





North Carolina General Assembly
House Of Representatives

PAUL STAM
SPEAKER PRO TEM

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COMMITTEES:

APPROPRIATIONS—EDUCATION
CHILDREN, YOUTH, AND FAMILIES
EDUCATION K-12
ELECTIONS
FINANCE
JUDICIARY II
REGULATORY REFORM
RULES

March 17, 2016

Dear Colleagues of the Joint Legislative Oversight Committee on the NC Lottery,

Thank you for allowing me the opportunity to address the Lottery Committee on March 10th. I sincerely appreciate the 10 minutes you afforded me and hope that you will not mind a few follow-ups to points that Ms. Garland made after my presentation. You will recall that Rep. Dollar was not allowed to ask me to respond to her rebuttal.

Garland Claim 1: The advertisements were not in themselves misleading. The total prize amount has, and will continue to be, misconstrued by the media, specifically regarding Powerball. Ms. Garland denied having any control over the media and stated that the **ONLY** time the **Lottery** has *mistakenly* failed to mention the total overall likelihood of winning was in the one instance pointed out by me (*\$200,000 Top Prize. Must be 18 to play. Approximate odds of winning are 1 in 3.90*). “I agree, we should have mentioned the overall odds of winning. He has found the **ONE** ad where we left out **ONE** word.”

Rebuttal 1: While the lottery commission does not control the media, all of the facts and figures the media uses come straight from the Lottery Commission.

Rebuttal 2: I attach several other advertisements used by the Lottery showing similar misrepresentations to the “**ONE and ONLY** ad.” (See pages 4-8).

The following statements were all published by the Lottery:

- **“\$200,000 top prize. Must be 18 to play. Approximate odds of winning are 1 in 3.90.”** (page 4)
 - Correcting this with one word “overall” does not fix its misleading nature by juxtaposing a prize of \$200k with an odds ratio of 1 in 3.90.
- A radio ad states that there are **over \$17.2 million in total prizes, and that the approximate overall odds of winning are 1 in 3.96.** (page 5)

- A radio ad **only describes the top prize of \$1 million, and the approximate overall odds of winning as 1 in 3.34.** (page 6)
- One ad **only describes a jackpot prize of \$50,000 (and growing), and lists the overall odds of winning at 1 in 8.8.** (page 7)
- An ad **only describes chances to win \$5,000 \$30,000 or \$100,000 and lists the overall odds of winning to be from 1 in 3.87 to 1 in 4.91.** (page 8)
 - Similarly, to juxtapose a large sum of money, whether \$5000 or \$17 million with odds like 1 in 3.96 or 1:8 is deceptive and misleading.

And every billboard advertising Powerball never mentions the value of the prize but trumpets the irrelevant and misleading amount. Billboards do include “Estimated Annuity” in small letters at the bottom left of the billboard. But that phrase makes the deception worse. The natural meaning of that phrase is that the stated sum (which is wildly exaggerated) will be paid on a yearly basis with interest.

ALL OR NOTHING

The “ALL OR NOTHING” scheme: A player can win if the player is able to guess ALL of the numbers correctly or NONE of the numbers correctly. In advertisements aired by the Lottery, the Commission compared a game of chance to a game of skill. This intentionally tells its customers that there is something they can do to affect the odds. But there is not. (see pages 9 thru 14)

See page 15 for a response letter from Dr. Fuentes, Department Head of Statistics at North Carolina State University, concerning the ALL OR NOTHING game.

“Thus, when games of skill are used to illustrate and adverti[s]e a lottery game, that is misleading because when playing the lottery no skill can be applied to increase the odds of winning (for example, listed in several ads as 1 in 4.5 or 1 on 1.35 million for the top prize). In contrast, with the games of skill mentioned, it is incredibly easy to score “nothing.” In fact, one can do so with certainty. So, the ads are making a comparison between a game with 100% chance of “scoring nothing” to a game of chance where the odds of winning vary from 1 in 4.5 to 1 in 3.5 million.”

