

Title 42
LOUISIANA GAMING
Part XV. Lottery

Chapter 1. On Line Lottery Games

§101. Policy Statement

A. The Louisiana Lottery Corporation (the "corporation") is authorized by R.S. 47:9008.A to adopt such rules and regulations as may be necessary to conduct specific lottery games and operations of the corporation. Pursuant to that grant of authority, the board of directors of the corporation (the "board") has adopted these on-line lottery games general rules, which are intended to provide general guidelines concerning the conduct and administration of on-line lottery games.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:63 (January 1997).

§103. Definitions

A. As used in the game rules, game directives and drawing directives, the following words and phrases shall have the following meanings unless the context clearly requires otherwise.

Board—the Board of Directors of the Louisiana Lottery Corporation.

Claim Center—a regional office or claims office of the corporation at which winners may redeem prizes.

Claim Deadline—the day after which prizes from a particular game or on-line drawing are no longer eligible to be redeemed or claimed.

Claim Form—the form provided by the corporation to be completed by prize winners when claiming a prize.

Corporation—the Louisiana Lottery Corporation.

Drawing Directive—the detailed drawing instructions followed by the corporation for each drawing event.

Free Ticket—a lottery prize for which the winner is entitled to another ticket for the same game, without charge.

Game Directive—the game-specific guidelines that itemize the particular requirements of each game.

Game Rules—these general rules regarding all on-line lottery games, prize payments, and other game parameters.

Invalid Ticket—any ticket that fails to meet all of the validation requirements of the corporation.

Lottery—any game of chance approved by the corporation and operated pursuant to the Louisiana Lottery Corporation Law.

Lotto—a lottery game that offers a player a choice of five, six or seven numbers out of a specified field of numbers, the winner being determined by a drawing.

Numbers Game—a lottery game permitting the player to choose a three-digit or four-digit number, the winner being determined by a drawing.

On-Line Game Ticket—an official ticket issued by the corporation in connection with any on-line lottery game, produced on official paper stock by an on-line retailer in an authorized manner, bearing player or computer selected numbers, figures and/or characters representing the type of wager, drawing date, amount of wager, and validation data.

On-Line Lottery Game—a game, authorized in §105, which is played using ticket-generating terminals linked to a central computer, with winners being determined by a drawing.

On-Line Retailer—any person with whom the corporation has contracted to sell on-line game tickets to the public.

President—the president of the Louisiana Lottery Corporation.

Quick-Pick—a player option by which on-line game number selections are determined at random by computer software.

Raffle Lottery Game—a lottery game in which a maximum designated number of chances or plays will be offered, and the winning chances or plays will be selected from those chances or plays actually sold.

Valid Ticket—a ticket that meets the validation requirements of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, amended October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, amended October 21, 1994 and promulgated in *The Advocate*, October 28, 1994, repromulgated LR 23:64 (January 1997), amended LR 33:2418 (November 2007).

§105. General Provisions

A. These game rules authorize the corporation to offer the following on-line lottery games.

1. Pick 3 Daily Game. An on-line numbers game permitting a player to choose a three-digit number, the winner being determined by a drawing.

2. Lotto. An on-line lotto game permitting a player a choice of six numbers out of a specified field of numbers, the winner being determined by a drawing.

3. **Easy 5.** An on-line lotto game permitting a player a choice of five numbers out of a specified field of numbers, the winner being determined by a drawing.

4. **Cash Quest.** An on-line lotto game providing a player multiple sets of four numbers out of a specified field of numbers, the winner being determined by a drawing.

5. **Pick 4 Game.** An on-line numbers game permitting a player to choose a four-digit number, the winner being determined by a drawing.

6. **Raffle Lottery Game.** A series of on-line raffle lottery games which will commence at the discretion of the president, and will continue until the president publicly announces a suspension or termination date. A limited number of tickets or chances, each unique from all others, will be offered for the opportunity to win one of a number of predetermined and announced prizes.

