwise damaged so that it cannot be validated through the Lottery's central computer system or because it is otherwise unreadable, a prize claim based on such lost, damaged, or destroyed ticket or share may still be validated provided the claim is made before the end of the applicable claim period. For purposes of this rule, a ticket or share is unreadable if there is insufficient information remaining on the ticket or share for the Lottery's Security Section to reconstruct and validate the ticket or share.

- (a) Player Form and Affidavit: To claim a prize based on a lost, damaged, or destroyed ticket or share, the player must obtain, complete, and sign a winner claim form and a claim affidavit furnished by the Lottery. The player shall submit the two completed forms along with any other evidence of the validation attempt that is in the player's possession (including, but not limited to, any slips, receipts or other evidence of play produced by the terminal at the time of the validation attempt) to the Lottery either by mail to the Lottery Mailing Address (registered mail recommended) or in person at the Lottery Headquarters or a Lottery Branch during Lottery business hours.
- (b) Evidence: The evidence submitted by the claimant must corroborate any validation attempt of the ticket or share by a retailer including, but not limited to, identification of the Lottery game retailer or clerk who attempted to validate the prize, the time and date of the validation attempt, the ticket or share validation number, the terminal number, and the prize amount.
- (c) Investigation: The Assistant Director for Security will conduct an investigation to determine if the claim and winning game ticket or share are valid.
- (d) Retailer Affidavit: A retailer who is the subject of an investigation conducted under this section must complete and provide to the Lottery a retailer affidavit form explaining the events in question.
- (e) Director's Determination: Based upon all the facts and information available, the Director shall determine whether prize payment is warranted and authorized.
- (f) Payment of Prize: Upon the Director's determination that the ticket or share submitted under this section is a valid, winning ticket or share, and that the player is the proper person to whom a prize is payable, the Lottery shall present or mail a check to the claimant in the amount of the prize due to the claimant.

- (g) Restriction of Payment: Payment of claims submitted under this section is restricted to the prize amount. A winner is not entitled to lost interest earnings or any other form of damages due to a delay in a payment of a prize while the validation process described in this rule is completed.
- (h) Retailer Sanctions: The Director may sanction a Lottery game retailer for the loss, damage or destruction of a winning ticket or share including, but not limited to imposing, a requirement for training for the retailer or the retailer's employees, and any other actions that the Lottery may take in response to a retailer's failure to perform contract duties or requirements as described in the Lottery retailer contract.
- (i) Notification of Denial: If the Director determines that the ticket or share is invalid, or a non-winning ticket or share, or the claim is invalid, the Director shall deny the claim and notify the claimant. An invalid ticket or share will not be returned to the claimant and is not eligible for any second chance or promotional drawing. A non-winning ticket or share will be returned to the claimant if the claimant provides return postage and a self-addressed envelope or mailing container in which to return the ticket or share. If a claim is denied, the Director may, in his or her discretion, provide the claimant with one or more replacement tickets as provided by OAR 177-046-0160.

177-046-0155

Responsible Gaming

- (1) General: The Lottery shall comply with the Responsible Gambling Code of Practices Act. The Lottery will support players in positive play behaviors as outlined in the Lottery's Responsible Gambling Code of Practice by providing responsible gaming features within games and may offer additional outreach and messaging to players from time to time.
- (2) Self-imposed Limits: When a person creates a player account, they may establish daily, weekly, and monthly personal gaming limits such as deposit, bet, or time limits or any person may self-exclude from the ability to play games through their player account or from ordering tickets through the courier.
- (3) Problem Gambling Assistance: The DraftKings Sportsbook and courier services must display information on their mobile app or site on how to seek help for problem gambling, such as through the problem gambling helpline or website.

Commented [MR28]: Merged in from ORIGINAL DRAFT 177-040-0053(3)(m)

Commented [MR29]: Taken from ORIGINAL DRAFT 177-040-0053(3)(m)

Callum Mulvihill, The Lottery Corporation (TLC)

From: Callum Mulvihill <Callum.Mulvihill@thelotterycorporation.com>
Sent: Sunday, August 24, 2025 10:09 PM
To: Wells, Michael.A <Michael.A.Wells@lottery.oregon.gov>
Cc: David Macfarlane <David.Macfarlane@thelotterycorporation.com>
Subject: Fw: Proposed courier rule changes

Hi Mike

Thanks for the advice on the release of the intended rule changes and their intentions. Our teams have reviewed the proposed changes and considered some public commentary made by operators.