Garland Claim 2: Ms. Garland stated that because the multi-state Powerball game (in which Mr. Tipton was indicted for a \$14.3 million fraud) was not used within North Carolina, the Commission has no authority over that game.

Rebuttal: Ms. Garland missed my point: a multi-state Powerball is NOT immune from inside fraud.

Garland Claim 3: Ms. Garland claimed that the investigation of the Retail-Owner winner was factually inaccurate. She stated that the Retail-Owner had purchased a package of scratch-off tickets containing a \$1,000,000 jackpot ticket. The Lottery then allowed the Retail-Owner to keep his winnings because Investigators ensured that he had properly purchased them AND made sure to sweep his account for the money. Investigators had video surveillance showing the Retail-Owner waving the tickets in front of the camera.

Rebuttal: All of the facts came from the Lottery Commission’s Investigation Report which was attached to the handout provided at the meeting (see pages 102 thru 110 of the document and pages 16 thru 19 below). The Retail-Owner admitted that he had NEVER heard of the “Pay Before You Play” policy even though he had been a top-winner in SEVERAL other games before the 2014 incident. The fact that there is video-surveillance of the Retail-Owner waving the tickets in front of the camera proves nothing innocent.

This owner was a debtor. He purchased the scratch-off tickets on credit and played the game (406 scratch off tickets). Only AFTER he had played and picked a winning ticket, did the Lottery Commission “sweep his account” to pay the debt.

The NC Lottery’s website: FAQ’s on permissible forms of payments.¹ None include purchasing on credit.

Can I use a credit card to purchase lottery tickets?

No. Acceptable forms of payment include cash, check, debit card, and gift card at the retailer's discretion.

The Retail-Owner was receiving these tickets at a discounted rate. By statute, retailers are compensated by a fee of 7% applied to all ticket sales. When the Retail-Owner was swiping 406 tickets, that’s a 7% discount! The odds for him are significantly better than for a regular gambler.

Here are a few other key points that I addressed in my presentation to the Joint Oversight Committee on the NC Education Lottery:

- The public perception that the Lottery tries to persuade players that Lottery revenue pays for public education. A little over a quarter of sales fund education (27.3%). Of the entire education budget only 5% is generated by the Lottery. Only 1% of the total state budget is funded by the Lottery.
- According to Ms. Garland, they have no statistical evidence as to the demographics of players. However, lottery sales data was calculated and shows a massive differential in money gambled in Eastern Counties as opposed to Western Counties. The eastern counties are subsidizing the western counties. In my previous presentation, I showed you a few representative counties. With this document I have provided you with data from each county on pages 20-24.

Sincerely,



Rep. Paul Stam

¹ <http://www.nc-educationlottery.org/faq.aspx>.

TV

"AUDITIONS"



[Open on scene in front office with people waiting to try out to be the Extreme Green spokesman. You see green people ranging from an alien, an alligator and a game show host to a leprechaun, a green ballerina and a pickle.]

Hear murmur of background conversation in the waiting room.

Looking defeated, a person dressed in a pickle costume exits the interview room.



You hear someone say **"Okay, next."** The alien gets up and goes in.

Thank you.

The interviewer asks the alien, **"Alright, let's see your best Extreme Green."**



The alien makes the stapler on the interviewer's desk levitate and glow green.

Good

Interviewer says, **"But what do you have that is more extreme."** You see his laser beam grow to encompass the entire desk and interviewer.



Cut to front waiting area. You hear desks flying and weird space noises coming from the glowing green room.



Cut to ticket graphic.

VO: **Extreme Green from the North Carolina Education Lottery. It's green like you've never seen.**

SUPER: \$200,000 Top Prize. Must be 18 to play. Approximate odds of winning are 1 in 3.90. (NCEL logo)



Cut back to interviewer coming out of green room, he is all green and disheveled. He says, **"Umm...thanks everyone...we have found our man."**

The leprechaun looks at the alligator, then stands up and leaves the room while saying **"I'm done with these shenanigans."**

SUPER: Problem Gambling Helpline is 877-718-5543.