B. Introduction of a new on-line lottery game may only be accomplished by amendment of these game rules to include the game as an authorized game. These game rules shall apply to the on-line lottery games listed in this Section. The detailed information regarding each on-line game will be contained in a game directive promulgated by the president. The game directive must be signed by the president prior to the start of the game. Each game directive will be distributed and posted at every corporation office and will be available for public inspection during the sales period of the particular game.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, amended October 21, 1994, promulgated in *The Advocate*, October 28, 1994, repromulgated LR 23:63 (January 1997), amended LR 24:1762 (September 1998), LR 33:2418 (November 2007).

§107. Probability of Winning

A. The overall probability of winning any prize in a particular game (expressed as "odds" of winning as that term is commonly used in the lottery industry) will be contained in the game directive for that game and shall be included in the promotional materials for the game. The statement of "odds" does not need to specify the "odds" of winning each particular prize. The corporation shall make every attempt to release accurate "odds" information in press releases for each on-line lottery game.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, repromulgated LR 23:64 (January 1997).

§109. Compliance with Law/Rules

A. In submitting an official on-line game ticket for validation, the player agrees to abide by applicable laws, all corporation rules, regulations, policies, directives, instructions, conditions, and final decisions of the president of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, repromulgated LR 23:64 (January 1997).

§111. Names of Winners

A. The corporation shall have the right to use the names and the city or area of residence of all prize winners in on-line lottery games. The information may be used by the corporation for advertising and publicity purposes. The corporation will not make public the addresses or phone numbers of on-line lottery winners. Such information will be provided to authorized governmental agencies, as required by law or as deemed appropriate. Winners who grant the corporation permission to be photographed agree to allow the use of such photographs for publicity and advertising purposes without any additional compensation.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:65 (January 1997).

§113. Age Eligibility

A. No person under 18 years of age may purchase an on-line game ticket, but persons under 18 years of age may receive an on-line game ticket as a gift.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:65 (January 1997).

§115. Retailer Eligibility

A. Retailers authorized by the corporation to sell tickets may purchase tickets and may claim prizes resulting from any tickets so purchased.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:65 (January 1997).

§117. End of Game

A. Each on-line lottery game will continue until such ending date as may be announced by the president. The president may suspend or terminate a game without notice if such action is deemed to be in the best interest of the corporation. No tickets for a particular game may be sold for a game after the suspension or termination of the game.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:65 (January 1997).

§119. Winner Validation

A. Except as provided in specific game directives, the following requirements will apply to the validation of winning on-line game tickets.

1. The validation data, number selections, and drawing date(s) printed on the ticket must be present in their entirety and must correspond with the data reflected in the corporation's computer records relating to the production of the ticket.

2. The on-line ticket must be intact and not defaced in any manner.

3. The ticket must not be mutilated, altered, reconstituted, or tampered with in any manner.

4. The ticket must not be counterfeit in whole or in part, nor an exact duplicate of another winning ticket.

5. The ticket must have been issued by an authorized on-line retailer in the authorized manner on official paper stock.

6. The ticket must not be stolen or canceled.

7. The ticket must have exactly the specified number of computer selected numbers, figures and/or characters, and validation data as provided for in the game directives for the game.

8. The ticket must not be partially blank, misregistered, defectively printed, or produced in error to the extent that it cannot be validated by the corporation.

9. The ticket must be submitted for redemption within the claim period provided for in the game.

10. The ticket must be submitted for payment in accordance with the provisions set forth in each game directive.

11. The player or computer number selections, validation data and drawing date(s) of an apparent winning ticket must appear on the official transaction record of the corporation, and a ticket with that exact data must not have been previously paid.

12. The ticket must pass all other confidential security checks of the corporation.

13. In submitting an official on-line game ticket for validation, the player agrees to abide by applicable laws, all corporation rules, regulations, policies, directives, instructions, conditions, and final decisions of the president of the corporation.

B. Except as provided above, any on-line game ticket that fails to pass any of the validation requirements is void and ineligible for any prize, and no prize shall be paid. Liability for defective tickets is limited to the original purchase price of the ticket.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, repromulgated LR 23:65 (January 1997).

§121. Prize Payment

A. On-line lottery game prizes will be paid in accordance with game directives and retailer regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:65 (January 1997).