Within the Australian context, we've noticed that the proposed rule amendments might not be completely effective at achieving the Oregon Lottery's intended outcome of preventing all types of relevant activities, including those by NT Operators.

Reporting on this suggests that one of those NT Operators, The Lottery Office, may not think the rule change will impact their current business model and operations

(<https://www.oregonlive.com/politics/2025/07/oregon-lottery-proposes-new-rules-to-protect-state-revenues-players-and-the-integrity-of-its-games.html>).

It's entirely possible that NT Operators and their Oregon agents will continue offering 'matched' online products by exploiting potential loopholes in the definition of 'courier service' in the proposed rules as:

- The Oregon agent buys lottery tickets and claims prizes personally or through an arrangement with an Oregon lottery retailer (including via a power of attorney arrangement)
- The NT Operator and the Oregon agent then share the prize value, which effectively provides the NT Operator with a hedge for prizes offered in an Australian online game
- The ticket and prize remain in Oregon, and the payment of amounts corresponding to the prize amount to the NT Operator is then a secondary step
- The NT Operator's Australian customer never receives the ticket issued by Oregon Lottery, and the ticket is not purchased or held on their behalf
- It's unlikely that the 50,000 bulk purchase limit would impact the activities of the NT Operators, based on our understanding of the arrangements and volume of purchases made by the NT Operators.

We appreciate the Oregon Lottery would have reasonably broad discretion to determine an arrangement is a 'courier service' that perhaps deals to the above uniqueness's of the NT Operators.

The NT Operators are adept at finding loopholes and will likely continue their activities and continue to send prize money internationally unless rules specifically capture these arrangements. Some options for Oregon Lottery to consider include:

- specifically capture this type of arrangement within the definition of 'courier service'; and
- expressly provide the Oregon Lottery with discretion to respond flexibly to evolving industry practices by invalidating tickets acquired in this manner, prohibiting commercial transactions of this nature, or having a general discretion to block services or sales deemed not in the public interest.

I'd be happy to discuss this further with you or your team if it would be helpful at any time. Please also let me know if you'd prefer I forward this feedback directly to Kris Skaro per the original notification.

Regards
Callum

Stephen Warshavsky, Jackpocket.com



Oregon State Lottery
Attn: Kris Skaro, Rules Coordinator
500 Airport Rd SE
Salem, OR 97302
lottery.adminrules@lottery.oregon.gov

Re: Comments on Proposed Courier Regulations — OAR 177-040-0053 & OAR 177-046-0100

Dear Ms. Skaro:

On behalf of Jackpocket, a lottery courier company, we appreciate the opportunity to provide comments on the Oregon State Lottery's proposed regulations regarding retailers who work with lottery couriers. We support the Lottery's commitment to integrity, transparency, and compliance, and we welcome this opportunity to provide recommendations that will strengthen the proposed rules, provide clarity to all stakeholders, and ensure the continued safe participation of Oregon consumers in lottery games.

After reviewing the draft rules, we respectfully submit the following comments and suggested revisions, drawn from our experience as a regulated courier operator in multiple U.S. jurisdictions.

I. Key Textual Edits

We propose the following edits in bold and strikethrough text for the reasons stated below:

1) Clarify the real transaction sequence between a courier customer, the courier, and the retailer. The edits clarify that the courier customer places an order with the courier and then the courier goes to the retailer to purchase the ticket on the courier customer's behalf. The purchase and sale of the ticket occurs at the retail location. In addition, the determination of the location of a courier customer occurs when the customer orders a ticket from a courier — OAR 177-040-0053(1)

"A retailer under contract with the Lottery may ~~facilitate ticket sales through a courier service~~ **sell Lottery tickets to a courier service after the courier receives an order for a Lottery ticket from a customer**, only pursuant to a written contract with the courier service subject to Lottery's review and approval and only as provided in this rule."

"A courier service may not ~~facilitate the sale~~ **purchase** Oregon Lottery tickets ~~other than for customers except~~ pursuant to a contract with a retailer and subject to this rule."

"Under no circumstances may a retailer knowingly facilitate ~~ticket sales~~ **the sale of Lottery tickets** to a **any** person who is physically located outside the state of Oregon ~~at the time of purchase, through a courier service or any other method~~ **at the time the order is placed with a courier.**"



Why: This requires couriers to perform geolocation checks at the time a customer places an order, and correctly reflects that after receiving customer orders, retailers sell the tickets to couriers at the physical retail location. Couriers cannot verify the customer's location when the ticket is purchased on the customer's behalf at the retail store. However, the courier can verify the customer's location when the customer places an order in the courier app.

