

§9056. Computation of retailer's rental payments

If a lottery retailer's rental payments for the business premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales, and such computation of retail sales is not explicitly defined to include sales of tickets in a state lottery, the compensation received by the lottery retailer from the lottery shall be considered the amount of the retail sale for purposes of computing the rental payment.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990.

§9057. Ticket price; gift, sale, or business promotion; location of sale

A. No person shall sell a ticket at a price other than established by the corporation, unless authorized in writing by the president. No person other than a duly certified lottery retailer shall sell lottery tickets, but this shall not be construed to prevent a person who may lawfully purchase tickets from making a gift of lottery tickets to another. Nothing in this Subtitle shall be construed to prohibit the corporation from designating certain of its agents and employees to sell lottery tickets directly to the public.

B. Lottery tickets may be given by merchants as a means of promoting goods or services to customers or prospective customers subject to approval by the corporation.

C. No lottery retailer shall sell a ticket except from the locations listed in his contract.

D. No lottery tickets shall be sold at state of Louisiana safety rest areas.\*

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990.

\*DEFINED IN R.S. 48:461.1(g).

§9058. Toll-free telephone assistance for compulsive gamblers; posting of signs on premises

The corporation shall require the posting of one or more signs on licensed premises at each point of entry into areas where lottery tickets are sold to inform patrons of a toll-free telephone number available to provide information and referral services regarding compulsive or problem gambling. Failure by the owner of the licensed premises to post and maintain such a sign or signs shall be cause for the imposition of a fine not to exceed one thousand dollars per day.

Acts 1997, No. 1192, §5.

## CHAPTER 6. VENDORS

§9060. Purchase, lease, or lease-purchase of goods or services; investigation of prospective vendors; disclosure requirements; prohibited contracts, exceptions; vendor's performance bond, letter of credit or deposit of security; liquidated damages; laws governing contracts

A. The corporation may purchase, lease, or lease-purchase such goods or services as are necessary for effectuating the purposes of this Subtitle. Major procurements which are leases, purchases, and lease-purchases shall be reported to the Joint Legislative Committee on the Budget as required by this Subtitle. The corporation shall not contract with any person or entity for the total operation and administration of the state lottery, but it may make procurements which integrate functions such as lottery game design, lottery ticket distribution to retailers, supply of goods and services, and advertising. In all procurement decisions, the corporation shall take into account the particularly sensitive nature of the state lottery and shall act to promote and ensure security, honesty, fairness, and integrity in the operation and administration of the lottery and the objectives of raising net proceeds for the benefit of the public.

B. The corporation shall investigate the financial responsibility, security, and integrity of any lottery system vendor who submits a bid, proposal, or offer as part of a major procurement.

At the time of submitting such bid, proposal, or offer to the corporation, the corporation may require the following items:

(1) A disclosure of the vendor's name and address and, as applicable, the name and address of the following:

(a) If the vendor is a corporation, the officers, directors, and each stockholder in such corporation; however, in the case of owners of equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to own beneficially five percent or more of such securities need be disclosed.

(b) If the vendor is a trust, the trustee and all persons entitled to receive income or benefit from the trust.

(c) If the vendor is an association, the members, officers, and directors.

(d) If the vendor is a partnership or joint venture, all of the general partners, limited partners, or joint venturers.

(2) A disclosure of all the states and jurisdictions in which the vendor does business, and the nature of the business for each such state or jurisdiction.

(3) A disclosure of all the states and jurisdictions in which the vendor has contracts to supply gaming goods or services, including but not limited to lottery goods and services, and the nature of the goods or services involved for each such state or jurisdiction.

(4) A disclosure of all the states and jurisdictions in which the vendor has applied for, has sought renewal of, has received, has been denied, has pending, or has had revoked a gaming license of any kind, or had fines or penalties assessed their license, contract, or operation, and the disposition of such in each such state or jurisdiction. If any lottery or gaming license or contract has been revoked or has not been renewed or any lottery or gaming license or application has been either denied or is pending and has remained pending for more than six months, all of the facts and circumstances underlying the failure to receive such a license shall be disclosed.

(5) A disclosure of the details of any finding of plea, conviction, or adjudication for guilt, in a state or federal court, of the vendor for any felony or any other criminal offense other than a traffic violation.