§122. Delay of Payment

A. The corporation shall pay prizes in a timely fashion but may delay making payment of any prize or installment of a prize under the following circumstances.

1. A dispute occurs or it appears that a dispute may occur relative to any prize.

2. There is any question regarding the identity of the claimant.

3. There is any question regarding the validity of the ticket.

4. The claim is subject to any court ordered garnishment.

5. The corporation becomes aware of a change in circumstances relative to a prize award which requires review.

B. The corporation assumes no liability for interest for any delay of payment of a prize or installment.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:65 (January 1997).

§123. Claim Form

A. For any prize of more than \$600, the owner of the apparent winning ticket shall complete an official claim form that requires the winner to provide:

1. the name of the individual or entity claiming the prize;

2. the address and city of residence of the claimant;

3. the Social Security number of the individual claimant or the federal employer's identification number issued by the IRS for multiple claimants.

B. No prize payment will be authorized if the required information is not provided by the claimant. The name of the owner printed on the back of the ticket must correspond with the name of the claimant.

C. A group, family unit, club or other organization which plays as a partnership which is not a legal entity and which does not possess a federal employer's identification number may claim a lump sum prize if it:

1. files an Internal Revenue Service Form 5754, "Statement by Person(s) Receiving Gambling Winnings," or a successor form, with the corporation, designating to whom the prize is to be paid and the person or persons to whom the prize is taxable; or

2. designates one individual in whose name the claim shall be entered and furnishes that person's Social Security number and other required information.

D. Formal recognition of partnership play will be required with respect to lotto grand prizes paid on an installment basis. Formal recognition shall include, but shall not be limited to, production of a partnership agreement or memorandum thereof, listing the names of all partners. The corporation must also be furnished a federal employer's identification number for the partnership entity. Each such recognized partnership shall receive a single annual installment payment payable to the partnership.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:66 (January 1997).

§125. Assignability

A. The right of any person to a prize after the prize is claimed shall not be assignable. The corporation may pay any prize to the estate of a deceased winner. Any prize to which a winner is entitled may be paid to any person pursuant to an appropriate judicial order.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:66 (January 1997).

§127. Installment Prizes

A. The corporation may provide for the payment of any prize of more than \$100,000 in equal annual installments. The schedule of payments shall be designed to pay the winner equal dollar amounts each year until the total payments equal the prize amount. When the prize amount is paid in installments, the president may round the actual amount of the prize to the nearest \$1,000 amount to facilitate the appropriate funding mechanism. The period of payment of any installment payment schedule shall not exceed 20 years. The corporation shall not accelerate the payment schedule of any installment prize without the consent of the winner.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:66 (January 1997), amended LR 26:703 (April 2000).

§129. Merchandise Prizes

A. If a noncash prize is offered, the value of the prize will be determined by the fair market value of any such prize, which will be the amount reported to the state and the IRS for tax purposes. If the value of the prize is \$5,000 or more, the corporation will pay withholding taxes on behalf of the winner in accordance with federal and state rules. The corporation will not be responsible for any other fees associated with the prize.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, amended October 21, 1994 and promulgated in *The Advocate*, October 28, 1994, repromulgated LR 23:66 (January 1997).

§131. Drawings

A. The corporation shall follow drawing directives that detail the procedures for conducting each on-line game drawing, the drawing method, and the equipment to be utilized. The corporation shall exercise care to insure a totally random drawing process that results in the selection of prize winners in a method that favors none of the participants.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:66 (January 1997).

§133. Independent Auditor

A. All drawing events shall be witnessed by an independent auditing firm. The independent auditor shall attest to the fact that the procedures for the drawing were properly disseminated and that the procedures were followed, and shall make note of any exceptions to the procedures.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:67 (January 1997).

§135. Bulk Purchase

A. *Bulk Purchase* is the purchase of on-line game tickets for the purpose of accomplishing a buyout of a lotto jackpot or grand prize pool. The bulk purchase of on-line game tickets by an investment syndicate, investment group, corporation or any person for investment purposes is expressly prohibited.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, amended October 21, 1994 and promulgated *The Advocate*, October 28, 1994, repromulgated LR 23:67 (January 1997).

