



Public Comment Report

Date:	October 17, 2025
To:	Oregon State Lottery Commissioners
From:	Kris Skaro, rules and policy analyst
Subject:	Public Comment Report re courier service rules

In July, Lottery proposed rules that establish a regulatory framework for retailers who choose to work with a courier service. The rules require a retailer working with a courier to notify the Lottery and take steps to ensure the courier service adheres to the requirements in the rule such as, but not limited to, prohibiting sales to persons under age 18 and to persons outside the state of Oregon; securely storing tickets held on behalf of customers; and safeguarding the personal and financial information of customers.

Lottery notified legislators, media, industry organizations, retailers known to work with couriers, and other interested parties about the proposed rules and the opportunity to comment.

Lottery originally provided seven weeks for the public to comment in writing and held a virtual public hearing to take comments virtually. Upon requests made pursuant to [ORS 183.335\(4\)](#), Lottery extended the public comment period for an additional five weeks and changed the proposed effective date of the rules from October 1, 2025 to January 1, 2026 to give businesses more time to comply.

During the comment period, Lottery received **comments from nine individuals** in writing and at a public hearing. The comments are summarized in this report for your consideration.

In addition to this report, a PDF with the full text of all written comments will be provided to the Commission. The Hearing Report and a video of the rulemaking hearing [are available here](#).

As a reminder, Lottery is required by law to consider all comments received before taking final action on the rules. Governor Kotek has directed state agencies to respond to comments received during the public rulemaking process. Therefore, each comment is followed by a brief response from the Lottery.

Director Wells revised the rules in response to comments received. He will send final recommended rules to you the week of October 20 with a summary of the changes.

If you have questions, please let me or Director Wells know.

Mike Platzer with Global Players Network USA (GPN)

Request for Extension: Mike Platzer with GPN wrote to Lottery on July 20, 2025 to request that Lottery extend the comment period to allow him to review communications that led to the proposed rulemaking and to delay the effective date of the rules to January 1, 2026. To support his request he wrote in part, “We are concerned that certain documents relied upon contain factual and legal inaccuracies that must be addressed and corrected for the Commission’s consideration...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 finalized regulations in time for them to take effect.”

Written Comments: Mr. Platzer submitted written comments on October 3, 2025, to correct the record about GPN’s business model, which he says is not a lottery courier service and does not sell tickets internationally. He requests that the Commission adopt separate rules governing matched lottery sales, which would allow Lottery oversight of GPN’s operations while allowing the sales to continue, which meet the Lottery’s goal of maximizing revenue. The following is excerpted from his written comments:

“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 GPNUSA'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."

See Mr. Platzer's full comments in the separate PDF, which include suggested rule language Lottery could adopt to authorize and regulate matched lotteries, allowing those ticket sales to continue.

Lottery Response: Lottery granted his request to extend the public comment period and delay the effective date per [ORS 183.335\(4\)](#). Lottery notified interested parties, legislators, and media contacts that the public comment period was extended to October 3, 2025 at 5 p.m. and that the rules would be presented to the Commission on October 31, 2025, with a proposed effective date of January 1, 2026.

The Lottery appreciates the additional insights Mr. Platzer shared regarding GPN's business model in his comments submitted on October 3, 2025. The Lottery believes the proposed rules are necessary to clarify Oregon's game regulations and ensure alignment with MUSL standards, particularly the prohibition on ticket sales to individuals outside the Lottery's jurisdiction. Whether Game Store's sales to GPN violate these rules will be evaluated by retailer contract compliance staff once the rules are in effect. At that time, Game Store will have the opportunity to appeal any adverse determinations to the Director and, if necessary, to a court under ORS Chapter 183.

Steve and Dani Rosendahl, Lottery Retailers with Game Store LLC

Request for Extension: On July 21, 2025, Steve and Dani Rosendahl, who have been Lottery retailers since 2004, wrote to request that Lottery extend the comment period and delay the effective date of the rules to January 1, 2026 to allow their small business time to implement changes after the rules are finalized. In support of their request, they wrote, “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...Without this critical extension to comply with the rules (where applicable), Game Store will be forced to permanently close its doors.”

Oral Testimony and Written Comments: Mr. Rosendahl testified at the virtual public hearing on August 20, 2025, and submitted written testimony. He has been an Oregon Lottery retailer since 2004. He believes the proposed rules were “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.”

