

NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL

CHAPTER 9 – SECURITY

9.05 – LOTTERY SALES TO MINORS

PURPOSE

To administratively address violations of the North Carolina State Lottery Act and the Retailer Contract, both of which prohibit the sale of lottery tickets or shares to any person under 18 years of age.

DEFINITIONS

- **Retailer** - A person or entity with whom the NCEL contracts to sell tickets or shares of lottery games; or in the case of an entity with multiple business locations, a single retail store.
- **Offending Party** - The owner and/or any person employed by a Retailer to sell tickets or shares for lottery games.
- **Retailer Review Committee** - The Director of Security, the Director of Sales, and the Director of Administration

POLICY

The North Carolina Educational Lottery (NCEL) will apply a graduated corrective action plan to any Retailer who sells lottery tickets to minors. The severity of the sanction increases with each new instance in a three-year period. The occurrence date of the violation shall be used to determine whether prior instances occur within the three-year time period. The imposition of administrative sanctions by the NCEL is not designed to prevent, supercede, or supplant the steps taken by other agencies to pursue criminal charges or take authorized administrative action for the same conduct.

PROCEDURE

Allegations or criminal charges related to lottery sales to minors should be immediately directed to the NCEL Security Department. Private citizens and law enforcement agencies reporting such activity can do so in writing addressed to the NCEL Security Department or by calling the Security Hotline (888-732-6235). The Security Department will document each report and determine whether additional investigation is required to substantiate the allegation. If further investigation is required, NCEL Security will request assistance from the North Carolina Division of Alcohol Law Enforcement (ALE).

1. **First Report** - NCEL Security will send a written warning letter to the Retailer, reminding the Retailer that the sale of lottery tickets to minors is prohibited by the North Carolina State Lottery Act and the NCEL Retailer Contract. Further, the letter shall remind the Retailer of their on-going obligation to train employees and advise the Retailer that further incidents may jeopardize their future authorization to sell lottery tickets. Such

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letter shall be served upon the Retailer by certified mail at the last known mailing address furnished by the Retailer to the NCEL.

2. **Second Report** - NCEL Security will send a notice letter to the Retailer, advising the Retailer of the alleged violation, including a short statement of the facts and reference to the contractual provision involved. Such letter shall be served upon the Retailer by certified mail at the last known mailing address furnished by the Retailer to the NCEL. The notice letter shall provide the Retailer the opportunity to offer a written response within fourteen (14) days of the date of delivery. At the conclusion of the 14-day period, the Director of Security will convene a meeting of the Retailer Review Committee to consider the Retailer's response, if any, and determine the appropriate corrective action. If the Retailer Review Committee determines that a contractual violation has occurred, the Committee may, in its sole discretion, sanction the Retailer, up to and including suspension of the license to sell lottery tickets or shares for a specified period of time not to exceed thirty (30) days. NCEL Security will send the Retailer a disposition notice that includes the commencement date of any such sanction, along with a warning that a third instance of the same or similar conduct may result in termination of their Retailer Contract.
3. **Third Report** - NCEL Security will send a notice letter to the Retailer, advising the Retailer of the alleged violation, including a short statement of the facts and reference to the contractual provision involved. Such letter shall be served upon the Retailer by certified mail at the last known mailing address furnished by the Retailer to the NCEL. The notice letter shall provide the Retailer the opportunity to offer a written response within fourteen (14) days of the date of delivery. At the conclusion of the 14-day period, the Director of Security will convene a meeting of the Retailer Review Committee to consider the Retailer's response, if any, and determine the appropriate corrective action. If the Retailer Review Committee determines that a contractual violation has occurred, the Committee may, in its sole discretion, sanction the Retailer, up to and including termination of the license to sell lottery tickets or shares. NCEL Security will send the Retailer a disposition notice that includes the commencement date of any sanction.

A Retailer whose contract is terminated pursuant to this chapter may not reapply to the NCEL for a period of at least one (1) year.

Pursuant to the Retailer Dispute Resolution Procedures (Chapter 8.02 of the NCEL Policies and Procedures Manual or Chapter 2 of the Retailer Rules and Regulations), a Retailer may appeal any sanction imposed by the Review Committee.