

**NEW YORK CODES, RULES AND REGULATIONS
TITLE 21
CHAPTER XLIV.
NEW YORK STATE DIVISION OF THE LOTTERY**

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GENERAL PROVISIONS**

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§ 2800.1 Purpose and scope

This chapter is promulgated by the Division of the Lottery pursuant to article 34 of the Tax Law and governs the establishment, operation, and administration of the New York State Lottery, and such additional responsibilities as may be assigned by law. Subjects covered by this chapter include, but are not limited to: frequency of drawings, price of tickets, structure of prizes, payment of prizes, licensing of agents,

use of vending machines, safekeeping operations and control and distribution of lottery tickets.

§ 2800.2 Effective date

This Chapter shall take effect upon filing with the Secretary of State.

§ 2800.3 Definitions

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

- (a) Act or law means article 34 of the Tax Law, commonly known and cited as the "New York State Lottery for Education Law."
- (b) Agent means a person who has been licensed to sell lottery tickets under the act.
- (c) Claims center means any place designated by the division where a ticket holder or his representative may file a claim for a prize in accordance with instructions of the division.
- (d) Commission means payments to agents, banks, or other persons for sales, processing of claims, distribution and handling of tickets and revenue, and other services performed at the request of the Director of the Lottery.
- (e) Commissioner means the Commissioner of Taxation and Finance.
- (f) Director means the director of the Division of the Lottery.
- (g) Division means the Division of the Lottery created by the act to administer and operate the Lottery.
- (h) Fund means the State Lottery fund established pursuant to section 92-c of the State Finance Law.
- (i) Lottery or State Lottery means the Lottery established and operated pursuant to the act.
- (j) Person shall be construed to mean and include an individual, partnership, association, organization, corporation, club, company, trust, estate, society, joint-stock company, receiver, trustee, assignee, referee, or any other person acting in a fiduciary capacity, or representative capacity, whether appointed by a court or otherwise, and any combination of individuals. Person shall also be construed to mean and include agencies, and instrumentalities of the State, and counties, cities, towns, and villages.
- (k) Revenue means the monies collected from sales of lottery tickets less prizes paid to winners, operating expenses and commissions paid to agents or banks.
- (l) Ticket means any lottery ticket approved by the division for sale to the general public.

(m) Vendor shall have the same meaning as agent, as defined in subdivision (b) of this section.

§ 2800.4 Powers reserved

All powers not specifically defined in this Chapter are reserved to the division under the laws creating the division and specifying its powers and duties.

§ 2800.5 Name, official seal and offices

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

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

(c) The principal office of the division shall be located at: One Broadway Center, P.O. Box 7500, Schenectady, New York 12301-7500. The division may also operate such other offices and facilities as the director may deem appropriate to fulfill the responsibilities of the division under the act.

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§ 2800.6 Director

(a) The director shall be the chief executive officer of and in sole charge of the administration of the division.

(b) The director shall have the authority to implement and execute such procedures as he may deem appropriate for the efficient administration of the act, and to promulgate rules and regulations governing the establishment, administration and operation of the Lottery at his discretion to accomplish the purposes of the act and to amend, repeal or supplement such rules and regulations.

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

(d) The director shall maintain full and complete records of the operation of the

division. He shall report on a regular basis to the commissioner and to the Governor on the status of the Lottery.

§ 2800.7 Hearings on suspension or revocation of lottery sales agent license

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

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

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

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

(f) A party shall be required to make disclosures prior to a hearing only as provided by this subdivision. When the revocation of a lottery sales agent license is sought, any party shall, upon written demand and at least seven days prior to the date of the hearing, disclose the evidence that the party intends to introduce at the hearing, including documentary evidence and identification of witnesses except material protected by law from disclosure, including privileged or confidential information. If after making such disclosure, a party decides to rely on other witnesses or documents, the party shall, as soon as practicable, supplement its disclosure by

providing the names of such witnesses or copies of such documents.

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

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

(i) testimony by witnesses in support of the matters asserted against the licensee;

(ii) cross-examination of such witnesses;

(iii) testimony by the licensee and witnesses produced by the licensee; and

(iv) cross-examination of the licensee and the licensee's witnesses.

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

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

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

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

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

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

(i) (1) The record shall include:

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

(ii) evidence presented;

(iii) a statement of matters officially noticed except matters so obvious that a statement of them would serve no useful purpose;

(iv) questions and offers of proof, objections thereto, and rulings thereon;

- (v) proposed findings and exceptions, if any;
 - (vi) findings of fact, conclusions of law, and recommendations made by the hearing officer; and
 - (vii) the decision, determination, opinion, order, or report rendered in the matter by the director.
- (2) The hearing shall be recorded by either stenographic or electronic means.
- (3) Upon application made by a licensee, a copy of the record shall be furnished to the licensee. If the stenographic or electronic recording of the hearing has not been transcribed, that portion of the record shall be furnished to the licensee only upon payment of the cost of transcription.

§ 2800.8 Rules of former lottery not applicable

The rules and regulations governing the operation of the State Lottery formerly conducted by the State Racing and Wagering Board and the predecessors of the State Racing and Wagering Board are not applicable to the operation of the State Lottery under article 34 of the Tax Law, as added by chapter 92 of the Laws of 1976 and subsequently amended.

§ 2800.9 Reward payments

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

§ 2800.10 Public access to records

(a) Purpose and scope.

- (1) The people's right to know the process of government decision making and the documents and statistics leading to determinations is basic to our society. Access to such information should not be thwarted by shrouding it with the cloak of secrecy or confidentiality.
- (2) This section sets forth the procedures by which access to records of the division may be obtained.
- (3) The division shall furnish to the public information and records required by the Freedom of Information Law.
- (4) Any conflicts among laws governing public access to records shall be construed in favor of the widest possible availability of public records.

(b) Designation of records access officer. (1) The Lottery is responsible for insuring compliance with the regulations herein, and designates the following person as records access officer: Public Information Officer, New York State Division of the Lottery, One Bradway* Center, P.O. Box 7500, Schenectady, NY 12301-7500. * So in original "Bradway" s.b. "Broadway"

(2) Records access officers are responsible for insuring appropriate agency response to public requests for access to records. The designation of records access officers shall not be construed to prohibit officials who have in the past been authorized to make records or information available to the public from continuing to do so.

(3) Records access officers shall insure that personnel:

(i) maintain an up-to-date subject matter list;

(ii) assist the requester in identifying requested records, if necessary;

(iii) upon locating the records, take one of the following actions:

(a) make records available for inspection; or

(b) deny access to the records in whole or in part and explain in writing the reasons therefor;

(iv) upon request for copies of records:

(a) make a copy available upon payment or offer to pay established fees in accordance with subdivision (i) of this section; or

(b) permit the requester to copy those records;

(v) upon request, certify that a record is a true copy; and

(vi) upon failure to locate records, certify that:

(a) the Division of the Lottery is not the custodian for such records; or

(b) the records of which the Division of the Lottery is a custodian cannot be found after diligent search.

(c) Location. Records, except those specifically exempted from disclosure and those deemed to contain trade secrets, shall be available for public inspection and copying at: One Broadway Center, P.O. Box 7500, Schenectady, NY 12301-7500.

(d) Hours for public inspection. Requests for public access to records shall be accepted and records produced during all hours the offices of the division are regularly open for business.

(e) Requests for public access to records, except as provided for in subdivision (g).

(1) A written request may be required, but oral requests may be accepted when records are readily available.

(2) A response shall be given regarding any request reasonably describing the record or records sought within five business days of receipt of the request.

(3) A request shall reasonably describe the record or records sought. Whenever possible, a person requesting records should supply information regarding dates, file

designations or other information that may help to describe the records sought.

(4) If the records access officer does not provide or deny access to the record sought within five business days of receipt of a request, he or she shall furnish a written acknowledgment of receipt of the request and a statement of the approximate date when the request will be granted or denied. If access to records is neither granted nor denied within 10 business days after the date of acknowledgment of receipt of a request, such fact may be construed as a denial of access that may be appealed.

(f) Subject matter list. (1) The division shall maintain a reasonably detailed current list, by subject matter, of all records in its possession, whether or not such records are available pursuant to subdivision 2 of section 87 of the Public Officers Law.

(2) The subject matter list shall be sufficiently detailed to permit identification of the category of the record sought.

(3) The subject matter list shall be updated not less than twice per year. The most recent update shall appear on the first page of the subject matter list.

(g) Records containing trade secrets. (1) A trade secret may consist of, but shall not necessarily be limited to, any formula, ink, pattern, production process, procedure, plan, compound, material, coating, chemical, composition, cost records or compilation of information that is not published or divulged and which gives an advantage over competitors who do not know, use or have access to such data or information.

(2) A person submitting information pursuant to law or regulation to the division shall clearly identify any portion of the information considered to be a trade secret and shall request that such information or portion thereof be exempt from disclosure by the division.

(i) Accompanying the identification shall be a statement of the reason(s) for considering the information to be a trade secret not subject to disclosure as provided for in paragraph (d) of subdivision (2) of section 87 of the Public Officers Law.

(ii) Within fifteen business days of receipt of a written request for an exception, the division will either grant or deny such request in writing.

(iii) Information constituting trade secrets submitted to the division as provided in this subdivision shall be excepted from disclosure and shall be maintained apart from all other records in the unit in which they are kept until fifteen days after the entitlement to such exception has been finally determined or such further time as ordered by a court of competent jurisdiction.

(h) Denial of access to records. (1) Denial of access to records shall be in writing, stating the reason therefor and advising the requester of the right to appeal to the individual or body established to hear appeals.

(2) If requested records are not provided promptly, as required in paragraph (e) (4) of this section, such failure shall also be deemed a denial of access.

(3) The following person or persons or body shall hear appeals from denials of access to records under the Freedom of Information Law: Executive Deputy Director, New

York State Division of the Lottery, One Broadway Center, P.O. Box 7500, Schenectady, NY 12301-7500.

(4) The time for deciding an appeal shall commence upon receipt of a written appeal identifying:

- (i) the date of the appeal;
- (ii) the date and location of the request for records;
- (iii) the records to which the requester was denied access;
- (iv) whether the denial of access was in writing or due to failure to provide records promptly as required by paragraph (e) (4) of this section; and
- (v) the name and return address of the requester.

(5) The individual or body designated to hear appeals shall inform the requester of the decision in writing within ten business days of receipt of an appeal.

(6) The person or body designated to hear appeals shall transmit to the Committee on Open Government copies of all appeals upon receipt of appeals. Such copies shall be addressed to: Committee on Open Government, Department of State, 162 Washington Avenue, Albany, NY 12231.

(7) The person or body designated to hear appeals shall inform the appellant and the Committee on Open Government of its determination in writing within seven business days of receipt of an appeal. The determination shall be transmitted to the Committee on Open Government in the same manner as set forth in paragraph (6) of this subdivision.

(i) Fees. (1) There shall be no fee charged for:

- (i) inspection of records;
- (ii) search for records; or
- (iii) any certification pursuant to this Part.

(2) Copies of records shall be provided for a fee not exceeding 25 cents per copy of each page not exceeding 9 x 14 inches, or the actual cost of reproducing any other record. The division may waive payment of fees in any case.

(j) Public notice. A notice containing the title or name and business address of the records access officer and appeals person or body and the location where records can be seen or copied shall be posted in a conspicuous location wherever records are kept.

(k) Severability. If any provision of this section or the application thereof to any person or circumstance is adjudged invalid by a court of competent jurisdiction, such judgment shall not affect or impair the validity of the other provisions of this section or the application thereof to other persons and circumstances.

§ 2800.11 Personal privacy protection

(a) Purpose and scope.

(1) It is the responsibility and the intent of the division to comply fully with the provisions of article 6-A of the Public Officers Law, the Personal Privacy Protection Law.

(2) The division shall maintain in its records only such personal information that is relevant and necessary to accomplish a purpose required by statute or executive order, or to implement a program specifically authorized by law.

(3) The division shall collect personal information, whenever practicable, directly from the person to whom the information pertains, except when collecting or maintaining personal information for the purpose of making licensing or adjudicatory determinations.

(4) The division seeks to ensure that all records pertaining to or used with respect to individuals are accurate, relevant, timely and complete.

(5) This section sets forth the procedures by which the public may exercise rights specified by the Personal Privacy Protection Law.

(6) Paragraph (3) of this subdivision shall not apply to personal information maintained by the division for the purpose of determining whether administrative or criminal action should be taken to grant, deny, suspend or revoke a license.

(b) Designation of privacy compliance officer. (1) To ensure compliance with the provisions of the Personal Privacy Protection Law, the division designates the following person as privacy compliance officer: Public Information Officer, New York State Division of the Lottery, One Broadway Center, P.O. Box 7500, Schenectady, NY 12301-7500.

(2) The privacy compliance officer is responsible for ensuring that the division:

(i) assist a data subject in identifying requested personal information, if necessary;

(ii) describe the contents of systems of records in order to enable a data subject to learn if a system of records includes a record or personal information identifiable to a data subject requesting such record or personal information;

(iii) upon locating the record sought:

(a) make the record available for inspection, in a printed form, without codes or symbols, unless an accompanying document explaining such codes or symbols is provided;

(b) permit the data subject to copy the record;

(c) deny access to the record in whole or in part and explain in writing the reasons therefor; or

(iv) upon request for copies of records:

(a) make a copy available upon payment of or offer to pay established fees, if any, in accordance with subdivision (k) of this section; or

(b) permit the data subject to copy those records;

(v) upon request, certify that a copy of a record is a true copy; or

(vi) upon failure to locate records, certify that:

(a) the division does not possess such records; or

(b) the division cannot find such record after diligent search; or

(c) the information sought cannot be retrieved by use of the description thereof, or by use of the name or other identifier of the subject without employing extraordinary search methods.

(c) Proof of identity. (1) When a request is made in person, or when records are made available in person following a request made by mail, the division shall require appropriate identification, such as a driver's license, an identifier assigned to the data subject by the division or by the agency within which the record originated, a photograph or similar information that confirms that the record sought pertains to the data subject.

(2) If a request is made by mail, the division shall require verification of a signature or inclusion of an identifier generally known only by a data subject, or similar appropriate identification.

(3) Proof of identify shall not be required regarding a request for a record accessible to the public pursuant to article 6 of the Public Officers Law.

(d) Location. Records, except those specifically exempt from access by data subjects, shall be available to data subjects for inspection and copying at: One Broadway Center, P.O. Box 7500, Schenectady, NY 12301-7500.

(e) Hours for public inspection. Requests for access to records by data subjects shall be accepted and records produced during all hours the offices of the division are regularly open for business.

(f) Requests for records of personal information. (1) All requests shall be made in writing, except that records may be made available upon an oral request made in person after the applicant has demonstrated proof of identity.

(2) A request shall reasonably describe the record or records sought. Whenever possible, a person requesting records should supply information regarding dates, file designation or other information that may help to describe the records sought.

(3) Requests based upon categories of information described in a notice of a system of records or a privacy impact statement shall be deemed to reasonably describe the record sought.