§137. Bulk Sale

A. *Bulk Sale* is the sale of on-line game tickets by a licensed on-line retailer for the purpose of assisting the purchaser in accomplishing a buyout of a lotto jackpot or grand prize pool. The bulk sale of on-line game tickets by a licensed on-line retailer is expressly prohibited.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, amended October 21, 1994 and promulgated in

The Advocate, October 28, 1994, repromulgated LR 23:67 (January 1997).

§139. Enforcement

A. The game directive shall include provisions to enforce the prohibitions contained in §§135 and 137.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, amended October 21, 1994, and promulgated in *The Advocate*, October 28, 1994, repromulgated LR 23:67 (January 1997).

§141. Multi-State Lottery

A. This Section authorizes the Louisiana Lottery Corporation, through an agreement with the Multi-State Lottery Association (MUSL), to offer the following games: "PowerBall," "Daily Millions," and "Rolldown." Introduction of any new game conducted by MUSL may only be accomplished by amendment of this Section to include the game as an authorized game. The detailed information regarding the rules of the powerball game, the daily millions game, and the rolldown game will be contained in a game directive promulgated by the president. The game directive must be signed by the president prior to the start of the game. The game directive will be distributed and posted at every corporation office and will be available for public inspection during the sales period of powerball, daily millions, and rolldown.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on October 21, 1994, and promulgated in *The Advocate*, October 28, 1994, amended LR 23:67 (January, 1997), amended LR 26:1631 (August 2000).

Chapter 3. Procurement Policies and Rules

§301. Policy Statement

A. The Board of Directors of the Louisiana Lottery Corporation adopts these policies and rules in order to assure public confidence in the procedures followed by the corporation in procuring the items, products and services necessary to conduct a successful lottery. Public confidence depends on the corporation developing and maintaining procurement procedures that:

1. are subject to the highest ethical standards;
2. promote the acquisition of high quality goods and services at competitive prices;
3. promote administrative efficiency;
4. recognize that the operation of a lottery is a unique activity of an instrumentality of the state of Louisiana; and
5. afford fair treatment of all persons offering their products and services to the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:705 (April 2000).

§303. Definitions

A. The following italicized terms shall have the meaning set forth herein when used in these policies and rules.

Authorized Officers—the president, the vice president, the secretary-treasurer, the procurement officer and all persons designated as division heads in the corporation's organizational structure from time to time.

Board—the Board of Directors of the Corporation as established and existing pursuant to the Louisiana Lottery Corporation Law.

Business—any corporation, partnership, individual, joint stock association, sole proprietorship, joint venture, business association, cooperative association, professional corporation or any other legal entity through which business is conducted.

Contractor—any business with which the corporation has entered into a procurement contract.

Director—a person appointed to the board pursuant to Section 9004 of the Louisiana Lottery Corporation Law; the term shall not include ex officio, nonvoting members of the board.

Louisiana Laws—all provisions of the Constitution of the State of Louisiana and all statutes, codes, rules and regulations.

Louisiana Lottery Corporation Law—the provisions of R.S. 47:9000 et seq.

Major Procurement—shall have the same meaning ascribed to such term in Section 9002(3) of the Louisiana Lottery Corporation Law.

Minor Procurement—a Procurement of goods or services for amounts of less than \$100,000.

Non-Statutory Major Procurement—a procurement that would be a major procurement but for the fact that it is a procurement common to the ordinary operations of a corporation within the meaning of Section 9002(3) of the Louisiana Lottery Corporation Law.

Person—any business, individual, union, committee, club, firm, corporation or other organization or group of individuals.

Procurement—the acquisition by the corporation of any goods or services in return for a cash payment. The term shall not include:

- a. acquisitions from an agency or political subdivision of the state of Louisiana;
- b. employment contracts with individuals;
- c. contracts relating to the retail sales of lottery tickets;

d. financing; or

e. contracts for goods or services provided as part of, or related to, a lease of immovable property.

Procurement Authorization—the document prepared by the corporation pursuant to Part B, Section 2 of these policies and rules.

Procurement Officer—the officer of the corporation appointed by the president to manage and supervise procurements from time to time.

