

NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL

CHAPTER 9 – SECURITY

9.03 – STOLEN TICKETS

PURPOSE

To establish a standard procedure for the handling of lost and/or stolen ticket reports by the Security Department.

DEFINITIONS

Activated Pack	A pack of Instant Tickets that has been shipped to the Retailer, confirmed as part of the Retailer's in-store inventory, scanned into the store terminal, and is ready for sale by the Retailer.
Confirmed Pack	A pack of Instant Tickets that has been shipped to the Retailer and verified as part of the Retailer's in-store inventory.
Retailer	A business location authorized to sell NCEL lottery tickets.

POLICY

The NCEL Security Department will field reports of stolen Instant Tickets made by Retailers, document such reports in the Enterprise Series (ES) and Case Management systems, conduct an investigation, and collaborate with law enforcement, all in a manner designed to prevent the sale of tickets through unauthorized means and preserve the on-going integrity of NCEL games.

PROCEDURE

1. Retailers should report all stolen Instant Tickets to NCEL Security immediately. In addition, the Retailer should file a police report for the stolen Tickets within twenty-four (24) hours of discovery and forward a copy of the police report to NCEL Security within seven (7) calendar days.
2. Retailers may contact NCEL Security by calling the NCEL hotline, (877) 382-4530, and selecting Option #4, or by calling the Security Department directly at (888) 732-6235.
3. The Information Security Manager or his/her designee will create and maintain a schedule of Security Operations Center (SOC) staff to answer hotline calls.
4. Between the hours of 6:00 a.m. until 2:00 a.m. daily, a SOC member will answer hotline calls, immediately log the report into the ES system, and initiate protective ticket flags as needed.
5. At 2:00 a.m., a SOC member will redirect hotline calls to the NCEL Security voicemail.

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6. If a stolen ticket report is made by leaving a voicemail message, the SOC member whose shift starts at 6:00 a.m. will check the voicemail system for any calls received. That SOC member will return the call, confirm with the caller that the report has been received, and document the report in the ES and Case Management systems.
7. The SOC member will then refer the report to the Security Investigations Coordinator who will assign the case to an Investigator for site visits, collection of inventory logs, employee time sheets, videotapes, interviews, etc.
8. For all incidents involving stolen instant tickets, the Retailer shall be responsible for the NCEL's administrative processing fee of ten dollars (\$10.00) per pack affected. The administrative processing fee is not refundable, regardless of the recovery of the stolen tickets.
9. In addition to the administrative fee(s), for Packs that have been activated, the Retailer shall be responsible for the cost of the Instant Tickets based upon the percentage of validation up to the time when the Retailer notified the NCEL regarding the theft, minus any applicable Commissions. In the event that some or all of the stolen Activated Packs are recovered, the Retailer may be reimbursed for any charged tickets on a pro rata basis. The Retailer must have a valid Retailer Contract with the NCEL, be an active Retailer, and be current on all funds due to the NCEL in order to qualify for any reimbursement for stolen Instant Tickets.
10. Regardless of the pack status (issued, confirmed, activated or settled), any ticket or pack reported as stolen or determined by NCEL Security to be stolen, will be handled and processed as a stolen ticket or pack in accordance with this Policy at the full discretion of the NCEL. Under no circumstance will winnings be paid on a ticket reported to be stolen, or determined by the NCEL Security to be stolen, unless it can be proven that the ticket had been purchased through a retail cash register transaction, prior to removing the latex covering from any part of the ticket.
11. The NCEL reserves the right to charge the retailer face value for the tickets reported as stolen/missing if the retailer failed to secure the tickets in accordance with the NCEL's procedures and instructions.