(4) Within five business days of the receipt of a request, the privacy compliance

officer shall provide access to the record, deny access in writing explaining the reasons therefor, or acknowledge the receipt of the request in writing, stating the approximate date when the request will be granted or denied, which date shall not exceed 30 days from the date of the acknowledgment.

(g) Amendment of records. Within 30 business days of a request from a data subject for correction or amendment of a record or personal information that is reasonably described and that pertains to the data subject, the privacy compliance officer shall:

(1) make the amendment or correction in whole or in part and inform the data subject that, on request, such correction or amendment will be provided to any person or governmental unit to which the record or personal information has been or is disclosed pursuant to paragraph (d), (i) or (l) of subdivision 1 of section 96 of the Public Officers Law; or

(2) inform the data subject in writing of a refusal to correct or amend the record, including the reasons therefor.

(h) Denial of request. (1) Denial of a request for records or amendment or correction of a record or personal information:

(i) shall be in writing, explaining the reasons therefor; and

(ii) identify the person to whom an appeal may be directed.

(2) A failure to promptly grant or deny access to records, as required in paragraph (f)(4) of this section, shall be construed as a denial that may be appealed.

(3) The following person, persons or body shall hear appeals for any such denial under the Personal Privacy Protection Law: Executive Deputy Director, New York State Division of the Lottery, One Broadway Center, P.O. Box 7500, Schenectady, NY 12301-7500.

(i) Appeal. (1) Any person denied access to a record or denied a request to amend or correct a record or personal information pursuant to subdivision (h) of this section may, within 30 days of such denial, appeal to the person named above in paragraph (h)(3) of this section.

(2) The time for deciding an appeal shall commence upon receipt of an appeal that identifies:

(i) the date and location of a request for a record or amendment or correction of a record or personal information;

(ii) the record that is the subject of the appeal; and

(iii) the name and return address of the requester.

(3) Within seven business days of an appeal of a denial of access, or within 30 days of an appeal concerning a denial of a request for correction or amendment, the person determining such appeals shall:

(i) provide access to, correct or amend the record or personal information; or

(ii) fully explain in writing the factual and statutory reasons for further denial and inform the data subject of the right to seek judicial review of such determination pursuant to article 78 of the Civil Practice Law and Rules.

(4) If, on appeal, a record or personal information is corrected or amended, the data subject shall be informed that, on request, the correction or amendment will be provided to any person or governmental unit to which the record or personal information has been or is disclosed pursuant to paragraph (d), (i) or (l) of subdivision 1 of section 96 of the Public Officers Law.

(5) The person or body designated to hear appeals shall transmit to the Committee on Open Government a copy of any appeal upon receipt of such appeal, the determination thereof and the reasons therefor at the time of such determination.

(j) Statement of disagreement by data subject. (1) If correction or amendment of a record or personal information is denied in whole or in part upon appeal, the determination rendered pursuant to the appeal shall inform the data subject of the right to:

(i) file with the division a statement of reasonable length setting forth the data subject's reasons for disagreement with the determination; and

(ii) request that such a statement of disagreement be provided to any person or governmental unit to which the record has been or is disclosed pursuant to paragraph (d), (i) or (l) of subdivision 1 of section 96 of the Public Officers Law.

(2) Upon receipt of a statement of disagreement by a data subject, the division shall:

(i) note any portions of the record that are disputed; and

(ii) attach the data subject's statement as part of the record.

(3) When providing a data subject's statement of disagreement to a person or governmental unit in conjunction with a disclosure made pursuant to paragraph (d), (i) or (l) of subdivision 1 of section 96 of the Public Officers Law, the division may also include a statement of its reasons for not making the requested amendment or correction.

(k) Fees. (1) Unless otherwise prescribed by statute, there shall be no fee charged for:

(i) inspection of records;

(ii) search for records; or

(iii) any certification pursuant to this Part.

(2) Copies of records shall be provided for a fee not exceeding 25 cents per copy of each page not exceeding nine inches by 14 inches, or the actual cost of reproducing any other record. The division may waive payment of fees in any case.

(l) Severability. If any provision of this section or the application thereof to any

person or circumstance is adjudged invalid by a court of competent jurisdiction, such judgment shall not affect or impair the validity of the other provisions of this section or the application thereof to other persons and circumstances.

§ 2800.12 Declaratory rulings

(a) On petition of any person, the division may issue a declaratory ruling with respect to (1) the applicability to any person, property, or state of facts of any rule or statute enforceable by the division, or (2) whether any action by the division should be taken pursuant to a rule or regulation.

(b) A petition for a declaratory ruling must be submitted in writing to the director by certified mail, return receipt requested, addressed to New York State Division of the Lottery, One Broadway Center, P.O. Box 7500, Schenectady, NY 12301-7500. The returned postal service receipt shall constitute proof of service, which shall be deemed effective on the day the petition is received. The petition shall state that a declaratory ruling is requested, cite the statute, rule, or regulation relied upon, and set forth a complete and precise statement of the state of facts, persons or property with respect to which a ruling is sought, together with a full disclosure of the petitioner's interest. Any facts alleged in the petition shall be verified under oath by the petitioner.

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

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

(e) The division shall be bound by the conclusions stated in any declaratory ruling unless such ruling is (1) changed by the division to be effective prospectively; (2) altered or set aside by a court of competent jurisdiction; or (3) superseded by duly enacted legislation.

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

PART 2801
LOTTERY SALES AGENTS

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§ 2801.1 Application

Any person may apply for a license to become a lottery sales agent by filing an application form with the division, and any supplements thereto as may be required.

§ 2801.2 Eligibility

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

- (a) financial responsibility and security of the business or activity in which such person is engaged;

- (b) accessibility of the place of business or activity to the public;
- (c) sufficiency of existing licenses to serve the public convenience;
- (d) whether the place of business or activity is predominantly frequented by persons under the age of 18 years;
- (e) volume of expected sales;
- (f) conviction of any offense as defined in the Penal Law;
- (g) veracity of information supplied on the application form or any supplement thereto;
- (h) the applicant's indebtedness, if any, to State or local government; and
- (i) the business experience and reputation of the applicant.

§ 2801.3 Minors

No person under legal age shall be licensed as an agent.

§ 2801.4 Residency

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

§ 2801.5 Issuance of license

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

§ 2801.6 Duration of license

An agent's license shall remain in force until the termination date indicated upon the license, unless previously suspended, revoked or terminated by the division in accordance with the provisions of the act or those set forth in this Part. The division may extend the initial or subsequent licensing period at its discretion, or may set starting and expiration dates for new or renewed licenses. Renewal of licenses may be required by the director upon reasonable notice to existing licensees. A license fee may be established and required at the discretion of the director.

§ 2801.7 Display of license

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

§ 2801.8 Agent identification card

A wallet-size agent identification card will be issued to each licensed agent for presentation to bank tellers and others when picking up or returning lottery tickets to authorized banks and depositories. No bank or depository shall issue lottery tickets unless the agent, or his designee, presents an agent identification card bearing the authorized signature of the sales agent or his duly authorized representative. Loss of the agent identification card must be reported immediately by the agent to the division and to the servicing bank.

§ 2801.9 Temporary licenses and special licenses

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

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

§ 2801.10 Conditions of licensing

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

(a) The agent shall comply with the provisions of the act, and any rules, regulations, and instructions promulgated or issued by the division.

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

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

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

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

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

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

(h) The agent's license issued under this Chapter may be suspended, revoked, or its

renewal rejected.

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

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

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

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

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

§ 2801.11 License fee

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

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

§ 2801.12 Bonding of agents

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

§ 2801.13 Nontransferability of license

A license issued pursuant to this Chapter shall not be transferable. If the business to which a license is issued changes hands or the ownership or type of business undergoes a substantial change, the division must be notified immediately of such change in writing. At its option the division may terminate or continue the license of such agent. A substantial change in ownership shall mean a transfer of 50 percent or more of the equity of any business licensed pursuant to this Chapter. If the business for which a license has been issued changes its location, said license shall terminate

as of the date of the change and an application for a new license must be filed with the division. Every such change of business location or contemplated change of ownership shall be reported in writing to the division at least 20 days prior to any proposed change.

§ 2801.14 Access to agent's records

Licensed agents shall grant access to its books and records, together with any and all papers and information required for purposes of auditing at such times as deemed appropriate by the division.

§ 2801.15 Location of sales

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

§ 2801.16 Conversion to vending machines or manual sales

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

§ 2801.17 Agent inspections

All licensed agents shall allow inspections of their premises upon request by authorized employees of the division to determine whether said agents are complying with the provisions of the act and the rules and regulations of the division. Inspections may be made without notice during normal business hours.

§ 2801.18 Sales by lottery division

The division itself may sell lottery tickets at any branch location or at any other location which it may establish in the State.

§ 2801.19 Suspension and revocation of license

(a) At the discretion of the director, the agent's license may be suspended, revoked, or its renewal rejected for any of the following reasons, or any combination thereof:

- (1) failure to account for lottery tickets received or the proceeds of lottery tickets or failure to comply with instructions of the division concerning licensed activity;
- (2) conviction of any offense as defined in the Penal Law;
- (3) failure to file any returns or reports or to keep records or to pay any fee or tax as may be required by this Chapter in or pursuant to the act;
- (4) fraud, deceit, misrepresentation or conduct prejudicial to public confidence in the Lottery;

- (5) failure to furnish a surety or other bond in such amount as may be required by the division;
- (6) the number of lottery tickets sold by the lottery sales agent is insufficient to meet administrative costs, and public convenience is adequately served by other licensees;
- (7) a material change since issuance of the license with respect to any matter required to be considered by the division as provided in either the act or this Chapter;
- (8) when the agent violates any of the provisions of the act, rules and regulations of the division, or instructions of the director;
- (9) whenever the agent does not display lottery point-of-sale material in a manner readily available to the public;
- (10) whenever the director finds that the agent's experience, character, and general fitness are such that his participation as a lottery sales agent is inconsistent with public interest or convenience or for any other reason within the discretion of the director; or
- (11) the failure to notify the division, in writing, within a reasonable time of any arrest, indictment, or service of a summons, or conviction for any felony whether within or without the State of New York, or within or without the United States, occurring during the term of the license or the renewal thereof.

(b) Upon termination of an agent's license for any reason, the agent shall go to his assigned bank on a date designated by the division for the purpose of rendering his final lottery accounting. Surrender of the agent's license and other material provided by the division shall be as prescribed by the director. Upon failure of any agent to settle his accounts on or before the designated date, the division may take steps to impose such penalties and exercise such enforcement powers as may be provided for by law.

§ 2801.20 Agent accountability for tickets

- (a) Tickets that cannot be accounted for by the agent on the settlement date, regardless of reason, shall be deemed sold to the agent.
- (b) The division reserves the right to require a claimant of any winning ticket to disclose the location of person from whom said claimant purchased said ticket.
- (c) The division reserves the right to hold prize money in escrow pending the findings of any investigation by the division or by other legal authority, when the claimed ticket for that prize has been reported lost or stolen from a licensed agent.
- (d) It is the responsibility of the sales agent to report any lost or stolen tickets at once both to local law enforcement officials and to the division.

§ 2801.21 Consignment of tickets to agents

Upon instructions of the division, banks and depositories shall consign lottery tickets to agents and shall collect tickets which the agents have not sold. Bank

depositories shall not deliver tickets to an agent who has failed to settle his account with respect to outstanding tickets.

§ 2801.22 Assignment of agent to a bank

After an agent's application has been accepted and approved by the division, the agent shall be licensed and assigned to a bank. Whenever possible the bank requested by the agent will be assigned. However, if this is not possible, the agent will be assigned to another bank or to the alternate bank requested by the agent. The bank shall be notified of the agent's authorization at the same time the agent receives his notification of assignment.

§ 2801.23 Authorization to request tickets

The agent shall notify the bank and the division of the names and addresses of all persons authorized to request and receive tickets from the bank. These authorized representatives must affix their signatures to the agent identification card and this card must be presented to the bank at time of receipt of tickets. The division reserves the right to disallow such participation of any person so authorized by the agent. The agent must conduct all transactions at the branch bank to which he has been assigned by the division, or with the division directly, if authorized.

§ 2801.24 Agent bonus plan

(a) The director may at his option establish for any game an agent bonus plan for agents who sell winning tickets. The bonus shall be paid only to persons authorized to sell lottery tickets as licensed lottery sales agents.

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

Prize	Bonus Prize*
\$ Less than \$ 1,000	\$ 0
\$ 1,000.00 winning ticket	\$ 10.00
\$ 2,500.00 "	\$ 25.00
\$ 5,000.00 "	\$ 50.00
\$ 10,000.00 "	\$ 100.00
\$ 15,000.00 "	\$ 150.00
\$ 20,000.00 "	\$ 200.00
\$ 25,000.00 "	\$ 250.00
\$ 50,000.00 "	\$ 500.00
\$ 1,000.00 a week for life (a million dollars)	\$ 5000.00

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

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

§ 2801.25 Deposit of lottery revenues by agents

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

(b) All tickets accepted by an agent from the bank or depository are deemed to have been purchased by the agent, unless returned to the bank or depository from which they were obtained within the time specified by the division, or to a designated lottery official, and the purchase price shall be paid to the lottery, less the appropriate commission discount, if any. The agent is responsible for lost, stolen, or missing tickets not returned, and must pay for such tickets at the bank as scheduled by the division.

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

§ 2801.26 Notification of prize winners

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

§ 2801.27 Ticket sales

(a) No person shall sell a ticket at a price greater than that fixed by the Division, and no person other than a licensed lottery sales agent shall sell a lottery ticket except that nothing in this section shall prevent any person from giving lottery tickets as premiums to customers, employees, or others.

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

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

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

§ 2801.28 Special lottery agents

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

- (1) length of license period;
 - (2) hours or days of sale;
 - (3) location of sale;
 - (4) specific persons who are allowed to sell lottery tickets;
 - (5) specific sporting, charitable, social, or other special events where lottery tickets may be sold in conformity with the act.
- (b) Special licensed agents shall be subject to this Chapter wherever applicable.

§ 2801.29 Penalty on delinquent accounts

The director may impose a penalty of 1 1/2 percent monthly (18 percent per annum) on any monies due to the Lottery from sales agents whose accounts are delinquent over 30 days.

**PART 2803
PAYMENT OF PRIZES**

Sec.

- 2803.1 Information furnished by winning ticket holder
- 2803.2 Requirement of additional information
- 2803.3 Time of payment of prize
- 2803.4 Place of payment
- 2803.5 Manner of payment
- 2803.6 Discharge of State liability upon payment
- 2803.7 Payments to single claimant only
- 2803.8 Payment of prizes to persons under 18 years of age
- 2803.9 Prizes payable after death of prize winner
- 2803.10 Unclaimed and abandoned prize money
- 2803.11 Prize rights unassignable
- 2803.12 Publicity release
- 2803.13 Prize payable for life

§ 2803.1 Information furnished by winning ticket holder

Each claimant shall fill out a winner claim form as specified in the rules of each game and surrender his winning ticket.

§ 2803.2 Requirement of additional information

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

§ 2803.3 Time of payment of prize

Payment of prizes shall be awarded as soon as reasonably possible after the claim

has been filed, validated and verified, and the claimant has been identified to the satisfaction of the division.