Request for Proposals or RFP—the document prepared by the corporation pursuant to Part B, Section 2 of these policies and rules.

Special Circumstances—the circumstances stated in Part B, Section 10 of these policies and rules.

Special Procurement—procurement authorized in Part B, Section 10 of these policies and rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:705 (April 2000).

§305. Authority of the Corporation

A. These policies and rules are adopted pursuant to the power granted to the corporation under Section 9028 of the Louisiana Lottery Corporation Law. These policies and rules are supplemental to and not in substitution for all Louisiana Laws other than those relating to procurement to which the directors, officers, employees and contractors are subject, including without limitation the Louisiana Code of Governmental Ethics and the Louisiana Lottery Corporation Law. These policies and rules shall, pursuant to Section 9028 of the Louisiana Lottery Corporation Law, render Louisiana Laws on procurement inapplicable to the corporation. Additionally, these policies and rules shall be deemed to incorporate the Louisiana Code of Governmental Ethics and the Louisiana Lottery Corporation Law such that, to the extent any conduct, action or a failure to act of any director, officer, employee or contractor is prohibited by or violates either of the Louisiana Code of Governmental Ethics or the Louisiana Lottery Corporation Law, such violation shall constitute a violation of these policies and rules. A violation of these rules by a contractor shall constitute good cause for the suspension, revocation or refusal to renew any contract entered into pursuant to these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991, promulgated in *The Advocate* on October 8, 1991, amended LR 26:706 (April 2000).

§307. Applicability

A. These provisions shall apply to all procurements other than minor procurements.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:706 (April 2000).

§309. Initiation of Procurement

A. The corporation shall initiate procurement by preparation of a procurement authorization which authorizes the procurement. The procurement authorization shall clearly state the goods or services to be procured, the corporation's need for the goods or services, an estimate of the anticipated cost of the procurement and a listing of potential contractors. The listing of potential contractors shall include all businesses known to the corporation as being in the business of supplying the subject goods or services and from whom a response to the corporation's request for proposals would enhance the competition among businesses for the procurement contract. The listing need not be included if it would include over 10 potential contractors. The president (or in his absence the vice president or the secretary-treasurer), the procurement officer and the division head of the division for which the procurement will occur shall execute the procurement authorization and the procurement officer shall immediately send copies of the procurement authorization to all directors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:706 (April 2000).

§311. Preparation of Request for Proposals

A. Upon execution of the procurement authorization, the corporation shall prepare a request for proposals which shall include, at a minimum, the following information:

1. clear and complete specifications of the goods or services required by the corporation, prepared in such a manner as to promote comparability of responses by potential contractors;

2. a requirement that all responding proposals be in writing and the time by and place at which all responding potential contractors should submit proposals; and

3. a listing of the criteria the corporation will use in evaluating proposals by responding potential contractors and the relative weight the corporation will give the respective criteria.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:706 (April 2000).

§313. Dissemination of RFP

A. The corporation shall give public notice of the RFP by advertising its issuance in the official journal of Louisiana. The advertisement shall appear at least 20 days before the last day that the corporation will accept proposals by

potential contractors. The advertisement shall specify the goods or services required by the corporation, the last date that the corporation will accept proposals and an address at which a copy of the RFP can be obtained. When advisable in order to enhance the competitiveness of the procurement process, the corporation shall advertise the issuance of the RFP in trade journals which serve the interests of businesses likely to respond to the RFP. Additionally, the corporation shall mail the RFP to potential contractors shown on the procurement authorization and to all directors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:706 (April 2000).

§315. Cancellation or Amendment of RFP

A. The corporation may cancel or amend any outstanding RFP by written notice to all businesses to which the RFP was sent or given. The reasons for cancellation or amendment of an RFP shall be stated on a separate document attached to the version of the notice retained by the corporation, and the corporation shall deliver a copy of this version to the directors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:707 (April 2000).