(6) A disclosure of the details of any bankruptcy, insolvency, reorganization, corporate or individual purchase or takeover of another corporation, including bonded indebtedness, or any pending litigation of the vendor.

(7) Such additional disclosures and information as the corporation may determine to be appropriate for the procurement involved. If the vendor subcontracts any substantial portion of the work to be performed under the contract to a subcontractor, the vendor shall disclose all of the information required by this Subsection for the subcontractor as if the subcontractor were itself a vendor.

C. The corporation shall not enter into a contract for a procurement with any lottery system vendor who has not complied with the disclosure requirements described in Subsection B of this Section, and any contract with such a vendor is unenforceable. Any contract with a vendor who does not comply with such requirements for periodically updating such disclosures during the tenure of contract as may be specified in such contract shall be terminated by the corporation. The provision of this Section shall be construed broadly and liberally to achieve the ends of full disclosure of all information necessary to allow for a full and complete evaluation by the corporation of the competence, integrity, background, and character of vendors for major procurements.

D.(1) A contract shall not be entered into with any vendor who has been found guilty of a felony related to the security or integrity of the lottery in this or any other jurisdiction.

(2) A contract shall not be entered into with any vendor who has not first obtained a signed tax clearance from the secretary of the Department of Revenue indicating that the vendor 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.

E. Each vendor shall, at the execution of the contract with the corporation, post a performance bond or letter of credit from a bank acceptable to the corporation, in an amount established by the corporation. In lieu of the bond, a vendor may, to assure the faithful performance of its obligations, deposit and maintain with the corporation securities that are interest bearing or accruing and that are rated in one of the three highest classifications by an established nationally recognized investment rating service. Securities eligible under this Subsection are limited to:

(1) Certificates of deposit issued by solvent banks or savings associations approved by the corporation and which are organized and existing under the laws of this state or under the laws of the United States.

(2) United States bonds, notes, and bills for which the full faith and credit of the government of the United States is pledged for the payment of principal and interest.

(3) Corporate bonds approved by the corporation. The corporation which issued the bonds shall not be an affiliate or subsidiary of the depositor. Such securities shall be held in trust.

F. Every contract entered into by the corporation pursuant to this Section shall contain a provision for payment of liquidated damages to the corporation for any breach of contract by the vendor.

G. Each vendor shall be qualified to do business in this state and shall file appropriate tax returns as provided by the laws of this state. All contracts under this Section shall be governed by the laws of this state.

H. No member of the legislature individually, nor any corporation, partnership, or other legal entity in which he has an ownership interest of ten percent or more shall be a vendor.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990; Acts 1993, No. 674, §1; Acts 2001, No. 716, §1, eff. July 1, 2001.

## CHAPTER 7. CRIMINAL BACKGROUND INVESTIGATIONS

§9065. Criminal background investigations; duties of corporation or its security division

A. The Louisiana Department of Public Safety and Corrections, office of state police, shall perform full criminal background investigations on all potential vendors and potential employees of the corporation at the level of division director and above, and at any level within the division of security, and, as required by the board, on any other employee of the corporation. The corporation shall reimburse the office of state police for the actual costs of such investigations.

B. The corporation or its division of security shall:

(1) Conduct criminal background investigations and credit investigations on all potential retailers and investigate all potential employees of the corporation not referred to in Subsection A of this Section or not investigated by the office of state police.

(2) Supervise ticket validation and lottery drawings.

(3) Inspect at times determined solely by the division the facilities of any vendor in order to determine the integrity of the vendor's product and in order to determine whether the vendor is in compliance with its contract.

(4) Report any suspected violations of this Subtitle to the appropriate district attorney, or the attorney general and law enforcement agencies.

(5) Upon request, provide assistance to any district attorney, the attorney general, or law enforcement agency investigating a violation of this Subtitle.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990.

CHAPTER 8. LOTTERY CRIMES, PENALTIES, AND  
PROHIBITED ACTS

§9070. Sale to minors

A.(1) No lottery retailer and no agent, associate, employee, representative, or servant of any such person shall sell a lottery ticket to any person under the age of twenty-one years, unless the person submits any one of the following forms of identification which establish the age of the person as twenty-one years or older:

(a) A valid, current, Louisiana driver's license which contains a photograph of the person presenting the driver's license.