§ 2803.4 Place of payment

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

§ 2803.5 Manner of payment

(a) Cash payment.

(1) A prize payable on a winning instant game ticket having a value of \$ 25 or less may be obtained in cash from the lottery sales agent who sold the ticket.

(2) A prize payable on a winning instant game ticket having a value of \$ 100 may be obtained in cash from any lottery sales agent.

(3) A prize payable on a winning computerized game ticket having a value of up to and including \$ 600 may be obtained in cash from any lottery sales agent participating in the computer network from which such ticket was sold.

(b) Check payment. (1) Any prize over \$ 600 shall be payable only by check.

(2) Any prize may be claimed by mailing a completed prize claim form to the division at the address announced by the division for such purpose. Any prize paid by mail shall be payable only by check.

(3) Any prize paid at an office of the division shall be payable only by check.

(4) Any lotto subscription prize shall be payable only by check.

§ 2803.6 Discharge of State liability upon payment

The State and its agents, officers, employees, the division and the director and the agents, officers and employees shall all be discharged of any and all liability upon payment of a prize to a ticket holder.

§ 2803.7 Payments to single claimant only

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

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

(c) If a claim is erroneously entered with multiple claimants, the claimants shall designate one of them as the individual recipient of the prize, or, if they fail to designate an individual recipient, the division may designate any one of the

claimants as the sole recipient. In either case, the claim shall then be considered as if it were originally entered in the name of the designated individual and payment of any prizes won shall be made to that single individual.

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

§ 2803.8 Payment of prizes to persons under 18 years of age

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

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

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

§ 2803.9 Prizes payable after death of prize winner

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

§ 2803.10 Unclaimed and abandoned prize money

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

(b) The division may determine that a prize has been abandoned whenever more than eighteen months have elapsed since a prize payment check was mailed to the last known address of the claimant and either such check has been returned undelivered by the United States postal service and the claimant cannot be located

or such check has not been returned undelivered and has not been presented for payment. Any prize so determined to have been abandoned shall be paid to the State Comptroller for administration pursuant to the Abandoned Property Law.

§ 2803.11 Prize rights unassignable

No right of any person to a prize shall be assignable, except that any prize may be paid to the estate of a deceased prize winner, and except that any person, pursuant to an appropriate judicial order, may be paid the prize to which the winner is entitled. For the purposes of this section, payment of a prize or a portion thereof to the Department of Social Services either (i) pursuant to an agreement under Tax Law section 1613-a where the Department of Social Services has informed the division that the winner has failed to obey a court order requiring the winner to support his or her dependents or (ii) pursuant to an agreement under Tax Law section 1613-b where the Department of Social Services has identified the winner as a recipient of public assistance benefits who is liable to reimburse the State for such benefits, shall be deemed to be payment pursuant to an appropriate judicial order. The division shall be discharged of all liability upon payment of a prize pursuant to this section.

§ 2803.12 Publicity release

Each prize winner grants to the director the right to use his name, city of residence, and photograph in order to publicize his winnings. The name and city of residence of prize winners shall be regarded as public information; however, it shall be the policy of the division not to release the street address or telephone number of prize winners, except as may be required pursuant to lawful authority or urgent necessity. At the discretion of the director, photographs of winners may be taken and used for publicity or to compile a photographic record of winners.

§ 2803.13 Prize payable for life

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

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

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

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

(c) When there are multiple claimants for "\$ 1,000 a week for life" prize, and the life on which the prize is payable, as determined by subdivision (a) of this section, is terminated by death, the payment on the prize is immediately established as a top

limit of \$ 1,000,000. The pro rata share of the decedent will be paid to the decedent's estate and in accordance with lottery rules and regulations. Pro rata payments to each other living multiple claimant or claimants for the same prize will continue until a total of \$ 1,000,000 in prize money has been paid.

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

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

PART 2804 LOTTERY DRAWINGS

Sec.

- 2804.1 Lottery Drawings
- 2804.2 Time of Drawings
- 2804.3 Place of drawings
- 2804.4 Manner of conducting drawings
- 2804.5 Number and amount of prizes
- 2804.6 Other lottery games or drawings
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- 2804.18 Subscription disputes
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§ 2804.1 Types of drawings

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

§ 2804.2 Time of drawings

Lottery drawings will be held at the times designated by the director in a directive.

§ 2804.3 Place of drawings

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

§ 2804.4 Manner of conducting drawings

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

§ 2804.5 Number and amount of prizes

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

§ 2804.6 Other lottery games or drawings

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

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

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

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

§ 2804.8 Postponement of drawings

The director may postpone any drawing and publicize the same if he finds, in his discretion, that such postponement will serve and protect the public interest.

§ 2804.9 Directives

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

§ 2804.10 General definitions, qualifications, restrictions, validations and rules applying to all Lottery games

(a) Director means the Director of the New York State Lottery, or any other person to whom his authority is lawfully delegated.

(b) All prizes must be claimed within one year of the announced end of any game, unless a shorter claim period is established in the particular rules and regulations of such game.

(c) Ticket and/or stub responsibility.

(1) Lottery tickets or stubs are bearer instruments.

(2) The Lottery shall not be responsible for:

(i) lost or stolen tickets or stubs;

(ii) tickets or stubs claimed by a player in error for a lower prize at a vendor;

(iii) tickets or stubs that are not intact;

(iv) tickets that are mutilated, altered, reconstituted, counterfeit in whole or in part, or tampered with in any manner, or miscut;

(v) tickets that have not been issued in an authorized manner, or are misregistered, defective, or printed or produced in error; or

(vi) tickets from a book appearing on an omissions list submitted by its manufacturer.

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

(e) Any ticket which does not conform to the requirements of subdivision (c) (2) or (d) of this section shall be considered null and void, and will not be paid. However, the director may, at his sole discretion, replace such void ticket with an unplayed ticket from the game or an equivalent one in sales price from any other game.

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

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

- (1) any officer or employee of the division; or
- (2) any contractor, subcontractor, or consultant, or officer or employee of a contractor, subcontractor, or consultant, if such person is directly involved in the production of lottery tickets, the operation or observation of lottery games or drawings, or the processing of lottery prize claims or payments; or
- (3) any person subject to a contract with the division if such contract contains a provision prohibiting such person from purchasing a lottery ticket or receiving a lottery prize; or
- (4) any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any of the foregoing persons. This section shall not be deemed to prohibit the sale of a lottery ticket or the payment of a lottery prize to an officer or employee of the division or to a contractor, subcontractor, or consultant or to an officer or employee of a contractor, subcontractor, or consultant if such sale or prize payment is not for the individual benefit of such person and is made in connection with an official investigation, audit, marketing effort or other activity authorized by the director.
- (h) In accordance with all applicable provisions of law, Federal, State and local withholding taxes shall be withheld by the Lottery from prize payments as may be required.
- (i) The director may at any time, in his sole discretion, announce a termination date for any game, subsequently recommence any game, or extend termination or closing dates for any game. When a game is terminated, no further tickets will be sold.
- (j) The payment of prizes to persons under 18 years of age, and to those who may die before receiving any or all of a particular prize, shall be paid as prescribed in applicable lottery rules and regulations.
- (k) The State shall be discharged from any liability after the payment of prizes as prescribed in these rules and regulations.
- (l) Agents will sell tickets in book, page or numerical order and shall not exchange books or tickets with other agents.
- (m) Agents are prohibited from playing lottery tickets using any method other than fair chance or any method that is contrary to the principle that every ticket has an equal and random chance of winning.
- (n) In purchasing a ticket, the customer agrees to comply with and abide by all laws, rules and regulations, and final decisions of the Lottery, as well as procedures established by the director for the conduct of any game.
- (o) Notwithstanding the provisions of any other rule or regulation, the exact number and amount of prizes to be paid at any grand prize or millionaire drawing shall be as determined in directives issued by the director, which directive shall also govern details and procedures for such drawings.

§ 2804.12 Subscription program

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

(b) Entry into a subscription program will require the completion and submission of either (1) a subscription application form or (2) a renewal application form. The subscriber will be required to provide his or her social security number on the respective application form so that prizes requiring federal reporting or withholding may be automatically sent to the winning subscriber. An application for a group subscription must contain the names, addresses, and social security numbers of each group member.

(c) By providing the social security number, the subscriber is authorizing the division to retain and use the number for the purpose of tax reporting and any other lawful purpose of the Division. An application for a group subscription must contain the names, addresses, and social security numbers of each group member. No group may exceed ten members.

§ 2804.13 Subscription definitions

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

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

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

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

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

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

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

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

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

(j) Quick Pick means the option for a subscriber to have game numbers randomly

selected by a computer. Once selected, the same quick pick numbers remain valid and will be used for each drawing for the duration of the subscription.

(k) Subscriber means either the individual or the group identified on an application for as the person(s) entitled to the winning prize.

(l) Subscriber identifying information means the name, address, subscription number, social security number or tax payer identification number of the subscriber or each member of a group.

(m) Subscription costs means the cost of the subscription purchased by the subscribers as defined in Part 2804-14 of these rules.

(n) Subscription file means a file maintained by the division containing subscription information and used in the price determination process.

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

(p) Valid Subscription Entry means to be a valid subscription entry a subscription must include the following: Subscriber identifying information (as defined herein), selected payment option, game numbers entered on the appropriate division computer file which is the official record of subscription entry.

(q) Valid Group Subscription Entry means to be a valid group subscription entry a subscription must include the following: Subscriber identifying information (as defined herein) for each member of the group, selected payment option, game numbers entered on the appropriate division computer file which is the official record of group subscription entry.

§ 2804.14 Subscription costs

(a) Lotto.

(1) For each Lotto subscription, a minimum of two game panels must be selected for a minimum plan of 26 weeks.

(2) A Lotto subscriber may play two, four, or six game panels.

(3) The following number of game panels and subscription plans are available for Lotto subscriptions at the cost shown:

Games	Plan	Cost
1,2	26 weeks - 52 drawings	\$ 50
1,2,3,4	26 weeks - 52 drawings	\$ 100
1,2,3,4,5,6	26 weeks - 52 drawings	\$ 150
1,2	52 weeks - 104 drawings	\$ 98
1,2,3,4	52 weeks - 104 drawings	\$ 196
1,2,3,4,5,6	52 weeks - 104 drawings	\$ 294

(b) The division reserves the right to alter, temporarily or permanently, the costs of subscription plans at the discretion of the director.

(c) Other games. The subscription costs for game(s) other than Lotto shall be posted on the division's website (www.nylottery.org) from time to time.

§ 2804.15 Subscription application requirements

(a) To be accepted for entry, an application form must meet the following requirements:

(1) Each game panel for Lotto must contain six unduplicated game numbers selected from the following numbers, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59. Alternatively, a game panel for Lotto may contain fewer than six game numbers, or the Quick Pick option may be selected to receive randomly selected game numbers. No request to change randomly selected Quick Pick numbers or numbers chose by the player will be accepted after the effective date of the subscription. Such changes can only be made at the time of renewal.

(2) The application must include the required subscriber identifying information, including identifying information for each member of a group subscription. If an application is submitted without complete subscriber identifying information, the division may seek additional information from the applicant, as needed.

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

(1) The application is illegible in whole or in part.

(2) The application includes a form of payment that is not acceptable to the division.

(3) The subscriber provides an address or is using a computer or other on-line device outside the State of New York that would require the division to send subscription related correspondence or prize payments outside the State of New York, or if the acceptance of the application would be unlawful or would necessitate or facilitate any unlawful conduct, or for any other reason within the discretion of the director.

(c) A subscription may be terminated by the division after acceptance if, before or after the effective date, the division is notified that the payment for the subscription is invalid. In such event, the subscription shall be deemed invalid and no prizes will be paid to the subscriber.

(d) In the event of a termination of the subscription, any prize won by the subscriber will be retained by the division.

§ 2804.16 Valid subscription entry

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

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

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

§ 2804.17 Payment of subscription prizes

(a) Prizes that exceed \$ 1.00 and are less than the threshold withholding amount for federal tax reporting will be remitted to an individual subscriber whose name appears on the application.

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

(c) Prizes that are greater than \$ 1.00 will be remitted to an individual subscriber whose name appears on the application form. Prizes equal to or less than \$ 1.00 will be credited to the subscriber's account to reduce the cost of subscription renewal, or in the event the subscriber chooses not to renew his/her subscription, the prize winning(s) in the account will be remitted to the subscriber.

(d) For payment of a prize which does not meet the threshold amount for federal tax reporting to a group subscriber, payment will be made in one payment in the name of the group and the group representative as indicated on the application form, and remitted to the group representative.

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

(f) A group subscription entry will be treated as a single entry in the prize pool and shall also be treated as a single entry when determining if a prize in the Lotto or similar game is payable in annual installments as provided in Part 2817 of this Title.

§ 2804.18 Subscription disputes

(a) The division is not responsible for disputes between or among subscription group members.

(b) In any dispute with the division concerning the right to a subscription prize, the division shall have the right to resolve such dispute by paying the prize or refunding the subscription fee. If a refund is paid, the refund shall be based on the remaining unused value of the subscription and shall be the sole and exclusive remedy of the subscriber(s).

(1) If there is a discrepancy between the information set forth on an application form and the information set forth in a confirmation letter, the subscriber may ask the Division to resolve the discrepancy by written or electronic communication. After such a report is received by the division, the division shall resolve the discrepancy as soon as possible and issue a revised confirmation letter. Resolution may include, but is not limited to, cancellation of the subscription. No change in the subscription shall

be effective until a revised confirmation letter is issued. No request to resolve a discrepancy shall be accepted after the effective date in the confirmation letter issued.

§ 2804.19 Subscription miscellaneous

(a) Furthermore, the New York Lottery, pursuant to its statutory authority, may from time to time add games to its subscription program (including but not limited to Mega-Millions).

(b) A subscription renewal must be processed at least twelve (12) business days prior to the expiration date of a current subscription in order to avoid a lapse in the subscription. A renewal application form containing current subscription number, games, game numbers, plan, effective date and expiration date will be sent to the subscriber either electronically or by mail. The division will make reasonable efforts to process renewal applications to assure no interruptions; however, the division shall not be responsible for an interruption if a renewal application is not processed in sufficient time.

(c) Once a subscription is entered into the subscription file, the funds paid for the subscription are not refundable.

(d) If a promotion offers a subscription, the division reserves the right to limit the number of promotional subscriptions that may be received by a person or group.

(e) The division reserves the right to exclude subscribers from participation in a promotion offering special payments or prizes.

(f) Any subscription commenced prior to the effective date of the subscription regulations set forth in this part shall be subject to the regulations that were in effect at the time such subscription was commenced. Any subscription commenced on or after the effective date of the subscription regulations set forth in this part shall be subject to this part.

**PART 2805
NEW YORK INSTANT LOTTERY**

Sec.