Radio

"BLACK IS BACK"

Answer:



We've seen it once before and now it's back. An object of striking beauty. It stands out from all the colors of the rainbow. Dark. Monochromatic. Designed to catch your attention and hold you in suspense. If you're thinking it's a new luxury coupe, you'd be wrong. The latest and greatest cell phone? Nope. It's not even that other really expensive thing you're thinking about right now. No, it's the Carolina Black scratch-off ticket from the North Carolina Education Lottery. With one hundred thousand dollar top prizes and over 17.2 million dollars in total prizes, it's sure to get noticed. This summer, Black Is Back. See your local lottery proprietor for details.

Legal: Must be 18 to play.

Approximate overall odds of winning are 1 in 3.96.

Problem Gambling Helpline: 877-718-5543.

Radio



"GOLFER"

DEPARTMENT STORE MUSIC
SFX (LOUDSPEAKER IN BACKGROUND-MALE):
Assistance in sporting goods.

GUY 1: **Can I help you with something?**

GUY 2: **Yeah, do you guys have any golf balls that fly 20 times farther?**

GUY 1: **Um, 20 times farther....I'm not sure...I...**

GUY 2: **Oh, oh, and I need a bag that holds 20 times the clubs.**

GUY 1: **This is the biggest bag we have. Holds 14 clubs.**
SFX (LOUDSPEAKER IN BACKGROUND): **Jodie, you're needed at the front of the store.**

GUY 2: **Which aisle has the golf carts that go 20 times faster?**

GUY 1: **I'm sorry sir, I don't understand...**

GUY 2: **Well, the 20 Times The Money scratch-off game from the North Carolina Education Lottery lets me multiply my prize by 20 times. So, I figured you guys could do the same thing with my golf equipment. You know, make me 20 times the golfer.**

GUY 1: **Is that the game with a top prize of a million dollars?**

GUY 2: **Yeah. And a chance to multiply your prize by up to 20 times.**

GUY 1: **I got that....hey, here's some pants with 20 times the plaid.**

GUY 2: **Great! I'll take 20 pairs.**

FEMALE LEGAL: **Must be 18 to play.**
Problem Gambling Helpline: 877-718-5543.
Approximate overall odds of winning are 1 in 3.34.

TV



VO: Try Carolina Cash 5 from the North
Carolina Education Lottery.
SUPER: Carolina Cash 5 Logo transitions to NCEL Logo
MUST BE 18 TO PLAY.
Problem Gambling Helpline: 877-718-5543

fast
BAS



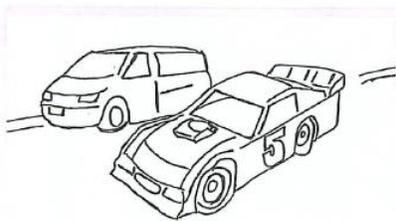
VO: Jackpots start at \$50,000 and grow bigger and bigger
SUPER: \$50,000 DRAWINGS EVERY NIGHT
(Jackpot number spins and grows)



VO: with a chance to win every night at 11:22.
SUPER: DRAWING TONIGHT AT 11:22



VO: Carolina Cash 5. Tonight could be your day.
SUPER: Carolina Cash 5 Logo
DAILY JACKPOTS ✓
TONIGHT COULD BE YOUR DAY



The man is now at the front door ready to go to work. He kisses his wife and says...

Man: Have a good day.

The man exits the house and walks toward the driveway. In the driveway is a minivan and a race car.

Woman: Drive safe.

Jason: Drawings are held every night at 11:22PM. You can pick your own numbers or just ask for a Quick Pick, so it's easy to add excitement to your everyday. ✓

Tonight could be your day.

Legal: Must be 18 to play. Approximate overall odds of winning are 1 in 8.8. Problem Gambling Helpline: 877-718-5543.