2) Notice/attestation terminology; focus enforcement on the correct act — OAR 177-040-0053(2)

"A retailer shall notify the Lottery in writing within 14 calendar days of contracting with a courier service or otherwise knowingly ~~facilitating ticket sales~~ **selling Lottery tickets to** through a courier service."

(2)"(c) The retailer agrees that if the Lottery determines that the courier service has or will ~~facilitate Lottery ticket sales to persons physically outside the state of Oregon~~ **accept orders for Lottery tickets while a person is physically outside the state of Oregon** or has otherwise acted in a manner contrary to law, Lottery rules, or the retailer contract or otherwise presents an actual or apparent threat to the fairness, integrity, security, and honesty of the Lottery, the Lottery may prohibit the retailer from working with a courier service, or may take any other compliance action against the retailer up to and including terminating the retailer contract **after notice and an opportunity to cure, except in exigent circumstances involving fraud or imminent harm.**"

(2)"(d)The retailer agrees to indemnify, defend, and hold harmless the State of Oregon, the Oregon State Lottery Commission, the Oregon State Lottery, the Oregon State Police, and their agents, officers, employees, and representatives from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses arising out of, or relating to, the acts or omissions of the courier service, its officers, employees, subcontractors, or agents under any contract or understanding between the retailer and the courier Service, or in any way related to retailer's performance under its contract with Lottery, including, but not limited to, **requests for** ~~the purchase of~~ courier services through the courier service's system, placement of requests for courier services through such courier service's system or the generation of, or failure to generate, tickets to complete ticket purchases related to such requests for courier services. The retailer's obligations will include, but are not limited to, any and all losses, damages, liabilities, settlements, judgments, fines, costs, fees, and expenses of any nature whatsoever, including, but not limited to, fees of attorneys and other professionals at trial and on appeal."

Why: These edits accurately prohibit couriers from accepting orders for customers while they are located outside Oregon, which is the operative point at which geolocation of a customer can be checked for app-based orders. Additionally, the last sentence preserves swift action for serious risk while allowing remediation for minor issues.

3) Scope of compliance — OAR 177-040-0053(3)(a)

~~“A retailer may not contract with a courier service or otherwise knowingly facilitate sales through~~ **sell Lottery tickets to** a courier service unless the retailer has attested to and continues to ensure that the courier service meets the following requirements

“(a) The courier service complies with all laws, rules, and regulations applicable to the courier service **operations in Oregon.**”

Why: Clarifies jurisdiction and avoids ambiguity about extra-territorial obligations.

4) Clarify that location of courier customer is checked at order; annual testing cadence — OAR 177-040-0053(3)(c)–(d)

~~“(c) The courier service uses geolocation to verify that the customer is located within the state of Oregon and not on tribal lands at the time of purchase~~ **at the time an order is placed with the courier.**”

~~“(d) An independent third party periodically~~ **annually** tests the courier service’s technology including geolocation.”

Why: Couriers cannot verify a customer’s location when the ticket is purchased on the customer’s behalf at the retail store. However, the courier can verify the customer’s location when the customer places an order in the courier app. Replaces “periodically” with an annual requirement for clarity.

5) Oregon-relevant incident reporting — OAR 177-040-0053(3)(f)

~~“... notifies the retailer and the Lottery of significant incidents relating to the operation of the courier’s platform~~ **in Oregon ...**”

Why: Focuses reporting on Oregon consumers and systems.

6) Fee transparency — OAR 177-040-0053(3)(g)

~~“... The courier service discloses all fees charged by the courier in a manner that makes clear that those fees are separate from the ticket price set by the Lottery prior to taking payment from and finalizing a customer's order. The courier service may not charge a fee for the payment of any prize amount or require or otherwise collect or accept any portion or percentage of a prize as payment for courier services.~~ **Any fee charged by the courier and disclosed to the customer as required by this section, is for the service of purchasing and delivering a Lottery ticket on behalf of another person and shall not constitute an increase in the price of the Lottery ticket that is set by the Oregon Lottery.**”

Why: Prevents consumer confusion by differentiating courier service fees from the Lottery’s ticket price.

7) Future-draw terminology — OAR 177-040-0053(3)(j)

“The courier service allows the ~~purchase~~ **order** of tickets for future draws only to the extent that such tickets could be purchased directly from a retailer.”

Why: Harmonizes language with (1) and (2) (orders with the courier).