- 2805.1 New York Instant lottery
- 2805.2 Method of play
- 2805.3 Price
- 2805.4 Definitions
- 2805.5 Determination of prize winners
- 2805.6 Ticket responsibility
- 2805.7 Claim period
- 2805.8 Ticket validation requirements
- 2805.9 Disputes
- 2805.10 Agent compensation
- 2805.11 Termination of the game
- 2805.12 Governing law
- 2805.13 - 2805.14 (Reserved)
- 2805.15 Number and amount of prizes
- 2805.16 Agent conduct

§ 2805.1 New York instant lottery

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

§ 2805.2 Method of play

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

§ 2805.3 Price

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

§ 2805.4 Definitions

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

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

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

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

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

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

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

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

§ 2805.5 Determination of prize winners

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

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

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

§ 2805.6 Ticket responsibility

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

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

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

§ 2805.7 Claim period

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

§ 2805.8 Ticket validation requirements

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

(a) Exactly one symbol must appear under each of the rub-off spots on the play surface of the ticket.

(b) Each play symbol must have a play symbol caption thereunder which must agree with the play symbol.

- (c) Each of the play symbols must be present in its entirety and be fully legible.
- (d) Each of the play symbol captions must be present in its entirety and be fully legible.
- (e) Exactly one prize symbol must appear under each of the rub-off spots on the play surface of the ticket.
- (f) Each prize symbol must have a prize symbol caption thereunder which must agree with the prize symbol.
- (g) Each prize symbol must be present in its entirety and be fully legible.
- (h) Each prize symbol caption must be present in its entirety and be fully legible.
- (i) The ticket must be intact.
- (j) The book-ticket number, validation number, and agent validation code must be present in their entirety and must be fully legible. The validation number must correspond with the play symbols on the ticket in accordance with the official list of validation numbers on file at the offices of the division.
- (k) The ticket must not be mutilated, altered, unreadable, reconstituted, or tampered with in any manner.
- (l) The ticket must not be counterfeit in whole or in part.
- (m) The ticket must have been issued by the division in an authorized manner.
- (n) The ticket must not be stolen nor appear on any list of omitted tickets on file with the division.
- (o) The play symbols, play symbol captions, prize symbols, prize symbol captions, validation number, validation code, and book-ticket number must be right-side-up and not reversed in any manner.
- (p) The ticket must be complete, and not miscut, and have exactly one play symbol or prize symbol and exactly one play symbol caption or prize symbol caption under each of the rub-off spots on the front of the ticket; exactly one book-ticket number, exactly one agent validation code, and one validation number must appear on the ticket.
- (q) The validation number of an apparent winning ticket shall appear on the division's official list of validation numbers of winning tickets; and a prize for a ticket with that validation number shall not have been paid previously.
- (r) The ticket must not be blank or partially blank, misregistered, defective, or printed or produced in error.
- (s) The display printing must be regular in every respect and correspond precisely with the artwork on file at the division.
- (t) The ticket must pass all additional validation tests of the division. Any ticket not

passing all the validation requirements of this section is void and ineligible for any prize.

§ 2805.9 Disputes

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

§ 2805.10 Agent compensation

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

§ 2805.11 Termination of the game

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

§ 2805.12 Governing law

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

§ 2805.15 Number and amount of prizes

Notwithstanding the provisions of any other rule or regulation, the number and amount of prizes to be paid for an instant lottery game shall be as determined by the division for each game. Prize structures developed and approved by the division shall be computed to provide for payment of the maximum amounts permissible by law.

§ 2805.16 Agent conduct

(a) Agents are prohibited from exchanging books of instant lottery tickets.

(b) Agents are prohibited from playing instant lottery tickets using any method other than fair chance or any method that is contrary to the principle that every ticket has an equal and random chance of winning.

**PART 2806
MEGA MILLIONS**

Section

- 2806.1 Purpose
- 2806.2 Definitions
- 2806.3 Ticket Sales
- 2806.4 Ticket Prices
- 2806.5 Play Characteristics and Restrictions
- 2806.6 Time, Place and Manner of Conducting Drawings
- 2806.7 Prize Structure
- 2806.8 Ticket Responsibility
- 2806.9 Ticket Validation Requirements
- 2806.10 Procedures for Claiming and Payment of Prizes
- 2806.11 Unclaimed Prize Money
- 2806.12 Governing Law

§ 2806.1 Purpose.

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

(b) During each Mega Millions drawing, 6 Mega Millions Winning Numbers will be selected from 2 fields of numbers in the following manner: 5 winning numbers from a field of 1 through 52 numbers, and 1 winning number from a field of 1 through 52 numbers.

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

§ 2806.2 Definitions

The following definitions shall apply in this part.

- (1) Agent - The person who has been licensed and authorized by the New York Lottery to sell lottery tickets pursuant to Part 2801 of these regulations.
- (2) Annuity Option. The manner in which the Mega Millions Jackpot Prize may be paid in 26 annual installments.
- (3) Authorized claim center. Any place designated by the New York Lottery where a ticket holder or his or her representative may file a claim for a prize in accordance with instructions of the New York Lottery.
- (4) Cash Option - The manner in which the on-line MEGA MILLIONS Jackpot Prize may be paid in a single payment.
- (5) Claimant - Any person or entity submitting a claim form within the required time period to collect a prize for any MEGA MILLIONS Ticket. A Claimant may be the

person or entity named on a signed MEGA MILLIONS Ticket, or the bearer of an unsigned MEGA MILLIONS Ticket. No Claimant may assert rights different from the rights acquired by the original Purchaser at the time of purchase.

(6) Director. The chief officer of the New York Lottery or any other persons to whom the Director's authority is lawfully delegated.

(7) Jackpot Prize. For the on-line MEGA MILLIONS game, the prize awarded for selecting all the numbers drawn from both fields. If more than one player from all participating lottery states has selected all the numbers drawn, the jackpot prize shall be divided among those players. Jackpot prize may also be referred to from time to time as "Grand Prize". For any other game, the Jackpot Prize will be identified in game rules issued for such game.

(8) MEGA MILLIONS Play Area-For the on-line MEGA MILLIONS game, the areas on a MEGA MILLIONS play slip identified by an alpha character, A through E, containing two separate fields - one field of 56 and a second field of 46 - both containing one or two digit numbers each. This is the area where the player, or computer if the player is using the Quick Pick option, will select five (5) one or two-digit numbers from the first field, and will select one (1) one or two-digit numbers from the second field.

(9) MEGA MILLIONS Play Slip - for the on-line MEGA MILLIONS game, a computer-readable form, printed and issued by the New York Lottery, used in purchasing a MEGA MILLIONS Ticket, having up to five (5) separate play areas. The Play Slip additionally includes boxes for selection of Cash Option or Annuity Option. The play slip also provides for multiple drawing wagering up to 26 draws.

(10) MEGA MILLIONS Ticket - A game ticket, produced on official paper stock, by an agent in an authorized manner, bearing player or computer selected numbers from the play area on the play slip, game name, drawing dates, amount of wager, jackpot prize payment option, and validation data.

(11) MEGA MILLIONS Winning Numbers - For the on-line MEGA MILLIONS game, five (5) one or two-digit numbers, from one (1) through fifty-six (56) and one (1) one or two-digit number from one (1) through forty-six (46), randomly selected at each MEGA MILLIONS drawing, which shall be used to determine winning MEGA MILLIONS plays contained on MEGA MILLIONS tickets.

(12) Pari-Mutuel - For the on-line MEGA MILLIONS game total amount of prize money allocated to pay prize Claimants, at the designated prize level, divided among the number of winning MEGA MILLIONS Tickets.

(13) Party Lottery or Party Lotteries - One or more of the state lotteries established and operated pursuant to the laws of any state lottery which becomes a signatory to the Mega Millions Game agreement.

(14) Prize fund. That portion of Mega Millions gross sales set aside for the payment of prizes.

(15) Purchaser(s). Player(s) of Mega Millions who purchase tickets within New York State in accordance with Mega Millions rules and New York State governing laws and regulations.

(16) Quick-Pick - For the on-line MEGA MILLIONS game, a player option in which MEGA MILLIONS number selections are determined at random by the lottery terminal.

§ 2806.3 Ticket sales

(a) The sale of Mega Millions Tickets within New York State may be conducted only by an agent.

§ 2806.4 Ticket price

(a) For the on-line MEGA MILLIONS game: MEGA MILLIONS Tickets may be purchased for \$ 1.00 per play at the discretion of the Purchaser, in accordance with the number of game panels and inclusive drawings. The Purchaser receives one play for each \$ 1.00 wagered in MEGA MILLIONS. Instants will be at the price stated on any such ticket. Tickets may contain multiple plays.

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

§ 2806.5 Play characteristics and restrictions

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

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

(1) any officer or employee of the New York Lottery; or

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

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

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

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

(d) Under no circumstances will a claim be paid for either the Jackpot Prize or the

Second Prize without a Mega Millions ticket matching all game play, serial number and other validation data residing in the New York Lottery's on-line gaming system computer and such ticket shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming any prize.

(e) Mega Millions tickets may not be canceled.

(f) For the on-line MEGA MILLIONS game, purchasers may submit a manually completed MEGA MILLIONS Play Slip to an Agent to have issued a MEGA MILLIONS Ticket. MEGA MILLIONS Play Slips shall be available at no cost to the Purchaser and shall have no pecuniary or prize value, or constitute evidence of purchase or number selections. The use of mechanical, electronic, computer generated or any other non-manual method of marking Play Slips is prohibited.

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

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

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

(j) Mega Millions tickets may be purchased for 1 through 26 consecutive drawings, commencing with the next scheduled drawing after the receipt and processing of the Purchaser's Play Slip.

§ 2806.6 Time, place and manner of conducting drawings

For the on-line MEGA MILLIONS game: MEGA MILLIONS drawings will be conducted twice weekly approximately 11:00 p.m. Eastern Time in one of the party lottery states. The day, time, frequency and location of the MEGA MILLIONS drawings may be changed following public announcement.

§ 2806.7 Prize structure

(a) For the on-line MEGA MILLIONS game - Matrix of 5/56 and 1/46 with 50 Percent Anticipated Prize Fund.

Match Field 1	Match Field 2	Odds	Prize Category	Percentage of Prize Fund
5	1	1:175,711,536.00	Grand	63.60 percent

5	0	1:3,904,700.80	Second	12.80 percent
4	1	1:689,064.85	Third	2.90 percent
4	0	1:15,312.55	Fourth	1.96 percent
3	1	1:13,781.30	Fifth	2.18 percent
2	1	1:843.75	Sixth	2.38 percent
3	0	1:306.25	Seventh	4.58 percent
1	1	1:140.63	Eighth	4.26 percent
0	1	1:74.80	Ninth	5.34 percent
Reserve				0 percent
Totals		1:39.89		100 percent

(b) Jackpot prize payments. For the on-line MEGA MILLIONS game:

(1) The prize money allocated from the winning pool for the Jackpot Prize, plus any money brought forward from a previous drawing plus any money added from the prize reserve fund or any other available source pursuant to a guaranteed first prize amount announcement will be divided equally among all Jackpot Prize winners in all participating lottery states. Prior to each drawing, the annuitized MEGA MILLIONS jackpot prize amount will be advertised. The advertised Jackpot Prize amount shall be the basis for determining the amount to be awarded for each MEGA MILLIONS panel matching all five (5) of the five (5) MEGA MILLIONS winning numbers drawn for Field 1 and the one (1) MEGA MILLIONS Winning Number drawn for Field 2.

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

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

(4) Purchasers in New York must select either an annuity jackpot prize or lump sum jackpot prize at the time of ticket purchase.

(i) Annuity option jackpot prizes shall be paid in 26 consecutive annual installments. The initial payment shall be paid upon completion of internal validation procedures.

The subsequent 25 payments shall be paid annually to coincide with the month of the federal auction date at which the bonds were purchased to fund the Annuity. All such payments shall be made within seven days of the anniversary of the annual auction date.

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

(c) Second through ninth level prizes.

(1) MEGA MILLIONS Panels matching five (5) of the five (5) MEGA MILLIONS Winning Numbers drawn for Field 1, but not matching the MEGA MILLIONS Winning Number drawn for Field 2 shall be entitled to receive a Second Prize of \$ 250,000*.

(2) MEGA MILLIONS panels matching four (4) of the five (5) MEGA MILLIONS Winning Numbers drawn for Field 1 and the MEGA MILLIONS Winning Number drawn for Field 2 shall be entitled to receive a Third prize of \$ 10,000*.

(2) Mega Millions panels matching four of the five Mega Millions Winning Numbers drawn for Field 1 and the Mega Millions Winning Number drawn for Field 2 shall be entitled to receive a third prize of \$ 5,000[1].

(3) Mega Millions panels matching four of the five Mega Millions Winning Numbers drawn for Field 1 but not matching the Mega Millions Winning Number drawn for Field 2 shall be entitled to receive a fourth prize of \$ 150[1].

(4) Mega Millions panels matching three of the five Mega Millions Winning Numbers drawn for Field 1 and the Mega Millions winning Number drawn for Field 2 shall be entitled to receive a fifth prize of \$ 150[1].

(5) Mega Millions panels matching two of the five Mega Millions Winning Numbers drawn for Field 1 and the Mega Millions winning Number drawn for Field 2 shall be entitled to receive a sixth prize of \$ 10.

(6) MEGA MILLIONS Panels matching three (3) of the five (5) MEGA MILLIONS winning numbers drawn for Field 1 but not matching the MEGA MILLIONS winning number drawn for Field 2 shall be entitled to receive a Seventh prize of \$ 7.

(7) Mega Millions panels matching one of the five Mega Millions winning numbers drawn for field 1 and the Mega Millions winning number drawn for field 2 shall be entitled to receive an eighth prize of \$ 3.

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

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

(d) In a single on-line drawing, a Claimant may win in only one prize category per

single MEGA MILLIONS panel in connection with MEGA MILLIONS winning numbers, and shall be entitled only to the highest prize.

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

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

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

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

Should total prize liability, exclusive of Grand/Jackpot Prize rollover from previous drawings and California Lottery sales and prizes for prize levels 2 through 9, exceed 300% of draw sales or 50% of draw sales plus \$ 50,000,000, whichever is less, (both hereinafter referred to as the "Liability Cap"), the Second through Fifth prizes shall be paid on a pari-mutuel rather than fixed prize basis, provided, however, that in no event shall the pari-mutuel prize be greater than the fixed prize. The amount to be used for the allocation of such pari-mutuel prizes shall be the Liability Cap less the amount paid for the Grand/Jackpot Prize and prize levels Six through Nine.

§ 2806.8 Ticket responsibility

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

(b) Neither the New York Lottery nor its agents shall be responsible for lost or stolen Mega Millions tickets.

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

(d) The New York Lottery shall not be responsible to the claimant for Mega Millions tickets redeemed in error by a Mega Millions agent or retailer.