(b) A valid, current, driver's license of another state which contains a photograph of the person and birth date of the person submitting the driver's license.

(c) A valid, current, special identification card issued by the state of Louisiana pursuant to R.S. 40:1321 containing a photograph of the person submitting the identification card.

(d) A valid, current, passport or visa issued by the federal government or another country or nation that contains a permanently attached photograph of the person and the date of birth of the person submitting the passport or visa.

(e) A valid, current, military or federal identification card issued by the federal government containing a photograph of the person and date of birth of the person submitting the identification card.

(2) Each form of identification listed in Paragraph (1) must on its face establish the age of the person as twenty-one years of age or older, and there must be no reason to doubt the authenticity or correctness of the identification. No form of identification mentioned in Paragraph (1) shall be accepted as proof of age if it is expired, defaced, mutilated, or altered. If the driver's license, state identification card, or lawful identification submitted is a duplicate, the person shall submit additional identification which contains the name, date of birth, and photograph of the person.

(3) An educational institution identification card, check-cashing identification card, or employee identification card shall not be considered as lawful identification for the purposes of this Subsection.

B. Any person who knowingly sells a lottery ticket to a person under twenty-one years of age shall be fined not less than one hundred dollars nor more than five hundred dollars for the first offense and, for each subsequent offense, not less than two hundred dollars or more than one thousand dollars.

C.(1) It is unlawful for any person under twenty-one years of age to purchase a lottery ticket.

(2) Whoever violates the provisions of this Subsection shall be fined not more than one hundred dollars.

(3) Any person apprehended while violating the provisions of this Subsection shall be issued a citation by the apprehending law enforcement officer, which shall be paid in the same manner as provided for the offenders of local traffic violations.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990; Acts 1998, 1st Ex. Sess., No. 146, §2; Acts 1999, No. 523, §1.

§9071. False or altered lottery tickets

A. Any person, with intent to defraud, who falsely makes, alters, forges, utters, passes, or counterfeits a state lottery ticket shall be punished as provided in Subsection B.

B. Any person who influences or attempts to influence the winning of a prize through the use of coercion, fraud, deception, or tampering with lottery equipment or materials shall be punished by imprisonment at hard labor for not less than five years and not more than twenty years without benefit of probation, parole, or suspension of imposition of sentence.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990.

§9072. Prohibitions; restrictions upon political activities of officers and certain vendors; subsequent employment by vendors

A. The corporation, members of the board of directors, officers of the corporation, and any vendor of computer services to the corporation shall not directly or indirectly organize, participate in, contribute to, endorse, campaign for or against, support, or oppose any proposition, a political action committee, elected official, or a candidate for public office, or ask or solicit another person to do any of those acts.

B. No person who receives goods, services, monies, or rights having monetary value in excess of fifty dollars pursuant to any contract with the corporation, and no agent, officer, employee, shareholder, or partner of such person, shall pay money or service, or other thing of value, to or for the benefit of any agent, or officer, or employee of the corporation, or to any person having the authority to appoint or to confirm the appointment of any agent, officer, and employee of the corporation on account of, in consideration for, or to induce the corporation to enter into any contract or make such appointment or selection.

C. No former member of the board or officer of the corporation, or a corporation or other entity owned in whole or in part by a former board member or corporation officer, shall solicit or accept employment or enter into a contract for compensation of any kind with a vendor of the corporation within two years after termination of service with the corporation.

D. The name of any individual who is a board member or an officer or an employee of the corporation shall not appear upon any lottery ticket, lottery game, lottery form, or paper used in playing any lottery game.

E. Violation of any provision of this Section by a member of the board or an officer of the corporation shall constitute cause for removal from office or dismissal from employment.

F. The provisions of Subsections A and E of this Section shall not apply to ex officio members of the board of directors.

G. The state agency responsible for the administration and enforcement of ethics laws for public employees shall administer and enforce the provisions of this Section. The procedures and penalties provided for in the Code of Governmental Ethics shall apply to the administration and enforcement of the provisions of this Section.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990; Acts 1992, No. 685, §1; Acts 1996, 1st Ex. Sess., No. 64, §7, eff. Jan. 1, 1997.