He continues, “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.”

He asks that the Commission “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.”

(The Hearing Report and a video of the rulemaking hearing [are available here](#) for reference.)

Additional Written comment: Mr. Rosendahl submitted additional written comments on October 3, 2025 to say he is frustrated by Lottery’s “lack of due diligence when it comes to distinguishing between various business models that could be impacted by the rules.” He notes that the rulemaking documents show that GPN is considered an international courier service, and that based on this, “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...”

“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.” (Note that the Lottery Corporation (TLC) submitted comments on the rules. They are summarized later in this report.)

Mr. Rosendahl goes on to explain that he talked to Lottery in 2018, prior to conducting ticket sales, to consult on the proposed relationship with GPN. He has conducted these sales since then “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.”

He continues, “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...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."

Lottery Response: As previously noted, the Lottery granted the request to extend the public comment period and delay the effective date of the proposed rules. The Lottery appreciates the additional information provided regarding Game Store's business model. Consistent with MUSL game rules, the Lottery maintains that the proposed rules are necessary to clarify that ticket sales to individuals outside the Lottery's jurisdiction are prohibited. Whether Game Store's sales to GPN violate these rules will be assessed by retailer contract compliance personnel once the rules take effect. At that time, Game Store will have the opportunity to appeal any adverse determinations to the Director and, if necessary, to a court under ORS Chapter 183.

Peter Goodman

Mr. Goodman submitted multiple written comments, emails, the introduction to his book, an article on Jackpocket.com, and links to videos. He also testified at the rulemaking hearing. I have tried to summarize the main points here, and I have focused on those comments that seem most relevant to the rules under consideration. I will email the full text of his comments to the Commission and Director for their reference. Also, the Hearing Report and a video of the rulemaking hearing [are available here](#).

Mr. Goodman alleges Lottery has engaged in serious wrongdoing including, but not limited to, falsifying sales and expenses, manipulating prize payouts, and entering secret contracts with vendors.

In his comments, he questions Lottery's relationship with IGT (International Game Technology, now known as Brightstar) and Jackpocket.com and implies both are engaged in illegal activities that Lottery is aware of and complicit in.

While many of his comments and allegations are unrelated to the proposed rules, this excerpt seems most on topic, so I'll include it here and respond to it below:

"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 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."

Lottery Response: Lottery considered Mr. Goodman’s comments but declined to make changes to the rules in response to the comments.

To respond to some of his comments, as Mr. Goodman states, Lottery is proposing regulations in a previously unregulated area, which we acknowledge in our Notice of Proposed Rulemaking. This is in line with many states that are adopting regulations as courier services have proliferated, particularly those selling internationally. As he says, if the rules are adopted, a Lottery retailer could work with a courier service, including a service based outside of Oregon, so long as they adhere to the requirements of the rules, including, but not limited to, restricting sales to persons inside the state at the time the order is placed with the courier.

The comments suggest it would be preferable to have the Legislature adopt courier regulations, rather than the Lottery doing so through administrative rules. The comments imply that Lottery purposely adopted rules to avoid legislative action on courier services.

The Lottery welcomes legislative input or action on courier services. We have communicated about the courier service issue to lawmakers over the years and we made legislators aware of our current proposed courier rules and the opportunity to comment or meet to discuss. In lieu of legislation on this topic, Lottery is using its rulemaking authority under [ORS 461.260 and 461.300](#) to impose requirements on contracted Lottery retailers who choose to work with a courier service. This is in line with other state lotteries. For example, please see recent rules adopted by the [Colorado](#) and [Arizona](#) Lotteries.

Mr. Goodman suggests that Lottery ban any Lottery retailer from accepting mass ticket purchases from “out of state or country.” We believe our proposed rules will do this by stating that a retailer may only work with a courier service that “uses geolocation to verify the customer is within the state of Oregon and not on tribal lands.” Under the rules, a retailer that facilitates an out-of-state or international ticket sale through a courier service would be at risk for contract termination.