§317. Acceptance and Evaluation of Proposals

A. The corporation shall consider and evaluate all proposals responding to the RFP, which are submitted in compliance with the deadline and other requirements stated in the RFP. The corporation may waive any deficiency or non-conformity of a proposal or provide the responding business a reasonable period of time to cure the deficiency or non-conformity, provided that such action does not prejudice the status of other proposals. At any time prior to completion of the evaluation process, the corporation may request any responding potential contractors to clarify or expand upon provisions of their proposals. The corporation shall evaluate proposals in a manner consistent with the RFP and in accordance with a standard evaluation. The procurement contract shall be awarded in the corporation's sole and uncontrolled discretion.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:707 (April 2000).

§319. Preparation of Contract

A. Upon completion of the evaluation and mutual acceptance of all terms of the proposal by the corporation and the contractor, the corporation shall prepare the contract. The contract shall contain, at a minimum, the following:

1. the name and address of the contractor;
2. the goods to be delivered or the services to be performed under the contract;
3. the term of the contract and a statement giving the corporation the right to terminate the contract unilaterally upon 30 days written notice;
4. a provision giving the corporation the right to audit those financial records of the contractor which relate to the contract;
5. a provision that the contractor shall not transfer any interest in the contract without the prior written consent of the corporation (except that claims for money due or to become due to the contractor from the corporation under the contract may be assigned to a bank, trust company or other financial institution but that the corporation shall not be bound by the assignment unless furnished sufficient notice of it);
6. a provision that the contractor shall bear responsibility for paying any taxes which become due as a result of payments to the contractor under the contract;
7. a provision that upon termination of the contract all records, reports, worksheets or any other materials related to the contract shall become the property of the corporation;
8. a provision obligating the contractor to provide the corporation with notice of any material adverse change in its condition, financial or otherwise;
9. a provision requiring the payment of liquidated damages to the corporation upon a material breach of the contract by the contractor; and
10. Louisiana laws will govern the contract.

B. A procurement contract shall not obligate the corporation for an initial term in excess of three years without the approval of the board. A contract may contain two optional periods for extensions of the contract by the corporation, provided that any individual option period or extension shall not exceed one year in duration, and any individual option period or extension may become effective only upon the specific, affirmative exercise of the option, or the specific, affirmative agreement to the extension, by the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:707 (April 2000).

§321. Authorization and Execution of Contract

A. The corporation shall not execute a contract for a major procurement or a non-statutory major procurement unless the board reviews and approves the contract and authorizes execution of it by an authorized officer. The board may authorize execution of the contract in a form substantially similar to the form presented to the board for review, subject, however, to such modifications as are

consistent with the RFP, the proposal and other documents delivered to the board, and as are reported to the board promptly after execution of the contract.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:707 (April 2000).

§323. Preservation of Integrity of Procurement

A. In order to preserve the honesty, fairness and competitiveness of the procurement process, the following restrictions on dissemination of information shall apply.

1. Prior to execution of a final contract, directors, officers and employees of the corporation shall not disclose the contents of a proposal or any other communication to a potential contractor to any person not employed by the corporation or its consultants.

2. Directors, officers and employees of the corporation shall not disclose to any potential contractor any information proprietary to the corporation and pertinent to the procurement for which the potential contractor may submit a proposal.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:707 (April 2000).

§325. Special Procurements

A. Notwithstanding any other provision of these policies and rules to the contrary, the corporation may make procurements, including major procurements, without complying strictly with the procedures stated in this Part, if any of the following special circumstances then exist and these circumstances require non-compliance with the procedures stated in this Part:

1. a threat to public health, welfare or safety or the integrity or operation of the corporation;

2. a unique, non-recurring opportunity to obtain goods or services at a substantial cost savings;

3. a sponsorship arrangement permitting the corporation to acquire goods or services at a reduced cost or cost-free;

4. the structure of the applicable market does not permit the corporation to procure the goods or services via a competitive bidding process;

5. the goods or services which meet the corporation's reasonable requirements can be provided only by a single business; or

6. due to time constraints not caused by the corporation, compliance with each of the policies and rules stated in this Part would materially impair the financial performance of the corporation.