8) Winner notifications; retention tied to claim journey — OAR 177-040-0053(3)(k)

“(A) The courier service scans the front and back of every ticket purchased and sends the image to the customer within a reasonable time period. The courier service notifies the customer of a winning ticket within 24 hours **of the courier confirming it is a winning ticket.**”

“(B) The courier service provides an option for any customer to obtain any ticket **ordered** ~~purchased~~ by the customer through the courier service for the purpose of claiming a prize at any time subsequent to its purchase. The courier service may not charge a fee to deliver the ticket to the customer.”

“(C) Each physical ticket not provided to the customer shall be securely stored in a safe or vault with a minimum fire rating of Class 150-1 Hour issued by Underwriter Laboratories, Inc., or such equivalent rating. The premises housing such safe or vault shall be protected by a burglary alarm system with 24-hour monitoring. (D) A courier service shall securely store tickets purchased on behalf of customers ~~for 30 days following either the prize being claimed and paid to the customer or the expiration of the prize claim period, whichever comes first~~ **until the prize is claimed on behalf of the customer and paid to the customer, the ticket is provided to the customer, or until the expiration of the prize claim period for a ticket that has not been claimed for or delivered to the customer.**”

Why: Triggers notice upon confirmed wins and keeps custody until claim resolution or claim-period expiry. In addition, it would be extremely cost prohibitive to maintain all tickets, even after redemption, in a safe or vault with a minimum fire rating of Class 150-1 Hour due to the volume of tickets fulfilled by a courier. After a courier has redeemed and paid a prize to a customer, it should no longer have to store that ticket in a safe with a minimum fire rating of Class 150-1. A courier can still save these tickets until after expiration of the claim period if not required to do so in a safe with a minimum fire rating of Class 150-1.

9) Status of purchased tickets — OAR 177-040-0053(5)

“A person may not claim a prize using a power of attorney ... on behalf of a customer who was outside the state of Oregon ~~at the time of purchase~~ **at the time they ordered a Lottery Ticket using a courier.**”

Why: Again, aligns to the order-time standard used for geolocation/KYC.

II. Clarification Edits Requested

Outlined below are our requested clarifications, with proposed rule text where applicable:

1. **Who must be disclosed to the Lottery?** — OAR 177-040-0053(2)(a)

Text to Add: "... disclose the names and addresses of **owners and key personnel** associated with the courier service ..."

Why: Targets individuals with control/responsibility; reduces unnecessary collection of peripheral names.

2. **KYC specifics and retention** — OAR 177-040-0053(3)(b)

Text to Add: "The courier service ~~shall verify the identity and age of a prospective customer~~ **verify name, date of birth, and last four digits of SSN against authoritative databases** to prevent people under the age of 18 from placing orders for tickets. **These KYC/transaction records must be retained for at least five (5) years.**"

Why: Establishes clear, auditable standards.

3. **Define 'reasonable time period' for posting ticket scans** — OAR 177-040-0053(3)(k)(A)

Ask: Clarify by rule or guidance that "reasonable" means same business day of purchase (or by the next calendar day for late-night cutoffs).

Why: Provides an objective consumer expectation without rigid operational micromanagement.

4. **Insurance specificity** — OAR 177-040-0053(3)(p)

Ask: Specify minimum categories (Commercial General Liability and Cyber/Tech E&O) and require additional-insured status for the Lottery and contracting retailers; work with staff to set reasonable minimum limits by policy or guidance.

Why: Avoids ambiguity for carriers and operators; we defer to Lottery on exact limits.

5. **Self-exclusion scope** — OAR 177-040-0053(3)(m)

Text to Add: "The courier service allows customers to place daily, weekly, and monthly limits on their spending. ~~or to self-exclude from ordering tickets through the courier~~ **The courier shall offer operator-level self-exclusion and, when available, honor Oregon's statewide self-exclusion list.**"



Why: Removes ambiguity, maximizes consumer protection.

6. **Marketing/use of Lottery marks with permission** — OAR 177-040-0053(3)(o)

Text to Add: ~~"The courier service refrains from unauthorized use of Lottery trade or service marks as described in OAR 177-010-0110 and does not otherwise state or imply that the courier service has a relationship with or affiliation to or is acting as an agent of the Lottery."~~ **With prior written authorization from the Lottery, a courier may use Lottery trade or service marks in marketing/app interfaces consistent with OAR 177-010-0110."**

Why: A formal permission path protects the Lottery's brand while enabling accurate consumer information and avoiding look-alikes.