Radio



"THE MUSICAL"

Spoken:

Woman: **Look! I won on my scratch-off ticket! I won!**

Man: **What about the taxes?**

Woman: **The initial taxes are paid!**

Man: **Taxes paid? (imagining the possibilities)**

Sung:

Man: **I never knew this great ticket existed.**

Man: **Why have I just learned about this today?**

Woman: **Well it's new, I guess you just missed it.**

Woman: **But you can win thousands and the taxes are paid.**

Spoken:

Man: **Taxes Paid Tickets...for 1, 2 and 5 dollars!**

Woman: **I know! And chances to win 5,000, 30,000 or even 100,000 dollars!**

Sung:

Man: **This is so awesome, I'm glad that you found them.**

Man: **I'm so excited, let's have a parade.**

Woman: **I knew the moment I saw them you'd love it.**

Both: **We can win thousands and the taxes are paid!**

Announcer: **Look for new Taxes Paid ^{scratch-off} Tickets from the North Carolina Education Lottery. Initial taxes paid. Prize value may be subject to additional federal and state income taxes. Must be 18 to play. Approximate odds of winning are 1 in 3.87 to 4.91. Problem Gambling Helpline: 877-718-5543.**

Office of the Speaker Pro Tem
North Carolina
House of Representatives

300 N. Salisbury St., Room 612, Raleigh, NC 27603
(919) 733-2962 – Paul.Stam@ncleg.net

Representative
Paul Stam



Memorandum

To:

From: Representative Paul Stam

Date: October 24, 2014

RE: New Lottery Ad is Extremely Misleading: "All or Nothing"

The NC Lottery continues to publish misleading advertising. Most of these advertisements would be banned if the NC Lottery were subject to the Federal Trade Commission's standards that private businesses must follow. The advertising is now getting worse.

A recent advertisement from September 2014 that I attach promotes a new game called "All or Nothing." It opens by stating that a darts player can win a game by hitting the bullseye with all three darts that he or she throws. Next it shows three darts that hit a wall far to the left of the bullseye. The advertisement goes on to state, "But what if you could win with nothing." The advertisement cuts to a new screen that explains the new "All or Nothing" lottery game; a player can win if the player is able to get all of the numbers correct or none of the numbers correct. Do you recognize the misleading nature of the advertisement?

If not, let me explain. The crux of the problem is that the advertisement compares a person not hitting a dart board three consecutive times to that of a person not being able to match numbers with any of the winning lottery numbers. If I were able to win a darts game by not hitting the bull's-eye three consecutive times, I could easily do so with unerring certainty a million times in a row. All I would do is turn around and throw three darts in the complete opposite direction of a dart board.

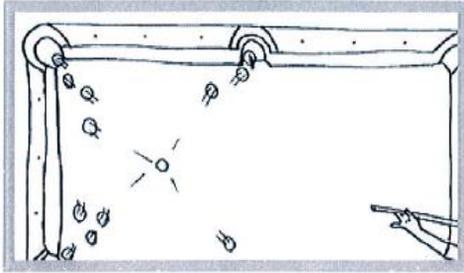
Can you use a similar method to win this lottery game? No. A player cannot purposefully select none of the winning numbers in the lottery game like he or she can purposefully lose a darts game. By comparing a game of skill to a game of chance the Lottery Commission is falsely claiming that skill can prevail.

A similar advertisement also aired in September 2014 that compared the “All or Nothing” game to that of a billiards game. It opens by stating that a billiards player can win a game by hitting the cue ball so that the players sink all the balls into the pockets. Next it shows the cue ball missing all the player’s balls. The advertisement goes on to state, “But what if you could win with nothing.” The advertisement cuts to a new screen that explains the new “All or Nothing” lottery game; a player can win if the player is able to get all of the numbers correct or none of the numbers correct.

This time the advertisement compares a person not sinking any balls to that of a person not being able to match numbers with any of the winning lottery numbers. If I were able to win a billiards game by not sinking any of my balls, I could easily do so with 100 % certainty. All I would do is continuously lightly tap the cue ball in the opposite direction of my balls. A comparative method cannot be used to win the “All or Nothing” lottery game because it is a game of chance. A billiards player, however, has control over where and how hard he hits the cue ball.

Two other similar advertisements were published in September that perpetuates this same fallacy. One involved a cornhole game and the other illustrated bowling. The same conclusion still applies to these adds: A player in games of skill, such as cornhole and bowling, has control over outcomes that lead to points or a win by a value of “nothing”. In the “All or Nothing” lottery game a player cannot purposefully select none of the winning numbers.