He asks whether Jackpocket.com is operating illegally and questions Lottery’s relationship with the company. Jackpocket.com procures Oregon Lottery tickets, including Scratch-it Tickets, for its customers through a Lottery retailer. If the courier rules are approved by the Commission and take effect on January 1, 2026, any retailer working with Jackpocket.com will need to ensure the courier service adheres to the requirements in the rules. This means verifying the age and physical location of customers, restricting sales to in-state customers, disclosing fees, securely storing tickets held on behalf of customers, and protecting the personal and financial information of customers, among other requirements in the rule.

As to his other allegations, the Lottery is open to questions, criticism, and opportunities for improvement, but we stand behind our audited financial statements and have no knowledge that any staff person or leadership member has intentionally falsified game revenue, prize payouts, or operational expenses, engaged in unlawful agreements with vendors, or participated in any conspiracy related to lottery-backed revenue bonds.

Mr. Goodman says the Oregon Lottery is unique in the nation in operating with no external oversight. While he may recommend more or different types of oversight and audits, our financial reports and operations are subject to regular review and scrutiny by external independent experts. This includes the professional auditors from the Oregon Secretary of State, who [audit our financials annually](#); state economists, who review our sales data quarterly to make predictions about how much Lottery revenue will be available to

the state; bond rating agencies like Moody's, S&P Global, and Kroll, who review our revenue, operations, strategic plans, and organizational risks as part of the extensive bond rating process; and legislative staff from the Legislative Fiscal Office, the Legislative Audits Committee, and the Joint Committee on Ways and Means, each of whom receive financial reports and audits and have the right under state law to request information from the Lottery and question Lottery staff at any time about our revenue, operations, and expenses. (See for example, a recent meeting of the Joint Committee on Ways and Means Subcommittee on General Government [here](#), the 2025 Legislative Fiscal Office biannual report on Lottery's administrative costs and public purpose transfer rate [here](#), and a 2023 meeting of the Joint Committee on Legislative Audits [here](#), which reviewed the [Lottery's Annual Comprehensive Financial Report for Fiscal Year 2022](#) that includes a statement from the independent auditor in the Secretary of State's Audits Division that, in their opinion, our financial statements accurately reflect the financial position of the Oregon State Lottery.) In addition, Lottery's internal audit department monitors various aspects of agency operations for issues and [ORS 461.180\(6\)](#) requires Lottery to undergo a full security review by an independent third-party vendor.

Lottery also operates under the direction of a citizen Commission, whose members have expertise in law enforcement, security, business operations, and professional accounting practices. The Commission reviews and approves our financial statements, budget, major procurements, rules, and strategic plan at monthly meetings that are open to the public.

Commenter #5

A member of the public wrote to support several proposed rules “to crack down on lottery misuse. I don’t want to see out of state buyers allows to continue, especially in the bulk-buying scenarios...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.”

Lottery Response: Lottery appreciates the commenter’s support for the proposed rules.

Mike Robbins, Gaming Labs International (GLI)

Mike Robbins with GLI sent recommended rule changes. He recommends adopting rules to more directly regulate the courier service. The recommended rules would, for example, require the courier to notify Lottery of the games it intends to offer for sale; submit their platform, equipment, and/or related components to an independent third party's testing laboratory prior to engaging in courier operations and annually thereafter; and require the courier service to have their method or means for printing play slips approved by the Lottery after independent third-party testing is completed. Additional provisions would require the courier to get Lottery approval of its initial system of internal controls prior to the start of operations. GLI also recommends adopting new rules that explain how a customer establishes an account with a courier, how a ticket is purchased through the courier, and how the courier validates tickets and determines winners. To see all GLI's recommended rule changes, see the PDF showing the full text of each comment.

Lottery Response: Lottery considered these comments and made two changes in response to the comments. The first is to require retailers to report to Lottery what games the retailer intends to sell through the courier service and to clarify that independent third-party testing is required annually.

As to the other changes, Lottery is not seeking to directly license couriers, but rather to impose requirements on our retailers who work with a courier; therefore, our rules do not require us to review and approve all aspects of a courier's operations, which would require more staff, expertise, and legal authority to directly license and regulate courier services. Also, Lottery cannot adopt or amend rules that were not included in its Notice of Proposed Rulemaking. Lottery would need to file a new Notice of Proposed Rulemaking to make all the changes suggested by GLI. That said, we appreciate Mr. Robbins' thorough review of our rules and suggestions to improve oversight of courier operations.