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

§ 2806.9 Ticket validation requirements

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

(1) The validation data must be present in its entirety and must correspond, using the computer validation file, to the number selections printed on the ticket for the drawing date(s) printed on the ticket;

- (2) The ticket must be intact;
 - (3) The ticket must not be mutilated, altered, reconstituted, or tampered with in any manner;
 - (4) The ticket must not be counterfeit or an exact duplicate of another winning ticket;
 - (5) The ticket must have been issued by an authorized Mega Millions agent on official paper stock of the New York Lottery;
 - (6) The New York Lottery must not have actual knowledge that the ticket has been stolen;
 - (7) The ticket must be submitted for payment in accordance with the New York Lottery's Procedures for Claiming and Payment of Prizes;
 - (8) The ticket data must have been recorded on the New York Lottery's central computer system prior to the drawing and the ticket data must match this computer record in every respect. In the event of a contradiction between information as printed on the ticket and as accepted by the New York Lottery's central computer system, the wager accepted by the New York Lottery's central computer system shall be the valid wager;
 - (9) The player or computer number selections, validation data and the drawing date(s) of an apparent winning ticket must appear on the official file of winning tickets, and a ticket with that exact data must not have been previously paid;
 - (10) The ticket must not be misregistered, defectively printed, or produced in error to an extent that it cannot be processed by the New York Lottery;
 - (11) The ticket must pass validation tests using a minimum of three of the five validation methods as defined in the Mega Millions finance and operations procedures. In addition, the ticket must pass all of the New York Lottery's other confidential security;
 - (12) In submitting a Mega Millions ticket for validation, the Claimant agrees to abide by applicable laws, all rules and regulations, instructions, conditions and final decisions of the Director of the New York Lottery;
 - (13) There must not be any other breach of the Mega Millions game rules or regulations in relation to the ticket, which, in the discretion of the director justifies invalidation;
 - (14) The ticket must be submitted to the New York Lottery and to no other lottery participating in any MEGA MILLIONS lottery game; and
 - (15) No MEGA MILLIONS ticket purchased outside the State of New York may be presented to either the New York Lottery or an agent for payment within New York.
- (b) A Mega Millions ticket submitted for validation which fails any of the preceding validation conditions shall be considered void, subject to the following

determinations:

- (1) The Director may, at his/her option, replace an invalid ticket with a MEGA MILLIONS ticket of equivalent sales price;
- (2) In the event a defective ticket is purchased or in the event the Director determines to adjust an error, the sole and exclusive remedy shall be the replacement of such defective or erroneous ticket(s) with a Mega Millions ticket of equivalent sales price;
- (3) In the event a Mega Millions ticket is not paid by the New York Lottery and a dispute occurs as to whether the ticket is a winning ticket, the New York Lottery may, at its option, replace the ticket as provided in paragraph (a) of this subsection. This shall be the sole and exclusive remedy of the claimant.

§ 2806.10 Procedures for claiming and payment of prizes

- (a) For the Mega Millions tickets purchased in New York, prizes shall be redeemed or claimed only in New York through Agents or Authorized Claim Centers, effective upon determination of prize payouts, for a period of one year from the drawing date.
- (b) Claimants of a winning Mega Millions ticket must comply with the prize claim requirements of the New York Lottery.
- (c) In the event that a single Mega Millions ticket contains two or more winning game panels, the cumulative prize amount shall be claimed or redeemed in accordance with the specified prize payment limits for the New York Lottery.
- (d) Federal, state and local taxes shall be withheld from Mega Millions prizes in such amounts as may be required by law.
- (e) Mega Millions prizes shall not be paid by the New York Lottery to any persons prohibited from playing Mega Millions within New York State.
- (f) There shall be no assignment of Mega Millions prizes except as set forth in Part 2803 of these regulations.
- (g) Each prize winner shall be subject to a publicity release as set forth in Part 2803 of these regulations.
- (h) Child support arrears and public assistance benefits shall be withheld from Mega Millions prizes in such amounts as may be required by law.

§ 2806.11 Unclaimed prize money

Any prizes not claimed during the one year claim period after the date of each Mega Millions drawing will be considered expired. Upon receipt of the annual report of unclaimed prizes for prize levels 2-9 such funds will be considered unclaimed. All unclaimed prize monies will be maintained by the New York Lottery pursuant to the New York State Tax Law in the same ratio that the state contributed to such prizes.

§ 2806.12 Governing law

(a) In purchasing a ticket issued for MEGA MILLIONS within New York State, the Purchaser agrees to comply with and be bound by all applicable statutes, administrative rules and regulations, and procedures of New York State, and by directives and determinations of the Director of the New York Lottery. The Purchaser agrees, as its sole and exclusive remedy, that claims arising out of a ticket purchased in New York State from an agent can be pursued only against the New York Lottery and no other lottery. Litigation, if any, arising from the purchase of a MEGA MILLIONS ticket in New York State from an agent shall only be maintained against the New York Lottery within the State of New York.

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

(c) All decisions by the director, including the declaration of prizes and the payment thereof and the interpretation of Mega Millions rules, shall be final and binding on all Purchasers and on every person making a claim in respect thereof.

PART 2817 LOTTO

Sec.

- 2817.1 Effective date; Definitions
- 2817.2 Payment of prizes
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§ 2817.1 Effective date; definitions

Effective February 28, 1999 the regulations set forth in this Part shall govern the Lotto game. The following definitions apply to this Part.

(a) Lotto means a game played by placing six-number wagers.

(b) Full service Lottery sales agent or full service Lottery retailer means a person equipped with a full service Lottery computer terminal who is licensed to sell Lottery tickets, instant and automated, pursuant to part 2801 of this Title.

(c) Game is a generic term which refers to a specific field of numbers from which a player may select a specific subset of numbers. Lotto is a Lotto game which has one field of consecutive whole numbers from 1 to 59 from which a player may select up

to six numbers.

(d) Play card means a card which contains 10 game panels of numbered squares used by a player to select the games the player desires to play, the number of game panels to be played and the specific subset of numbers for each game selected.

(1) A play card is not a valid receipt for any Lotto game played. The bet ticket (see subdivision (f) of this section) is the only valid receipt.

(2) The play card is the customary method of presenting a player's selections to an on-line agent. However, the player's number selections may be manually entered into the computer terminal by the terminal operator.

(3) Manual entry means the capability of the terminal operator to enter the player's selections into the terminal in response to verbal communication by the player, or if a play card is incorrectly marked.

(4) Random number option (commonly referred as "Quick Pick", "Easy Pick", or a similar term) means the option given to players to have the numbers to be played randomly selected by computer. The random number option is initiated by the terminal operator and may be used to place a full six-number bet or to complete a bet in which fewer than six numbers have been chosen by the player. When the random number option is used, the bet will be entered by computer in the next scheduled drawing and the numbers to be played will be randomly selected by computer. If a player using the random number option specifies his or her choice of draw date(s) then only the remaining bet data variables will be selected by computer.

(e) Lotto game panel means the area of the Lotto play card that contains 59 squares numbered 1 through 59.

(f) Bet ticket means the ticket generated by the computer terminal based on input received from the player's play card, random number option or manual entry. The bet ticket is the only valid receipt for a Lotto bet placed. Players should, while still at the point of purchase, verify that the game and number selections on the play card are the same as those on the bet ticket.

(g) Computer terminal means the device at the full service Lottery sales agent location licensed by the New York Lottery for the placing of Lotto wagers.

(h) Draw date means the date designated by the director on which the winning numbers are drawn for each Lotto game.

(i) Drawing refers to the formal process of selecting winning numbers which determine the number of winners for each prize level for a particular game.

(j) Gross sales means the sum of the dollar purchases of Lotto tickets eligible for a particular Lotto game draw date.

(k) Winning pool means 38 percent of the gross sales for a particular Lotto game which is allocated for the purpose of paying prizes in that game, but excluding any first or second prize category monies brought forward from a previous draw date as described in section 2817.2(c)(1) and (2) of this Part. Brought-forward amounts are

added to the first and second prize category only.

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

(m) Lottery rules and regulations means the rules and regulations currently in force as issued by the division.

(n) Lottery or State Lottery means the New York Lottery operated pursuant to article 34 of the Tax Law.

§ 2817.2 Payment of prizes

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

(1) The prize money allocated from the winning pool to the first prize category, plus any money brought forward from a previous drawing and any money added from the Lotto prize fund reserve or any other available source pursuant to a guaranteed first prize amount announcement, will be divided equally by the number of game panels qualifying for a first prize.

(2) The prize money allocated from the winning pool to the second prize category, plus any money brought forward from a previous draw, will be divided equally by the number of game panels qualifying for a second prize, less any adjustment required by paragraph 2817.2(a)(5).

(3) The prize money allocated from the winning pool to the third prize category will be divided equally by the number of game panels qualifying for a third prize, less any adjustment required by paragraph 2817.2(a)(5).

(4) The prize money allocated from the winning pool to the fourth prize category will be divided equally by the number of game panels qualifying for a fourth prize, less any adjustment required by paragraph 2817.2(a)(5).

(5) A prize in a minimum amount of \$ 1.00 shall be awarded to the fifth prize category. If there are insufficient prize monies to award a minimum of \$ 1.00 to all fifth prize winners, then the second, third, and fourth prize allocations shall contribute equally to provide sufficient monies to pay a minimum \$ 1.00 fifth prize.

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

(1) If, pursuant to paragraph (a) (1) of this section, the calculated share for each game panel qualifying for a first prize in a particular Lotto game would provide annual payments of \$ 10,000 or more, a winner shall receive a first payment as equal to the first of the annual payments as is practicable. After providing for such a first payment, the Lottery, as authorized by the Comptroller, shall invest the remaining first prize money in securities authorized by the State Finance Law for the investment of State funds at current rates payable over a period of years. From the returns of principal and earnings on such investment, the Lottery shall pay annual prize installments to each first prize winner. Such annual prize installments shall be payable for a term of years to be determined by the Lottery. The number of years in the term payment schedule may be changed by the Lottery from time to time. Any

such change will be publicly announced by the Lottery. Such announcement may be made in a news release, an advertisement, a notice published in the New York State Register, or in such other form as the director, in her or his discretion, may prescribe. The Lottery may decide to give Lotto players the option to elect whether a first prize shall be payable in installments over a term of years in accordance with the foregoing provisions of this paragraph or, alternatively, whether a first prize shall be payable in a lump sum. If a prize is awarded in a lump sum as a result of a player's having elected that option, the amount of the lump sum payment shall be equal to the prize money allocated from the winning pool to the first prize category, plus any money brought forward from a previous drawing, divided by the number of game panels qualifying for a first prize, but shall not include any provision for investment returns which would have been earned if the installment payment option had been elected.

(2) If, pursuant to paragraph (a) (1) of this section, the calculated share for each game panel qualifying for a first prize in a particular Lotto game would provide annual payments of less than \$ 10,000, a winner shall receive the entire prize in a single payment. Such payment shall be equal to the prize money allocated from the winning pool to the first prize category, plus any money brought forward from a previous drawing and any money added from the Lotto prize fund reserve or any other available source pursuant to a guaranteed first prize amount announcement, divided by the number of game panels qualifying for a first prize, but shall not include any provision for investment returns which would have been earned had paragraph (1) of this subdivision been applicable.

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

(2) If the Lottery has announced a guaranteed first prize amount for any Lotto drawing, and if the amount allocated from the winning pool to the first prize category, plus any amount brought forward from a previous drawing, is insufficient to pay the guaranteed first prize, then the amount necessary to fulfill the guarantee shall be added from the Lotto prize fund reserve or any other available source to the first prize category. If, however, there is no game panel qualifying for the first prize category in such drawing, no amount from the Lotto prize fund reserve shall be brought forward to the first prize category for the next drawing. If the Lottery has announced a guaranteed first prize amount for any Lotto drawing, and if the amount allocated from the winning pool to the first prize category, plus any amount brought forward from a previous drawing, exceeds the amount necessary to pay the guaranteed first prize, then the excess may be allocated to the Lotto prize fund reserve established pursuant to Section 2817.7(c) of this Part.

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

(d) All prizes must be claimed within one year of the drawing date. A valid winning ticket valued at \$ 600 or less and presented for payment within 45 days of the drawing date may be redeemed for a prize by a full service Lottery retailer equipped with a Lottery computer terminal. Lotto tickets may be purchased at any location

equipped with a full service Lottery computer terminal.

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

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

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

(h) The payment of prizes to persons under 18 years of age and to those who are known to have died before receiving any or all of the particular prize shall be paid as prescribed in Lottery rules and regulations, sections 2803.8 and 2803.9 of this Title.

§ 2817.3 Withholding

Federal, State and local withholding taxes shall be withheld by the Lottery from prize payments in such amounts as may be required in accordance with the applicable provisions of law.

2817.4 Procedures for claiming a prize

A prize may be claimed in any Lotto game in accordance with the provisions of Parts 2803 and 2804 of this Title.

§ 2817.5 Disputes

In the event a dispute occurs between the Lottery and/or the contractors and the player as to whether a ticket is a winning ticket, and if the ticket prize is not paid, the director may, if he considers there is no doubt, refund the entry cost of the panels played by the player on that ticket. This shall be the sole and exclusive remedy of the player of the ticket.

§ 2817.6 Ticket sales

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

(b) The price for each Lotto game panel shall be 50 cents with a minimum purchase of two panels for \$ 1.

§ 2817.7 Prize funds

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

(b) Not less than 38 percent of gross sales for a particular Lotto game draw shall be the amount allocated to the winning pool for that particular game, and not less than such amount shall form the basis upon which the payment of prizes for the particular game shall be computed; provided, however, that a lesser amount may be allocated to the winning pool if there is an excess of prize funds beyond the amount needed to pay a guaranteed first prize amount as provided in Section 2817.2(c)(2) of this Part.

(c) The director may allocate not more than two percent of gross sales in any Lotto game draw to prize pools for any other Lotto game draw dates; provided, however, that a greater amount may be allocated to other Lotto prize pools if there is an excess of prize funds beyond the amount needed to pay a guaranteed first prize amount as provided in Section 2817.2(c)(2) of this Part. The amount so allocated shall be referred to as the Lotto prize fund reserve.

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

§ 2817.8 Miscellaneous

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

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

(c) The New York State Lottery reserves the right to change the prize structures, frequency of draws, draw dates, or the games themselves.

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

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

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

(g) When any question shall arise as to the validity of a Lottery drawing for any reason whatsoever, the director shall make the determination as to the validity of said drawing on the basis of the information at his disposal. His determination shall be a final determination.

§ 2817.9 Determination of prizes

For each Lotto game, seven numbers will be randomly selected at a public drawing from a field of 59 numbers from 1 to and including 59. The first six randomly chosen numbers will be the winning numbers. The seventh number will be the bonus number.

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

The following shall be prize categories:

All six winning numbers	First prize
Any five winning numbers plus the bonus number	Second prize
Any five winning numbers	Third prize
Any four winning numbers	Fourth prize
Any three winning numbers	Fifth prize

The allocation of percentages of the winning pool to various prize categories may be changed by the division from time to time. Any such change will be publicly announced by the division. Such announcement may be made in a news release, an advertisement, a notice published in the New York State Register, or in such other form as the director, in her or his discretion, may prescribe. In addition to the prizes specified in this section, the division may offer special prizes from time to time, in the form of either cash or other valuable consideration, if such additional special prizes are authorized by the director in his or her discretion.

§ 2817.10 Chances of winning

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

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

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

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

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

(f) Reserved

(g) Reserved

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

These chances have been rounded to the nearest whole number and assume random number selection by Lotto players.