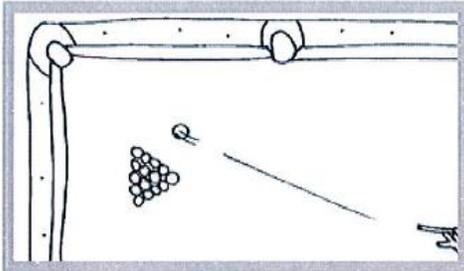
By comparing a game of chance to a game of skill, our lottery commission intentionally tells its customers that there is something they can do to affect the odds. But there is not.



Dramatic, anthemic music track.

Open on a billiards cue ball being struck and sending all the balls into pockets. The shooter celebrates.

ANNCR: Anyone can win by making them all.



Cut to the same ball being mishit and missing the balls entirely. The shooter celebrates.

But what if you could win with nothing?



Cut to animated text.

SUPER: All or Nothing Logo

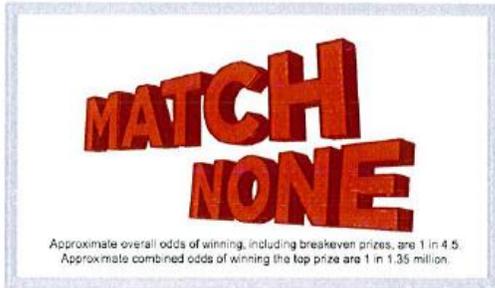
ANNCR: Now there's All or Nothing, the game where you could win \$250,000 by matching all or none of the numbers drawn.



LEGAL: Approximate overall odds of winning, including breakeven prizes, are 1 in 4.5. Approximate combined odds to win the top prize are 1 in 1.35 million.



16031 All or Nothing :30 "I Got Nothing" Version 1
First airs September 2014 | Revised August 21, 2014

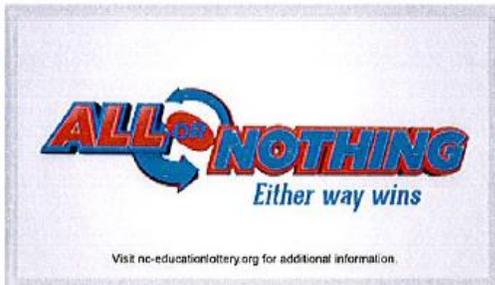


Cut to a bowling ball rolling into the gutter, missing all the pins. The bowler celebrates.

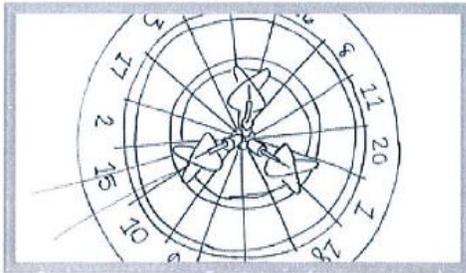
ANNCR: **Nothing has never been so exciting.**

NCEL logo

LEGAL: MUST BE 18 TO PLAY. Problem Gambling Helpline: 877-718-5543.



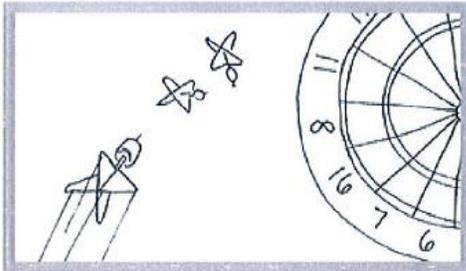
Visit nc-educationlottery.org for additional information.



Dramatic, anthemic music track.

Open on a dart going into the bullseye where the other two darts are. The thrower celebrates.

ANNCR: Anyone can win by scoring all the points.



Cut to a dart going into the wall instead of the dartboard. The other two darts are in the wall too. The thrower celebrates.

But what if you could win with nothing?



Cut to animated text.