7. **Director's "withhold payment" — add a time limit** — OAR 177-040-0053(5)

Text to Add: "The Director may withhold payment to investigate whether a ticket was sold in violation of these rules. **Any withholding shall be resolved within a reasonable period and no longer than the Lottery's standard claim processing timeframe, absent suspected fraud.**"

Why: Prevents open-ended delays for courier users while preserving investigative authority.

These proposed revisions preserve the Lottery's policy choices while making the rules clearer, more auditable, and more workable. They place obligations on the parties that control the risk, remove ambiguity that can lead to disputes, and strengthen consumer protections without expanding the rules' scope. Adopting this language will streamline enforcement, give retailers and couriers predictable standards, and improve the player experience, all in service of the Lottery's integrity mandate. We respectfully urge adoption and stand ready to discuss any preferred phrasing or implementation details with staff.

Sincerely,

Jackpocket LLC

Robert Porter, Lotto.com

September 30, 2025

RE: Comment on Proposed Rulemaking, Amendments to Chapter 177
Oregon Lottery Regulations for Retailers Who Work with a Courier

Lotto.com commends the commitment to accessibility, security and consumer protection that the Oregon Lottery has demonstrated through the proposal of lottery courier rules. As a courier who presently partners with a retailer in Oregon, Lotto.com strongly supports the adoption of these proposed rules.

LOTTO.COM BACKGROUND

As a company, Lotto.com has deep roots within the lottery industry. The company's senior leadership have previously worked with and for Scientific Games, Camelot UK, IGT, the Illinois Lottery, and the Colorado Lottery. I previously served as Vice President and General Counsel of the Iowa Lottery, where my work won an international award for gambling compliance. At Lotto.com, we understand the unique challenges of the lottery industry and strive to be an industry leader.

At Lotto.com, we work hard at being a reliable and responsible partner in the delivery of Oregon Lottery tickets. After launching our services in Oregon almost two years ago, Lotto.com has delivered hundreds of thousands of official state lottery tickets in the state of Oregon. We do so through a secure system that has been examined and certified by industry experts, such as the New Jersey Division of Gaming Enforcement Laboratories and GLI/Bulletproof.

COURIER INDUSTRY OVERVIEW

Across the country, couriers provide customers with secure access to official state lottery tickets in seventeen different U.S. lottery jurisdictions. Put another way, one in every three lottery states in this country allow couriers to assist in the ticket delivery process.

Courier customers are digital natives who are typically younger and more affluent than the average lottery customer. Many had never played the lottery before ordering tickets through a courier service. By reaching new customers where they are, courier companies can increase lottery sales by five to ten percent on an annual basis. Further, sales data from existing jurisdictions proves that couriers deliver these results without harming existing lottery retailer sales.

Notably, lottery couriers achieve these results while maintaining secure operations and supporting responsible play. Responsible couriers like Lotto.com undergo comprehensive regular audits to ensure the integrity of ticket delivery operations. Responsible couriers in Oregon all have achieved ICAP certification. Administered by the National Council on Problem Gambling, iCAP accredited operators strictly adhere to high standards of integrity and responsible gaming practices to help protect against the harm of problem gambling. System daily, weekly, and monthly limits, as well as the ability for courier customers to reduce those limits or self-exclude from lottery orders entirely, make certain that courier customers play the lottery with their heads and not above it.

PROPOSED OREGON RULES

We have reviewed the proposed rules filed on July 14, 2025 and believe they provide an outstanding framework for ensuring both the integrity of the Oregon Lottery and providing appropriate protection for consumers in Oregon. Among other provisions, the proposed rules provide for:

- Controls to ensure that only those physically located within the state, and not on federally recognized tribal grounds, can order an Oregon Lottery ticket.
- Safeguards ensuring that only adults can place orders for Oregon Lottery tickets.
- Security standards to safeguard both customer information and physical tickets held on behalf of courier customers.
- Assurances that couriers that operate within the state employ third party auditors to ensure ongoing compliance with state law.
- Guidelines on physical ticket access, storage and retention to ensure that the public maintains its confidence in the delivery process and the Lottery.
- Industry best practices on responsible play, including the establishment of daily, weekly and monthly limits for customers with the ability to reduce those limits or self-exclude from the platform entirely.

If these rules are violated, the Oregon Lottery has the ability to take action against the licensed retailer. Since the courier acts as an extension of the retailer, the proposed regulations provide effective controls over ticket delivery activity within the state. These strong enforcement provisions provide an appropriate balance between enhancing customer access to lottery tickets while maintaining vital state control over that delivery process.