§ 2817.11 Maximum amount for Lotto jackpots

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

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

§ 2817.12 Lotto Extra *

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

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

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

(d) To place a bet, a purchaser must communicate the desired game bet data to an agent by presenting a completed Lotto Extra playcard or by requesting a Lotto Extra quick pick. The playcard provides for the player's number selections, number of drawings requested and the option for Cash Value or Annuity Payments if the jackpot is won. The agent will issue a bet ticket. Such bet ticket will reflect the numbers played by the purchaser on that wager as the Lotto Extra.

(e) Forty percent of the gross Lotto Extra sales for each Lotto drawing shall be paid into the New York Lottery prize account for allocation of prize winnings.

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

(g) During each Lotto drawing, the Lottery will draw an Extra bonus number. Numbers will be drawn in the following sequence: the first randomly chosen six numbers will be the winning numbers; the seventh number will be the bonus; and the eighth number will be the Extra bonus number.

(h) Lotto Extra bets may be purchased for a minimum of \$2.00 per two game panels; \$1.00 of such bet is on the Lotto game, and \$1.00 of such bet is for the Lotto Extra feature.

(i) Determination of Prizes: The prize structure and odds for this feature are:

	<u>Match</u>	<u>Odds</u>	<u>Pool Percentage</u>
	+ Either		
5	Bonus	3,754,789.50	14.50%
5		147,246.65	5.50%
	+ Either		
4	Bonus	29,449.33	25.25%
4		2,355.95	5.75%
	+ Either		
3	Bonus	883.48	15.00%
3		108.18	11.00%
	+ Either		
2	Bonus	72.12	23.00%
	Overall Odds	40.47	100.00%

(j) In the event that supplemental prize funds are necessary to fund prizes for Lotto Extra, those funds will be supplemented from unclaimed prize funds in accordance with sixteen hundred fourteen (a) of this article. *Effective till 11/4/07.

PART 2828
NEW YORK'S NUMBERS
(Statutory Authority: Tax Law § 1604[a])

Sec.

- 2828.1 New York's Numbers
- 2828.2 Definitions
- 2828.3 Game description
- 2828.4 Drawings
- 2828.5 Ticket validation
- 2828.6 Disputes

§ 2828.1 New York's Numbers

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

§ 2828.2 Definitions

(a) On-line game refers to New York's Numbers game described herein, and to the on-line Lotto game described in Part 2817 of this Title and to any other games that may from time to time be implemented on a computerized terminal system.

(b) On-line game agent means a person licensed to sell the on-line games referred to in subdivision (a) of this section.

(c) Game means the New York's Numbers game under all forms of play described herein.

(d) Bet ticket means a computer-generated ticket issued by an on-line agent to a purchaser as a receipt for a bet. That receipt will be the sole acceptable evidence of the bet made. Bet tickets for New York's Numbers game may be purchased only from licensed on-line agents as previously defined herein.

(e) Drawing means the procedure, determined by the director, by which the winning numbers are drawn.

(f) Validation means the process of determining whether a bet ticket presented for cashing does or does not represent a winning bet.

§ 2828.3 Game description

New York's Numbers game shall determine winners from tickets by matching a permutation or segment of a 3-digit number from 000 to and including 999, randomly drawn at a regularly scheduled daily drawing. Correctly matching the 3-digit number or designated permutation thereof shall entitle the ticket holder to one of those prizes as described below:

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

(b) The following types of bets are available for purchase:

(1) Straight. A 3-digit number designed to match in exact order the 3-digit winning number drawn for a given day.

(2) Six-way box. A 3-digit number in which all three digits are unique (for example, "123"), designed to match in any order the 3-digit winning number drawn for a given day.

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

(4) Front pair. A 2-digit number designed to match in exact order the first and second digits of the 3-digit winning number drawn for a given day.

(5) Back pair. A 2-digit number designed to match in exact order the second and third digits of the 3-digit winning number drawn for a given day.

(6) Straight/six-way box. A 3-digit number in which all three digits are unique (for example, "123"), that generates one straight bet and one six-way box bet. Straight/six-way box bets are limited to 50 cents for each bet type for a ticket price of \$ 1.

(7) Straight/three-way box. A 3-digit number in which two of the digits are the same (for example, "122"), that generates one straight bet and one three-way box bet. Straight/three-way box bets are limited to 50 cents for each bet type for a ticket price of \$ 1.

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

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

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

Bet type	Odds	For each \$.50 bet	For each \$ 1 bet	Comment
Straight	1:1,000	\$ 250	\$ 500	
Box six-way	1:167	40	80	
Box three-way	1:333	80	160	
Front pair	1:100	25	50	

Bet type	Odds	For each \$.50 bet	For each \$ 1 bet	Comment
Back pair	1:100	\$ 25	\$ 50	
Straight/box six-way	1:167	290 440	N/A N/A	If straight hits If box only
Straight/box three-way	1:333	330 80	N/A N/A	If straight hits If box only
Combination six-way	1:167	250	500	
Combination three-way	1:333	250	500	

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

(e) To place a bet, a purchaser communicates the desired bet data (day, amount, bet type and bet number selections) to an on-line game agent, who will issue a bet ticket. If desired, a purchaser may use the random number option (commonly referred to as "Quick Pick," "Easy Pick," or a similar term) for deciding bet number selections. When the random number option is used, the bet will be entered by computer in the next scheduled drawing as a straight bet in the amount of 50 cents and the numbers to be played will be randomly selected by computer. A purchaser

using the random number option may specify his or her own choice of drawing date (s), bet type or bet amount. The agent enters the bet into a secure computer system via a computer terminal. Upon acceptance of and payment for the ticket issued by the on-line agent, the transaction shall become binding and final.

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

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

Percentage of Base Prize for:

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

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

Current sales = \$ 910,106.00

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

Total bet on winning number = \$ 603.78

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

Bet type	\$.50 bet	\$ 1 bet	Comment
Straight	\$ 360.50	\$ 721.00	
Box six-way	60.00	120.00	
Box three-way	120.00	240.00	
Front pair	\$ 36.00	\$ 72.00	
Back pair	36.00	72.00	
Straight/box six-way	420.50 60.00	N/A	If straight hit If box only
Straight/box three-way	480.00 120.00	N/A	If straight hit If box only
Combination six-way	360.50	721.00	\$.50 bet is \$ 3
Combination three-way	360.50	721.00	\$.50 bet cost is \$ 1.50

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

(1) To place a bet, a purchaser must communicate:

(i) the desired game bet data to an agent pursuant to subdivision (e) of this section; and (ii) communicate to the agent that such purchaser's desire to add a Lucky Sum wager to the normal wager, who will issue a bet ticket. Such bet ticket will reflect the sum of the numbers played by the purchaser on that wager as the additional Lucky Sum wager.

(2) Lucky Sum wagers shall not be placed with pairs wagers.

(3) Up to fifty percent of the sales from each drawing will be allocated to a prize pool

for that drawing.

(4) Prize structure and odds for this feature.

Sum of Number Picked	Number of Ways to Match a Number	Expected Odds	Prize
0	1	1,000	\$ 500.00
1	3	333	\$ 166.00
2	6	167	\$ 83.00
3	10	100	\$ 50.00
4	15	67	\$ 33.00
5	21	48	\$ 23.50
6	28	36	\$ 17.50
7	36	28	\$ 13.50
8	45	22	\$ 11.00
9	55	18	\$ 9.00
Sum of Number Picked	Number of Ways to Match a Number	Expected Odds	Prize
10	63	16	\$ 7.50
11	69	14	\$ 7.00
12	73	14	\$ 6.50
13	75	13	\$ 6.50
14	75	13	\$ 6.50
15	73	14	\$ 6.50
16	69	14	\$ 7.00
17	63	16	\$ 7.50
18	55	18	\$ 9.00
19	45	22	\$ 11.00
20	36	28	\$ 13.50
21	28	36	\$ 17.50
22	21	48	\$ 23.50
23	15	67	\$ 33.00
24	10	100	\$ 50.00
25	6	167	\$ 83.00
26	3	333	\$ 166.00
27	1	1,000	\$ 500.00

(5) Lucky Sum bets may be purchased for a minimum of \$ 1.00 per wager.

§ 2828.4 Drawings

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

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

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

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

(e) When any question shall arise as to the validity of a Lottery drawing for any reason whatsoever, the director shall make the determination as to the validity of said drawing on the basis of the information at his disposal. His determination shall be a final determination.

§ 2828.5 Ticket validation

To be a valid winner, a ticket must meet all validation requirements and be presented as follows:

(a) Prizes shall be claimed through on-line game agents or through claiming process established by the Lottery.

(b) All prizes must be claimed within one year of the drawing date. Winning tickets valued at \$ 600 or less and presented for payment within 45 days of the drawing date may be paid by an on-line agent. New York's Numbers tickets may be purchased at any on-line agent location. However, the Lottery operates two separate computer systems which are unable to communicate with each other. Therefore, winning tickets purchased at an on-line agent location operating on one system cannot be validated for prize payment at an agent location operating on the other system. In order to help distinguish between tickets sold on each computer system, the tickets will be printed with different colored lettering for the "New York's Lottery" heading. One system will use blue-lettered tickets and the other system will use green-lettered tickets. Winning tickets valued at more than \$ 600 and all winning tickets presented for payment more than 45 days after the drawing date cannot be paid by an on-line agent. All prizes for which a valid claim form is submitted at an on-line agent location or by mail will be paid by mailed check. Prizes (i) up to \$ 5,000 validly claimed at a Lottery office in person within one year after the drawing date and (ii) prizes between \$ 5,000 and \$ 500,000 validly claimed at a Lottery office in person within 180 days after the drawing date shall be paid by check at the time the claim is made, unless the prize or a portion thereof is required to be applied to the satisfaction of an overdue support obligations owed by the claimant.

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

(d) Neither the State Lottery nor the contractors shall be responsible for lost or stolen tickets or for tickets redeemed or cancelled in error.

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

§ 2828.6 Disputes

In the event a dispute between the Lottery and/or the contractor and the player occurs as to whether a ticket is a winning ticket, and if the ticket prize is not paid, the director may, if he considers there is any doubt, replace the entry cost of the ticket. This shall be the sole and exclusive remedy of the player of the ticket.

PART 2832

WIN-4

(Statutory Authority: Tax Law, § 1604[a])

Sec.

2832.1 Win – 4

2832.2 Definitions

2832.3 Game Description

2832.4 Drawings

2832.5 Ticket Validation

2832.6 Disputes

§ 2832.1 Win-4

The following rules pertain to Win-4 and are supplementary to those rules of general applicability heretofore and hereafter promulgated by the New York State Division of the Lottery.

§ 2832.2 Definitions

(a) On-Line game refers to Win-4 described herein, and to the New York's Numbers game described in Part 2828 of this Title and on-line Lotto game described in Part 2817 of this Title and to any other games that may from time to time be implemented on a computerized terminal system.

(b) On-line game agent means a person licensed to sell the on-line games referred to in subdivision (a) of this section.

(c) Game means the Win-4 under which all forms of play are described herein.

(d) Bet ticket means a computer-generated ticket issued by an on-line agent to a purchaser as a receipt for a bet. That receipt will be the sole acceptable evidence of the bet made. Bet tickets for the Win-4 game may be purchased only from licensed on-line agents as previously defined herein.

(e) Drawing means the procedure, determined by the director, by which the winning numbers are drawn.

(f) Validation means the process of determining whether a bet ticket presented for cashing does or does not represent a winning bet.

§ 2832.3 Game description

Win-4 game shall determine winners from tickets matching a permutation of a 4-

digit number from 0000 to and including 9999 randomly drawn at a regularly scheduled drawing conducted by the Lottery as described in section 2832.4 of this Part. Correctly matching the winning 4-digit number drawn, or a designated permutation thereof shall entitle the ticket holder to one of the prizes described in subdivision (c) of this section.

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

(b) The following types of bets will be used in the determination of winners for the specified draw day indicated on the bet ticket. Straight/box and combination bets will be available on August 10, 1986, or as soon thereafter as possible.

(1) Straight. A 4-digit number (for example, "1234") designed to match in exact sequence the 4-digit winning number drawn.

(2) Twenty-four-way box. A 4-digit number in which all four digits are unique (for example, "1234") designed to match in any order the winning 4-digit number drawn for a given day.

(3) Twelve-way box. A 4-digit number in which two of the digits are the same (for example, "1233") designed to match in any order the winning 4-digit number drawn for a given day.

(4) Six-way box. A 4-digit number in which there are two pairs of identical numbers (for example, "1122") designed to match in any order the winning 4-digit number drawn for a given day.

(5) Four-way box. A 4-digit number in which three of the digits are the same (for example, "1112") designed to match in any order the winning 4-digit number drawn for a given day.

(6) Straight/twenty-four-way box. A 4-digit number in which all four digits are unique (for example, "1234") that generates one straight bet and one box bet on a single ticket. Straight/box bets are limited to 50 cents for each bet type for a ticket price of \$ 1.

(7) Straight/twelve-way box. A 4-digit number in which two of the digits are the same (for example, "1233") that generates one straight bet and one box bet on a single ticket. Straight/box bets are limited to 50 cents for each bet type for a ticket price of \$ 1.

(8) Straight/six-way box. A 4-digit number in which there are two pairs of identical digits (for example, "1122") that generates one straight bet and one box bet on a single ticket. Straight/box bets are limited to 50 cents for each bet type for a ticket price of \$ 1.

(9) Straight/four-way box. A 4-digit number in which three of the digits are the same (for example, "1112") that generates one straight bet and one box bet on a single ticket. Straight/box bets are limited to 50 cents for each bet type for a ticket price of \$ 1.

(10) Twenty-four-way combination. A 4-digit number in which all four digits are

unique (for example, "1234") that generates 24 straight bets on a single ticket. The minimum cost for which is \$ 12 (24 bets x \$.50 minimum bet).

(11) Twelve-way combination. A 4-digit number in which two of the digits are the same (for example, "1233") that generates 12 straight bets on a single ticket. The minimum cost for which is \$ 6 (12 bets x \$.50 minimum bet).

(12) Six-way combination. A 4-digit number in which there are two pairs of identical digits (for example, "1122") that generates six straight bets on a single ticket. The minimum cost for which is \$ 3 (6 bets x \$.50 minimum bet).

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

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

Bet Type and Prize Payouts Per Amount Bet

Bet Type	50 cents	\$ 1	\$ 2	\$ 3	\$ 4	\$ 5
Straight	\$2,500	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000
Box(24)	100	200	400	600	800	1,000
Box(12)	200	400	800	1,200	1,600	2,000
Box(6)	400	800	1,600	2,400	3,200	4,000
Box(4)	600	1,200	2,400	3,600	4,800	6,000
Straight/Box (24) \$ 2,600 If Straight hits 100 If Box only						
Straight/Box(12) \$ 2,700 If Straight hits 100 If Box only						
Straight/Box (12) \$ 2,700 If Straight hits 200 If Box only						
Straight/Box (6) \$ 2,900 If Straight hits 400 If Box only						
Straight/Box (4) \$ 3,100 If Straight hits 600 If Box only						
Combination (all types)	\$2,500	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000

Game odds:

Bet type Odds

Straight	1:10,000
Box(24)	1:417
Box(12)	1:833
Box(6)	1:1,667
Bet type	Odds
Box(4)	1:2,500
Straight/Box(24)	1:417
Straight/Box(12)	1:833
Straight/Box(6)	1:1,667
Straight/Box(4)	1:2,500
Combination(24)	1:417
Combination(12)	1:833
Combination(6)	1:1,667
Combination(4)	1:2,500

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

(e) To place a bet, a purchaser communicates the desired bet data (day, amount, bet type and bet number selections) to an on-line game agent, who will issue a bet ticket. If desired, a purchaser may use the random number option (commonly referred to as "Quick Pick," "Easy Pick," or a similar term) for deciding bet number selections. When the random number option is used, the bet will be entered by computer in the next scheduled drawing as a straight bet in the amount of 50 cents and the numbers to be played will be randomly selected by computer. A purchaser using the random number option may specify his or her own choice of drawing date (s), bet type or bet number. The agent enters the bet into a secure computer system via a computer terminal. Upon acceptance of and payment for the ticket issued by the on-line agent, the transaction shall become binding and final.