B. A procurement under special circumstances shall be made only after the president determines the existence of any of the special circumstances and states the reasons for the determination in a report, which is promptly delivered, to the board. It must be made in compliance with as many of the requirements of this Part as practicable under the circumstances as determined by the president. The board may, by affirmative action prior to the completion of the special procurement, reverse the president's determination and direct the corporation not to make the special procurement.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:708 (April 2000).

§327. Minor Procurement Procedures

A. The provisions of §329 and §331 shall apply to all minor procurements.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:708 (April 2000).

§329. Supervision by Procurement Officer

A. The procurement officer shall supervise, manage and bear responsibility for all minor procurements. The procurement officer shall promulgate written procedures for making competitive minor procurements to the maximum degree possible and will assure the corporation's compliance with these procedures. At the board's request, the procurement officer shall offer these procedures to the board for review, and the board may modify these procedures in its discretion.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:708 (April 2000).

§331. Minimum Requirements of Procedures

A. Procedures promulgated by the procurement officer pursuant to this Part shall, at a minimum, require:

1. that no minor procurement shall be structured as such in order to avoid the policies and rules applicable to procurements stated in §301;

2. that, in instances where a sole source contractor is used, it shall be fully justified in writing prior to the procurement and retained as part of the file. This requirement will not apply to procurements made under this Part against a standing order contract that was entered into on a competitive basis;

3. that all disbursements by the corporation for minor procurements be by check signed by two authorized officers;

4. that the corporation reasonably justify the need for the minor procurement; and

5. the corporation undertake reasonable steps, considering the size of the minor procurement, to obtain high quality goods or services as competitive costs.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:708 (April 2000).

§333. Appeals

A. The procedures stated in this Part apply to an appeal of a corporation determination by a vendor, contractor, or a person seeking to become a vendor or contractor under Section 9017 of the Louisiana Lottery Corporation Law.

B. Prior to making an appeal, an appellant must send the president a request letter stating the action of which the appellant seeks modification and all reasons the appellant advances for modification. The request letter must state the appellant's name and address, must enclose copies of all documents relevant to the request, and must be signed by the appellant. The appellant must represent that all facts stated in the request letter are correct to the best knowledge of the appellant. The president shall respond to the request letter in writing within 10 days of the corporation's receipt of it, stating all reasons for the response.

C. An appellant may appeal the president's denial of all or any part of the appellant's request stated in the appellant's request letter by sending the president a notice of appeal. The notice of appeal shall be effective only if it is in writing, states the substance and basis of the appeal, and is received by the corporation within 10 days of the appellant's receipt of the president's letter denying the appeal. The notice may request that the hearing be expedited, provided that such a request shall constitute an undertaking by the appellant to pay the costs assessable under Subsection E of this Section. Upon receipt of a notice of appeal, the president shall deliver the notice, the appellant's request letter and the president's denial letter to the board.

D. The board shall consider the appeal at its next regular meeting to occur five or more days after receipt of the notice of appeal. The hearing shall be conducted in accordance with the provisions of the Administrative Procedure Act. The chairman may call a special meeting of the board to hear an appeal if the appellant has requested an expedited hearing and the chairman in his sole discretion believes that the appeal warrants an expedited hearing. The president shall give the appellant reasonable notice of the time and location of the board meeting. The appellant shall be permitted to present the appeal orally for a time period determined by the board. The presentation may not include points or subjects which were not included in the appellant's request letter. The corporation shall keep a complete record of the hearing and shall make it available to the appellant. The board shall render its decision on the appeal by majority vote within five days after conclusion of the hearing.

E. If the appellant requested an expedited hearing, the board conducts the hearing at a special meeting, and the board denies the appeal, the board may charge the appellant the corporation's reasonable costs incurred in connection with the special meeting, including any travel and per diem expenses.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991, promulgated in *The Advocate* on October 8, 1991, amended LR 26:708 (April 2000).

§335. Amendment

A. These policies and rules may be amended according to Part D of the bylaws and rules of procedure of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991, promulgated in *The Advocate* on October 8, 1991, amended LR 26:709 (April 2000).