Through careful crafting, the Oregon Lottery has proposed one of the strongest frameworks for courier regulations in the country. These rules will generate positive outcomes for the Oregon Lottery and the consumers that the Lottery serves.

PROPOSED EDITS

Lotto.com has modest observations and suggestions for the Oregon Lottery's proposed rule:

Accurate Processing and Removal of Reference to Play Slips

- Rule 177-040-0053(3)(i) requires as follows: “The courier service uses play slips that conform to MUSL standards and has mechanisms in place to ensure the accurate processing of orders for tickets.”
 - Lotto.com would respectfully suggest the following alternative language for this provision: **“The courier service shall have mechanisms in place to ensure the accurate processing of orders for tickets.”**

Rationale:

- To our understanding, the MUSL standards regarding playslips are aesthetic. See, e.g., [Powerball Group Rule 12.3](#) (“All Play Slips used in the game shall contain registered game trademarks and shall communicate other information as may be required by the MUSL Board and the Group.”)
 - The MUSL rules don’t specify any “other information as may be required”.
 - The inclusion of game trademarks on play slips makes sense in the context of the play slips being maintained in a retail setting, as the visible game logo serves an additional marketing purpose.
 - Such aesthetic concerns are inapplicable in the courier context. Official play slips would be used by courier employees to process plays and discarded immediately thereafter, and would never be seen by the public. The MUSL marks that official play slips contain would also be the same ones couriers cannot actually display without lottery permission under proposed rule 3(o).
- MUSL largely defers the determination of what constitutes a play slip and how it is utilized to its member lotteries. See, e.g., [Powerball Group Rule 26.22](#) (Defining “Play Slip” and “Bet Slip” to include “physical or electronic means by which a player communicates their intended Play selection to the retailer as defined and approved by the Selling Lottery.”)
 - As couriers are not licensed retailers, they don’t have the same readily available access to official play slips that licensees do.
 - Typically, lottery system vendors bear the cost of printing and storing official playslips. Both lottery employees and system vendor employees deliver official play slips to licensees. Requiring all couriers to seek and use only official play slips in ticket processing has the potential of unnecessarily increasing the costs and burden on the lottery and its system vendor.

- Lotto.com understands that the intent of the rule is to ensure accuracy in customer order fulfillment. Responsible couriers have successfully processed customer orders for several years by converting them to paper slips readable by the lottery-issued terminal or by utilizing QR codes from the lottery system vendor library where such technology is made available by the lottery. Using the alternative language highlighted above preserves that practice and the efficiencies gained from it.

Ticket Security Requirements

- Rule 177-040-0053(3)(k)(C) contains an extremely proscriptive requirement for ticket safety. This rule reads as follows: “Each physical ticket not provided to the customer shall be securely stored in a safe or vault with a minimum fire rating of Class 150-1 Hour issued by Underwriter Laboratories, Inc., or such equivalent rating. The premises housing such safe or vault shall be protected by a burglary alarm system with 24-hour monitoring.”
 - Lotto.com would respectfully suggest the following alternative language for this provision: **“Each physical ticket not provided to the customer shall be stored in fire resistant, access controlled secured space with effective sprinkler protections. This secured space shall maintain 24-hour monitoring capability and the ability to access archived video. The premises housing such access controlled secured space shall further be protected by a burglary alarm system.”**

Rationale:

Lotto.com understands and completely agrees with the concept of ensuring that physical tickets are protected, monitored, and securely maintained by couriers until prize redemption or physical delivery to an ordering customer.

- This level of prescription, in conjunction with the requirements to maintain both winning and non-winning tickets for the period of time prescribed by the lottery under proposed rule 177-040-0053(3)(k)(D) , makes obtaining a physical rated safe large enough to satisfy the necessary capacity difficult and expensive.
- However, the desired safety standards can be met through different means. An access-controlled space, constructed with fire resistant materials, utilizing effective sprinkler protection and maintaining alarms and 24/7 monitoring can function effectively as a vault and provide the same level of security and protection from loss. Such spaces are successfully used by responsible couriers across the country.

CONCLUSION

The Oregon Lottery's proposed rules on lottery couriers are tough but fair. Lotto.com offers its full support for the rules, and stands ready to continue to serve Oregon customers for years to come.

Sincerely,

Robert K. Porter

Robert Porter, Chief Legal Officer