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

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

(1) Lucky Sum wagers shall not be placed with pairs wagers.

(2) To place a bet, a purchaser must communicate:

(i) the desired game bet data to an agent pursuant to subdivision (e) of this section; and (ii) communicate to the agent that such purchaser's desire to add a Lucky Sum wager to the normal wager, who will issue a bet ticket. Such bet ticket will reflect the sum of the numbers played by the purchaser on that wager as the additional Lucky Sum wager.

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

(4) Prize structure and odds for this feature.

Sum of Number Picked	Number of Ways to Match a Number	Expected Odds	Prize
0	1	10,000	\$ 5,000.00
1	4	2,500	\$ 1,250.00
2	10	1,000	\$ 500.00
3	20	500	\$ 250.00
4	35	286	\$ 142.00
5	56	179	\$ 89.00
6	84	119	\$ 60.00
7	120	83	\$ 42.00
8	165	61	\$ 30.00
9	220	45	\$ 22.50
10	282	35	\$ 17.50
11	348	29	\$ 14.00
12	415	24	\$ 12.00
13	480	21	\$ 10.00
14	540	19	\$ 9.00
15	592	17	\$ 8.00
16	633	16	\$ 7.50
17	660	15	\$ 7.50
18	670	15	\$ 7.50
19	660	15	\$ 7.50
20	633	16	\$ 7.50
21	592	17	\$ 8.00
22	540	19	\$ 9.00
23	480	21	\$ 10.00
24	415	24	\$ 12.00
25	348	29	\$ 14.00
26	282	35	\$ 17.50
27	220	45	\$ 22.50
28	165	61	\$ 30.00
29	120	83	\$ 42.00
30	84	119	\$ 60.00
31	56	179	\$ 89.00
32	35	286	\$ 142.00
33	20	500	\$ 250.00
34	10	1,000	\$ 500.00
35	4	2,500	\$ 1,250.00
36	1	10,000	\$ 5,000.00

(5) Lucky Sum bets may be purchased for a minimum of \$ 1.00 per wager.

§ 2832.4 Drawings

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

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

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

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

(e) When any question shall arise as to the validity of a Lottery drawing for any reason whatsoever, the director shall make the determination as to the validity of said drawing on the basis of the information at his disposal. His determination shall be a final determination.

§ 2832.5 Ticket validation

To be a valid winner, a ticket must meet all validation requirements and be presented as follows:

(a) Prizes shall be claimed through on-line game agents or through a claiming process established by the Lottery.

(b) All prizes must be claimed within one year of the drawing date. Winning tickets valued at \$ 600 or less and presented for payment within 45 days of the drawing date may be paid by an on-line agent. Win-4 tickets may be purchased at any on-line agent location. However, the Lottery operates two separate computer systems which are unable to communicate with each other. Therefore, winning tickets purchased at an on-line agent location operating on one system cannot be validated for prize payment at an agent location operating on the other system. In order to help distinguish between tickets sold on each computer system, the tickets will be printed with different colored lettering for the "New York's Lottery" heading. One system will use blue-lettered tickets and the other system will use green-lettered tickets. Winning tickets valued at more than \$ 600 and all winning tickets presented for payment more than 45 days after the drawing date cannot be paid by an on-line agent. All prizes for which a valid claim form is submitted at an agent location or by mail will be paid by mailed check. Prizes (i) up to \$ 5,000 validly claimed at a Lottery office in person within one year after the drawing date and (ii) prizes between \$ 5,000 and \$ 500,000 validly claimed at a Lottery office in person within 180 days after the drawing date shall be paid by check at the time the claim is made, unless the prize or a portion thereof is required to be applied to the satisfaction of an overdue support obligation owed by the claimant.

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

(d) Neither the State Lottery nor the contractors shall be responsible for lost or stolen tickets or for tickets redeemed or cancelled in error.

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

§ 2832.6 Disputes

In the event a dispute between the Lottery and/or the contractor and the player occurs as to whether a ticket is a winning ticket, and if the ticket prize is not paid, the director may, if he considers there is any doubt, replace the entry cost of the ticket. This shall be the sole and exclusive remedy of the player of the ticket.

PART 2833 PICK-10

Sec.

2833.1 Definitions

2833.2 Payment of prizes and chances of winning for Pick-10

2833.3 Withholding

2833.4 Procedures for claiming a prize

2833.5 Disputes

2833.6 Ticket sales

2833.7 Prize funds

2833.8 Miscellaneous

§ 2833.1 Definitions

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

(a) Game is a generic term which refers to a specific field of numbers from which a player may select a specific subset of numbers.

(b) On-line agent means a person licensed to sell all lottery tickets, instant and automated, pursuant to Part 2801 of this Title.

(c) On-line Pick-10 means the Pick-10 game played at on-line agent locations.

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

(2) Prizes for the Pick-10 game shall be awarded for tickets on which various

numbers of player selections match the winning numbers drawn. Prizes, payouts, and chances of winning are set forth in section 2833.2 of this Part.

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

(1) Play cards are not valid receipts for any Pick-10 game played. The bet ticket (see subdivision (f) of this section) is the only valid receipt.

(2) The play card is the customary method of presenting a player's selection to an on-line agent. However, the player's number selections may be manually entered into the computer terminal by the terminal operator.

(3) Manual entry means the capability of the terminal operator to enter the player's selections into the terminal through verbal communication by the player, or if a play card is incorrectly marked.

(4) Random number option (commonly referred to as "Quick Pick," "Easy Pick," or a similar term) means the option given to players to have the numbers to be played selected by computer. When the random number option is used, the bet will be entered by computer in the next scheduled drawing and the numbers to be played will be randomly selected by computer. If a player using the random number option specifies his or her own choice of draw date(s) then only the remaining bet data variables will be selected by computer.

(e) Pick-10 game panel means the area of the Pick-10 play card that contains 80 squares numbered 1 through 80.

(f) Bet ticket means the ticket generated by the computer terminal based on input received from the player's play card, random number option or manual entry. The bet ticket is the only valid receipt for a Pick-10 bet placed. Players should, while still at the point of purchase, verify that the selections on the play card are the same as those on the bet ticket.

(g) Computer terminal means the device at the on-line agent location authorized by the New York State Lottery for the placing of Pick-10 bets.

(h) Draw date means the date on which the winning numbers are drawn for the Pick-10 game. Drawings will be conducted on a daily basis.

(i) Drawing refers to the formal process of selecting winning numbers which determine the number of winners for each prize level for a particular game.

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

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

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

(m) Lottery rules and regulations means the rules and regulations currently in force as adopted by the division.

(n) Lottery or State Lottery means the New York State Lottery operated pursuant to Article 34 of the Tax Law.

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

§ 2833.2 Payment of prizes and chances of winning for Pick-10

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

Winning numbers matched	Prize	Chances of winning
10	\$ 500,000	1 in 8,911,711
9	\$ 6,000	1 in 163,381

Winning numbers matched	Prize	Chances of winning
8	\$ 300	1 in 7,384
7	\$ 40	1 in 621
6	\$ 10	1 in 87
0	\$ 4	1 in 22

Overall chances of winning: 1 in 17

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

(b) All prizes must be claimed within one year of the drawing date. Valid winning tickets valued at \$ 600 or less and presented for payment within 45 days of the drawing date may be paid by an on-line agent. Pick-10 tickets may be purchased at any on-line agent location. However, the Lottery operates two separate computer systems which are unable to communicate with each other. Therefore, winning tickets purchased at an on-line agent operating on one system cannot be cashed at an agent operating on the other system. In order to help distinguish between tickets sold on each computer system, the tickets will be printed with different colored lettering for the "New York's Lottery" heading. One system will use blue-lettered tickets and the other system will use green-lettered tickets.

(c) The holder of a winning ticket may win only one prize per game panel in connection with the winning numbers drawn for a particular Pick-10 game, but shall

be entitled to the highest prize won by those numbers.

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

§ 2833.3 Withholding

Federal, State and local withholding taxes shall be withheld by the Lottery from prize payments in such amounts as may be required in accordance with the applicable provisions of law.

§ 2833.4 Procedures for claiming a prize

(a) Winning tickets valued at more than \$ 600, and presented for payment more than 45 days after the draw date cannot be paid by an on-line agent. All prizes for which a valid claim form is submitted at an on-line agent location or by mail will be paid by mailed check. Prizes (1) up to \$ 5,000 validly claimed at a Lottery office in person within one year after the draw date and (2) prizes between \$ 5,000 and \$ 500,000 validly claimed at a Lottery office in person within 180 days after the draw date shall be paid by check at the time the claim is made, unless the prize or a portion thereof is required by law to be applied to the satisfaction of an overdue support obligation owed by the claimant. Prizes cannot be claimed at a Lottery office until after the final draw date shown on the ticket.

(b) A bet ticket is deemed to be a bearer instrument. Neither the New York State Lottery nor its contractors shall be responsible for lost or stolen Pick-10 tickets, nor for alleged winning tickets thrown away by mistake. Neither the Lottery nor the contractor shall be responsible for Pick-10 tickets redeemed or cancelled in error from a player.

§ 2833.5 Disputes

In the event a dispute occurs between the Lottery and a player as to whether a ticket is a winning ticket, and if the ticket prize is not paid, the director may, at his discretion, refund any entry cost of the panel played by the player on that ticket. This section shall be the sole and exclusive remedy of the holder of the ticket.

§ 2833.6 Ticket Sales

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

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

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

§ 2833.7 Prize funds

(a) Forty percent of net sales for each Pick-10 game draw date shall be paid into

the New York Lottery prize account for allocation of prize winnings.

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

§ 2833.8 Miscellaneous

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

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

(c) The New York State Lottery reserves the right to change the prize structure, frequency of draws, draw dates or the game itself.

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

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

(f) Neither the Lottery nor its contractors shall be responsible for lost or stolen tickets or for tickets redeemed or cancelled in error.

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

**PART 2834
TAKE FIVE**

Sec.

- 2834.1 Definitions
- 2834.2 Payment of prizes
- 2834.3 Withholding
- 2834.4 Procedures for claiming a prize
- 2834.5 Disputes
- 2834.6 Ticket sales
- 2834.7 Prize funds
- 2834.8 Miscellaneous
- 2834.9 Determination of prizes
- 2834.10 Chances of winning

§ 2834.1 Definitions

The definitions below apply to the Take Five game herein described.

(a) On-line Take Five means a game played by placing 5-digit number bets at on-line agent locations.

(b) On-line agent means a person licensed to sell all lottery tickets, instant and automated, pursuant to Part 2801 of this Title.

(c) Game is a generic term which refers to a specific field of numbers from which a player may select a specific subset of numbers. Take Five is a game which has one field of 39 numbers from which a player selects five numbers.

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

(1) A play card is not a valid receipt for any Take Five game played. The bet ticket (see subdivision (f) of this section) is the only valid receipt.

(2) The play card is the customary method of presenting a player's selections to an on-line agent. However, the player's number selections may be manually entered into the computer terminal by the terminal operator.

(3) Manual entry means the capability of the terminal operator to enter the player's selections into the terminal in response to verbal communication by the player, or if a play card is incorrectly marked.

(4) Random number option (commonly referred to as "Quick Pick," "Easy Pick," or a similar term) means the option given to players to have the numbers to be played randomly selected by computer. The random number option is initiated by the terminal operator and may be used to place a full five-number bet or to complete a bet in which fewer than five numbers have been chosen by the player.

(e) Take Five game panel means the area of the Take Five play card that contains 39 squares numbered 1 through 39.

(f) Bet ticket means the ticket generated by the computer terminal based on input received from the player's play card, random number option or manual entry. The bet ticket is the only valid receipt of a Take Five bet placed. Players should, while still at the point of purchase, verify that the game and number selections on the play card are the same as those on the bet ticket.

(g) Computer terminal means the device at the on-line agent location authorized by the New York State Lottery for the placing of Take Five bets.

(h) Drawing date means the weekly date(s) determined by the director on which the winning numbers are drawn for the Take Five game.

(i) Drawing refers to the formal process of selecting winning numbers which determine the number of winners for each prize level for a particular game.

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

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

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

(m) Lottery rules and regulations means the rules and regulations in this Title.

(n) Lottery means the New York State Lottery.

§ 2834.2 Payment of prizes

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

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

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

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

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

(b) All cash prizes must be claimed within one year of the drawing date. Valid winning tickets valued at \$ 600 or less and presented for payment within 45 days of

the drawing date may be paid by an on-line agent. Free-plays must be claimed within 45 days of the drawing date and must be claimed at an on-line agent location. Take Five tickets may be purchased at any on-line agent location. However, the Lottery operates two separate computer systems which are unable to communicate with each other. Therefore, winning tickets purchased at an on-line agent operating on one system cannot be cashed at an agent operating on the other system. In order to help distinguish between tickets sold on each computer system, the tickets will be printed with different colored lettering for the "New York State Lottery" heading. One system will use blue-lettered tickets and the other system will use green-lettered tickets.

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

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

(e) The payment of prizes to persons under 18 years of age and to those who are known to have died before receiving any or all of the particular prize shall be paid as prescribed in Lottery rules and regulations, sections 2803.8 and 2803.9 of this Title.

§ 2834.3 Withholding

Federal, State and local withholding taxes shall be withheld by the Lottery from prize payments in such amounts as may be required in accordance with the applicable provisions of law.

§ 2834.4 Procedures for claiming a prize

(a) Winning tickets valued at more than \$ 600 and all winning tickets presented for payment more than 45 days after the draw date cannot be paid by an on-line agent. All cash prizes for which a valid claim form is submitted at an on-line agent location or by mail will be paid by mailed check. Free-plays must be claimed within 45 days of the drawing date and must be claimed at an on-line agent location. Cash prizes:

(1) up to \$ 5,000 validly claimed at a Lottery office in person within one year after the draw date; and

(2) prizes between \$ 5,000 and \$ 500,000 validly claimed at a Lottery office within 180 days after the draw date shall be paid by check at the time the claim is made unless the prize or a portion thereof is required by law to be applied to the satisfaction of an overdue child support obligation owed by the claimant.