Callum Mulvihill, The Lottery Corporation (TLC)

Mr. Mulvihill with the Lottery Corporation (TLC), a lottery operator in Australia, writes to say 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.” (Note, he uses the term “NT Operator” in his comments, which appears to refer to lotteries licensed and regulated by the Northern Territory of Australia, which includes the Lottery Office (or GPN, who works with Game Store) and the Lottery Corporation.) He continues, “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. “

Lottery Response: Lottery considered these comments but declined to make changes to the rules in response.

Stephen Warshavsky with Jackpocket.com

Jackpocket.com is a courier service currently operating in Oregon. Mr. Warshavsky says Jackpocket.com supports the proposed regulations but they request changes to the rules to align with courier service operations. In Lottery's response below, I've summarized each change they requested and stated whether or not we agreed to the change. To see all their requested changes, see the PDF showing the full text of each comment received.

Lottery Response: Lottery made most but not all of the requested changes, which are summarized below, and which lottery believes improved upon the clarity of rule language and application drawing insight from an operator in the industry. The changes will be reflected in the final recommended rules that will be sent to the Commission for their consideration the week of October 20:

- **Transaction sequence:** We clarified that the sequence for a courier transaction is the customer places an order, at which point geolocation is required, and then the courier purchases the ticket. We did not accept all of their suggested edits but some were incorporated into the final recommended rules.
- **Disclosure of key persons:** We clarified that only the names and addresses of key persons associated with a courier service need to be disclosed to the Lottery by the retailer when they report their relationship with the courier to the Lottery.
- **Scope of required legal compliance:** Clarified that a retailer must ensure the courier they work with follows laws that apply to the courier's operations in Oregon.
- **Independent third-party testing:** We clarified that an independent third-party must test the courier service's technology annually. (The original rules said "periodically." See also GLI's comments, summarized above, which requested more frequent independent third-party testing is required.)
- **Fee clarification:** We clarified that any fee charged by the retailer is not an increase in the ticket price set by the Lottery.
- **Courier customer notifications:** We clarified that a courier service should send the customer a scan of the purchased ticket within a reasonable time frame, "such as the same business day of purchase of the next calendar day." We also clarified that the courier should notify a customer that their ticket is a winning ticket within 24 hours of the courier becoming aware of the winning ticket.
- **Ticket retention:** We required the courier to securely store the ticket until the prize is claimed and paid to the customer; until the ticket is provided to the customer; or until the claim period has expired. (The proposed rule required storage for 30 days following the ticket being claimed.)
- **Self-exclusion:** We required a courier service to honor any Oregon statewide self-exclusion list if and when one is available.
- **Liability Insurance:** Mr. Warshavsky asked us to clarify what insurance levels are required. We decided this is a business decision for the courier service and removed that language, which is consistent with other state lottery courier rules such as Colorado and Arizona, who do not require insurance coverage in their courier regulations.

Lottery considered Mr. Warshavsky's other requested changes to the rules including:

- To say that Lottery will only terminate a retailer contract "after notice and an opportunity to cure, except in exigent circumstances involving fraud or imminent harm."
- To require the courier to verify the name, date of birth, and last four digits of SSN against authoritative databases and maintain identity confirmation records for five years.

- To narrow the scope of reportable incidents to only those that affect operations in Oregon.
- To allow the courier to use Lottery trade or service marks with prior written authorization from Lottery.
- To clarify how long Lottery can withhold a prize payment for resolution.

We declined to make those changes because we think those topics are covered sufficiently by the language in the proposed rules.

Robert Porter, Lotto.com

Lotto.com has operated as a courier in the state of Oregon for two years. Mr. Porter writes to support adoption of the rules but has two suggested modifications. First, they suggest OAR 177-040-0053(3)(i) be amended to remove the requirement that couriers use play slips that conform to MUSL standards. The reason is that the MUSL standards are purely aesthetic. For example, the Powerball rules state, "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." Mr. Porter says, "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...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." He says, "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."

Second, he asks that the ticket storage requirements in OAR 177-040-0053(3)(k)(C) be reduced to avoid unnecessary costs. "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."

Lottery Response: Lottery appreciates the suggested comments from an operator in the industry and made the requested changes. The changes will be reflected in the final recommended rules that will be sent to the Commission for their consideration the week of October 20.