Chapter 5. Retailer Regulations

§501. Policy Statement

A. In order to conduct a successful lottery, the Louisiana Lottery Corporation (the "corporation") must develop and maintain a statewide network of lottery retailers that will serve the public convenience and promote the sale of tickets, while insuring the integrity of the lottery operations, games and activities. In order to facilitate such objectives, the corporation has adopted these retailer regulations. Such retailer regulations shall be in addition to and not a substitute for the provisions of the Louisiana Lottery Corporation Law, other provisions of Louisiana or federal law and the other rules and regulations of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:709 (April 2000).

§503. Definitions

A. The following italicized terms shall have the meaning set forth herein when used in these retailer regulations.

Board—the Board of Directors of the corporation as established and existing pursuant to the Louisiana Lottery Corporation Law.

Director—a person appointed to the board pursuant to §9004 of the Louisiana Lottery Corporation Law; the term shall not include ex officio, nonvoting members of the board.

Employee—any person who is not a director or officer but who is employed by the corporation to work a regular work week of 25 or more hours per week, or any person who is not a director or officer of the corporation but who is employed or contracted by the corporation to perform work for which he or she will either:

a. work, in any six week period, more than 200 hours for the corporation; or

b. receive, in any one-year period, more than \$10,000, in the aggregate, for work performed for the corporation. "Employee" shall not include a person who otherwise meets the above criteria but who is an employee of an organization contracted to perform services for or provide products to the corporation; provided that, with regard to the conduct of such employee, such organization is subject to another provision of Louisiana law.

Instant Retailer—a person or organization that sells instant tickets to the public, and an "on-line retailer" means a person or organization that sells on-line tickets to the public. Without affecting the definitions in this Section, an instant retailer may also sell, or may in the future sell, on-line tickets, and an on-line retailer shall sell instant tickets.

Louisiana Laws—all provisions of the Constitution of the state of Louisiana and all statutes, codes, rules and regulations.

Lottery Tickets—lottery instant tickets or on-line tickets or any other ticket sold to the public as part of a lottery game.

Louisiana Lottery Corporation Law—the provisions of R.S. 47:9000 et seq.

Officer—the president, the vice president, and the secretary-treasurer.

Organization—a corporation, partnership, joint stock association, sole proprietorship, joint venture, business association, cooperative association, professional corporation or other entity existing for any purpose.

Retailer—any person or organization with whom the corporation has contracted to sell lottery tickets to the public.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:709 (April 2000).

§505. Authority of the Corporation

A. These retailer regulations are adopted pursuant to the powers granted to the corporation under the Louisiana Lottery Corporation Law. These retailer regulations are supplemental to and not in substitution for other Louisiana laws to which retailers are subject.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:710 (April 2000).

§507. Ethical Rules Relating to Retailers

A. A retailer shall be subject to the Louisiana Code of Governmental Ethics and the applicable provisions of the Louisiana Lottery Corporation Law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:710 (April 2000).

§509. Selection of Retailers

A. General Provisions. The following provisions shall generally apply to the selection of retailers.

1. In selecting retailers, whether of instant tickets or of on-line tickets, the corporation may consider the following factors, among others:

- a. financial responsibility;
- b. integrity;
- c. reputation;
- d. accessibility of the place of business or activity to the public;
- e. security of the premises;
- f. sufficiency of existing retailers to serve the public convenience;
- g. projected volume of sales for the lottery game involved.

2. The corporation may conduct whatever investigations it deems necessary to analyze an application and may require any applicant to produce any information the corporation deems necessary.

3. The selection of retailers shall be made without regard to political affiliation, activities, or monetary contributions to political organizations or candidates for any public office.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, repromulgated LR 26:710 (April 2000).

§511. Threshold Criteria for Retailers

A. An applicant for retailer status may not become and remain a retailer unless the applicant meets the following threshold criteria.

1. The applicant is current in payment of all taxes, interest, and penalties owed to any taxing political subdivision where the applicant sells lottery tickets.

2. The applicant is current in filing all applicable tax returns and in payment of all taxes, interest, and penalties owed to the state of Louisiana, excluding items under formal appeal pursuant to applicable statutes.

3. The applicant has not been:

- a. convicted of a criminal offense related to the security or integrity of a lottery in Louisiana or any other jurisdiction;