(b) A bet ticket is deemed to be a bearer instrument. Neither the New York State Lottery nor its agents or contractors shall be responsible for lost or stolen Take Five bet tickets, or for alleged winning tickets thrown away by mistake. Neither the New York State Lottery nor its agents or contractors shall be responsible for Take Five bet tickets redeemed or cancelled in error from a player.

§ 2834.5 Disputes

In the event a dispute occurs between the Lottery and/or the contractors and the

player as to whether a ticket is a winning ticket, and if the ticket prize is not paid, the director may refund any entry cost of the panels played by the player on that ticket. This shall be the sole and exclusive remedy of the player of the ticket.

§ 2834.6 Ticket sales

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

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

§ 2834.7 Prize funds

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

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

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

§ 2834.8 Miscellaneous

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

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

(c) The New York State Lottery reserves the right to change the prize structure, frequency of draws, draw dates, or the game themselves.

(d) If for any reason, an on-line bet ticket is not entirely legible or is misprinted or altered in any way, then the on-line computer record created at the time of sale will be the sole method of validation of such ticket.

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

(f) When any question shall arise as to the validity of a Lottery drawing for any reason whatsoever, the director shall make a determination as to the validity of said drawing on the basis of the information at his disposal. His determination shall be a final determination.

§ 2834.9 Determination of prizes

For each Take Five game, five winning numbers shall be randomly selected at a public drawing from a field of 39 numbers from 1 to and including 39.

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

The following shall be the prize categories:

The following shall be the percentage of the winning pool allocated to prize categories:

All five winning	First prize	20%
Any four winning	Second prize	30%
Any three winning	Third prize	50%
Any two winning	Fourth prize	0%

§ 2834.10 Chances of winning

(a) First prize. Five winning numbers in one game panel. Chances of winning: 1 in 575,757.

(b) Second prize. Any four winning numbers in one game panel. Chances of winning: 1 in 3,387.

(c) Third prize. Any three winning numbers in one game panel. Chances of winning: 1 in 103.

(d) Fourth prize. Any two winning numbers in one game panel. Chances of winning: 1 in 9.6. Overall chances of winning a prize for a \$ 1 bet: 1 in 8.77.

**PART 2835
QUICK DRAW**

(Statutory Authority: Tax Law, § 1604[a])

Sec.

- 2835.1 Definitions
- 2835.2 Payment of prizes; Chances of Winning
- 2835.3 Withholding
- 2835.4 Procedures for claiming a prize
- 2835.5 Disputes
- 2835.6 Ticket sales
- 2835.7 Prize funds
- 2835.8 Miscellaneous

§ 2835.1 Definitions

The definitions below apply to the Quick Draw game herein described:

(a) Game is a generic term which refers to a specific field of numbers from which a player may select a specific subset of numbers.

(b) On-line agent means a person licensed to sell various lottery tickets, instant and automated, pursuant to Part 2801 of this Title.

(c) On-line Quick Draw means the Quick Draw game played at on-line agent locations with television monitor and controller.

(1) Quick Draw is a game which has one field of 80 numbers from which a player selects from 1 to 10 numbers.

(2) Prizes for the Quick Draw game will be awarded for tickets on which various numbers of player selections match the winning numbers drawn. Prizes and payouts are set forth in Section 2835.2 of this Part.

(d) Quick Draw play card means a card which contains four (4) designated areas used by a player to select the number of spots (numbers) he or she desires to play, the specific subset of numbers he or she selects, the amount of money he or she desires to play per draw and the specific number of consecutive draws he or she desires to play. There is a separate play card for the Quick Draw game.

(1) Play cards are not valid receipts for any Quick Draw game played. The bet ticket (see subdivision (f) of this section) is the only valid receipt.

(2) The play card is the method of presenting a player's selection to an on-line Quick Draw agent.

(3) Random number option (commonly referred to as "Quick Pick," "Easy Pick," or a similar term) means the option given to players to have the numbers to be played selected by computer. When the random number option is selected, the bet will be entered by computer in the next scheduled draw (and the numbers to be played will be randomly selected by computer.)

(e) Quick Draw game panel means the area of the Quick Draw play card that contains 80 bracketed areas numbered 1 through 80 plus the Quick Pick option.

(f) Bet ticket means the ticket generated by the computer terminal based on Quick Pick or input received from the player's play card. The bet ticket is the only valid receipt for a Quick Draw bet placed. Players should, while still at the point of purchase, verify that the selections on the play card are the same as those on the bet ticket.

(g) Computer terminal with television monitor and controller means the device at the on-line agent location authorized by the New York State Lottery for the placing of Quick Draw bets.

(h) Draw means the time at which the winning numbers are drawn for the Quick Draw game. Draws will be held daily at five minute intervals during the hours designated by the Director. Draws will not be held during more than 13 hours in any 24-hour period or during more than eight consecutive hours. In the discretion of the Lottery, there may be minor variations in the five-minute intervals between draws. If for any reason a drawing cannot be held, the next draw will take place at the next scheduled draw time.

(i) Draw postponement means that if for any reason a particular draw cannot be completed at the appropriate time, an issued bet ticket shall be valid for the next scheduled and completed draw.

(j) Drawing refers to the process of randomly selecting by computer the winning numbers which determine the number of winners for each prize level for a particular game.

(k) Game number is the six digit consecutive number assigned by the central computer system designating a particular draw.

(l) Quick Draw wager options means that on a single play card a player can select a number of spots (numbers) from 1 to 10, with a wager of \$ 1, \$ 2, \$ 3, \$ 4, \$ 5 or \$ 10 per draw and for 1, 2, 3, 4, 5, 10 or 20 draws. A single play card total wager amount may not exceed \$ 100.00.

(m) Exchange ticket means a bet ticket issued if a winning ticket is redeemed prior to all drawings referred to thereon being completed.

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

(o) Prize pool means 60 percent of the net sales for a particular draw which is allocated for the purpose of paying prizes in that game.

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

(q) Lottery rules and regulations means the rules and regulations currently in force as adopted by the division.

(r) Lottery or State Lottery means the New York State Division of the Lottery operated pursuant to Article 34 of the Tax Law.

(s) Ticket Cancellation means that a single draw Quick Draw ticket may be cancelled at the same terminal prior to the drawing only on the day of purchase. A multiple drawing ticket can be cancelled only prior to the Quick Draw ticket's first draw. Exchange tickets cannot be cancelled.

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

(u) Spot means the number of numbers a player chooses to play in the Quick Draw game. For example, in a 10-spot game, the player chooses 10 numbers; in a 9-spot game, the player chooses 9 numbers; etc.

§ 2835.2 Payment of Prizes; Chances of Winning

(a) Prizes will be paid for all tickets on which the player selections match the winning numbers drawn for the draw played. The number of selections which must match the winning numbers drawn, the prizes won for a \$ 1 bet, and the chances of winning are shown in the charts below:

10-Spot Game

Numbers Matched	Prize	Chance of Winning
10	\$ 100,000.00	1:8,911,711.18
9	\$ 5,000.00	1:163,381.37
8	\$ 300.00	1:7,384.47
7	\$ 45.00	1:620.68
6	\$ 10.00	1:87.11
5	\$ 2.00	1:19.44
0	\$ 5.00	1:21.84

Overall Chance of Winning
in 10 Spot Game 1:9.05

9-Spot Game

Numbers Matched	Prize	Chance of Winning
9	\$ 30,000.00	1:1,380,687.65
8	\$ 3,000.00	1:30,681.95
7	\$ 125.00	1:1,690.11
6	\$ 20.00	1:174.84
5	\$ 5.00	1:30.67
0	\$ 2.00	1:15.69

Overall Chance of Winning
in 9-Spot Game 1:9.74

8-Spot Game

Numbers Matched	Prize	Chance of Winning
8	\$ 10,000.00	1:230,114.61
7	\$ 550.00	1:6,232.27
6	\$ 75.00	1:422.53
5	\$ 6.00	1:54.64
0	\$ 2.00	1:11.33

Overall Chance of Winning
in 8-Spot Game 1:9.17

7-Spot Game

Numbers Matched	Prize	Chance of Winning
7	\$ 5,000.00	1:40,979.31
6	\$ 100.00	1:1,365.98
5	\$ 20.00	1:115.76
4	\$ 2.00	1:19.16
0	\$ 1.00	1:8.23

Overall Chance of Winning
in 7-Spot Game 1:5.46

6-Spot Game

Numbers Matched	Prize	Chance of Winning
6	\$ 1,000.00	1:7,752.84
5	\$ 55.00	1:323.04
4	\$ 6.00	1:35.04
3	\$ 1.00	1:7.70

Overall Chance of Winning

in 6-Spot Game		1:6.19
5-Spot Game		
Numbers Matched	Prize	Chance of Winning
5	\$ 300.00	1:1,550.57
4	\$ 20.00	1:82.70
3	\$ 2.00	1:11.91
Overall Chance of Winning in 5-Spot Game		1:10.34
4-Spot Game		
Numbers Matched	Prize	Chance of Winning
4	\$ 55.00	1:326.44
3	\$ 5.00	1:23.12
2	\$ 1.00	1:4.70
Overall Chance of Winning in 4-Spot Game		1:3.86
3-Spot Game		
Numbers Matched	Prize	Chance of Winning
3	\$ 23.00	1:72.07
2	\$ 2.00	1:7.21
Overall Chance of Winning in 3-Spot Game		1:6.55
2-Spot Game		
Numbers Matched	Prize	Chance of Winning
2	\$ 10.00	1:16.63
Overall Chance of Winning in 2-Spot Game		1:16.63
1-Spot Game		
Numbers Matched	Prize	Chance of Winning
1	\$ 2.00	1:4.00
Overall Chance of Winning in 1-Spot Game		1:4.00

(b) For any draw in which there are more than 50 wagers of \$ 1 in which the player selections match 10 winning numbers, the total prize amount available for payment of prizes on such winning wagers shall be limited to \$ 5,000,000; and the amount of the prize payable to the holder of each bet ticket for such a wager shall be determined by dividing \$ 5,000,000 by the number of such winning wagers of \$ 1.

(c) All prizes must be claimed within one year of the draw date. Valid winning tickets valued at \$ 600 or less and presented for payment within 45 days of the drawing date may be presented to any on-line agent for payment, but only an on-line Quick Draw agent will be required to pay such prizes. Quick Draw tickets may be purchased only at an on-line Quick Draw agent location.

(d) The holder of a winning ticket may win only one prize per game in connection with the winning numbers drawn for a particular Quick Draw draw, but shall be

entitled to the highest prize won by those numbers.

(e) A Quick Draw reserve will be created using the funds made available as a result of draws in which the total prizes paid are less than the 60 percent prize pool. This reserve will be used to pay prizes for any draw in which the prize liability exceeds 60 percent of net sales for that draw and may be used, at the option of the Director, to increase any or all prize levels. Such increases may be permanent or for a specific period of time.

§ 2835.3 Withholding

Federal, State and local withholding taxes shall be withheld by the Lottery from prize payments in such amounts as may be required in accordance with the applicable provisions of law.

§ 2835.4 Procedures for claiming a prize

(a) Winning tickets valued at more than \$ 600 and winning tickets presented for payment more than 45 days after the draw date cannot be paid by an on-line agent. All prizes for which a valid claim form is submitted at an on-line agent location or by mail will be paid by mailed check. Prizes validly claimed at a Lottery office in person within one year after the drawing date shall be paid by check at the time the claim is made, unless the prize or a portion thereof is required by law to be applied to the satisfaction of an overdue support obligation owed by the claimant. Prizes cannot be claimed at a Lottery office until after the final draw date shown on the ticket unless an exchange ticket is issued.

(b) A bet ticket is deemed to be a bearer instrument. Neither the New York State Lottery nor its contractors or on-line agents shall be responsible for lost or stolen Quick Draw tickets, nor for alleged winning tickets thrown away by mistake. Neither the Lottery nor its contractors or on-line agents shall be responsible for Quick Draw bet tickets redeemed or cancelled in error from a player.

§ 2835.5 Disputes

In the event a dispute occurs between the Lottery and a player as to whether a ticket is a winning ticket, and if the claimed prize is not paid, the director may, at his discretion, refund any entry cost of the panel played by the player on that ticket. This section shall be the sole and exclusive remedy of the holder of the ticket.

§ 2835.6 Ticket sales

(a) No person shall sell a Quick Draw ticket at a price greater than that fixed by the Lottery.

(b) The price of each bet for the Quick Draw game is \$ 1, \$ 2, \$ 3, \$ 4, \$ 5, or \$ 10.

(c) Bets may be placed either for the next scheduled draw or for 2, 3, 4, 5, 10 or 20 consecutive draws, except that the maximum bet on any Quick Draw play card shall be \$ 100. No other bet durations are available.

(d) No person shall sell a Quick Draw ticket to a person under the age of 18 years. No person under the age of 21 years may purchase a Quick Draw ticket on the

premises of a licensee who holds a license issued pursuant to the Alcoholic Beverage Control Law to sell alcoholic beverages for consumption on the premises.

(e) Quick Draw tickets shall be sold only on premises satisfying the following requirements:

(1) If the premises are used for the sale of alcoholic beverages for consumption on the premises, the on-line agent must have certified in writing that not less than 25% of the gross sales are sales of food. For the purposes of this paragraph, neither sales of lottery tickets nor lottery sales commissions shall be counted in the calculation of gross sales.

(2) If the premises are not used for the sale of alcoholic beverages for consumption on the premises, the on-line agent must have certified in writing that the premises comprise an area greater than 2,500 square feet.

(3) Exceptions. The provisions of paragraphs (1) and (2) of this subdivision relating to 25% of sales or 2,500 square feet shall not be applicable to premises used as either:

(A) a commercial bowling establishment; or

(B) a facility authorized under the Racing, Pari-Mutuel Wagering, and Breeding Law to accept pari-mutuel wagers.

(4) [Reserved for future regulations to define the methods to be used to determine 25% of sales or 2,500 square feet].

§ 2835.7 Prize funds

(a) Sixty percent of sales receipts for each Quick Draw game draw shall be available for the payment of prizes.

(b) In the event of termination of the Quick Draw game for any cause, any prize monies remaining may be used for prizes in other lottery games at the discretion of the director.

§ 2835.8 Miscellaneous

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

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

(c) The New York State Lottery reserves the right to change the prize structure, frequency of draws, or the game itself.

(d) If, for any reason, an on-line bet ticket is not entirely legible or is misprinted or altered in any way, then the on-line computer record created at the time of sale will

be the sole method of validation of the ticket. The Lottery reserves the right to refuse payment if all validation tests are not successfully completed.

(e) When any question shall arise as to the validity of a lottery drawing for any reason whatsoever, the director shall make the determination as to the validity of said draw on the basis of information at his disposal. His determination shall be a final determination.

(f) Neither the Lottery nor its contractors or agents shall be responsible for lost or stolen tickets or for tickets redeemed or cancelled in error.

(g) Lottery rules do not allow for the payment of prizes for previously redeemed or cancelled tickets. Accordingly, neither the Lottery nor its contractors or agents shall be responsible for bet tickets inadvertently returned to a player following redemption or cancellation by an agent. In such cases, the on-line computer file will be the sole method for determining whether the ticket has been previously redeemed or cancelled.