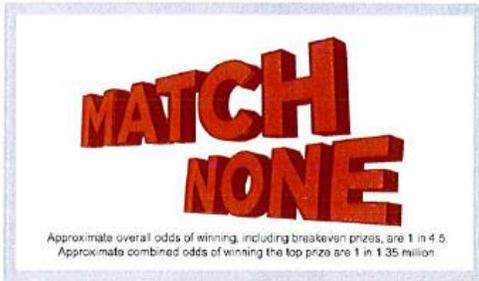
SUPER: All or Nothing Logo

ANNCR: Now there's All or Nothing, the twice daily game you can win by matching all or none of the numbers.



LEGAL: Approximate overall odds of winning, including breakeven prizes, are 1 in 4.5. Approximate combined odds to win the top prize are 1 in 1.35 million. Visit nc-educationlottery.org for additional information.





Cut to a cornhole board with three bags on the board. The last bag flies in and lands on the board. The thrower celebrates.

ANNCR: **Nothing has never been so exciting.**

NCEL logo

LEGAL: MUST BE 18 TO PLAY. Problem Gambling Helpline: 877-718-5543.



Visit nc-educationlottery.org for additional information.

From: Montse Fuentes
Sent: Friday, November 14, 2014 5:58 PM
To: Dylan Finch (Rep. Paul Stam)
Subject: Re: Representative Stam Request

Dear Mr. Finch,

Rep. Stam's main point is that games of skill like darts or billiards are fundamentally different than games of pure chance like those found in the lottery, in particular in the new "All or Nothing" games. Thus, when games of skill are used to illustrate and advertize a lottery game, that is misleading because when playing the lottery no skill can be applied to increase the odds of winning (for example, listed in several ads as 1 in 4.5 or 1 on 1.35 million for the top prize). In contrast, with the games of skill mentioned, it is incredibly easy to score "nothing." In fact, one can do so with certainty. So, the ads are making a comparison between a game with 100% chance of "scoring nothing" to a game of chance where the odds of winning vary from 1 in 4.5 to 1 in 3.5 million.

I believe that Rep. Stam is correct in his analysis. I see nothing to add to his analysis. It is clear and to the point. However, I do not have the expertise to judge whether this crosses the line of what is ethical in television ads. For example, I cannot judge the accuracy of Rep. Stam's statement "Most of these advertisements would be banned if the NC Lottery were subject to the Federal Trade Commission's standards that private businesses must follow." Perhaps, the ads could be forwarded to the Federal Trade Commission for an evaluation.

I would be happy to provide any further assistance as needed or to check on the validity of any type of statement about odds.

Thank you for all that you do for our great State!
Montse Fuentes

On 11/13/2014 11:56 AM, Dylan Finch (Rep. Paul Stam) wrote:
Dr. Fuentes,

I hope you are doing well.

Representative Stam requested that I reach out to you because of your past help regarding the lottery.

Representative Stam is interested in your take on the attached analysis of a few recent lottery advertisements (also attached). Did we use the correct logical fallacies? Are there other fallacies that also apply to these advertisements? He is also looking for your overall evaluation of the analysis and if you would add anything.

If you have the time, we would greatly appreciate your help once again.

Thanks,

Dylan Finch

Investigation NCEL: IV-104677-ADMINISTRATIVE-14-0003



Restricted Case? No Investigation ID IV-104677-ADMINISTRATIVE-14-0003

All Fields in Red are Required and MUST be filled in before Submitting for Approval.

* Date of Report	10/10/2014	* Category	Administrative
Event Weekday	Friday	* Sub Category	Retailer Investigation
* Time of Report	10:06:00 AM	Type	Retailer Claimant Inquiry
Date of Occurrence	10/9/2014	* Incident Source	Prize Validation
Time of Occurrence	9:00:00 AM	Security Representative	Gideon LeConey
		Title	
		Assigned to	Jason Livingston
		Assigned to Date (KPI):	10/13/2014
		Assigned to Time (KPI):	9:00:00 AM
		Date of First Contact (KPI):	10/13/2014
		Time of First Contact (KPI):	10:45:00 AM

Retailer Information

* Location 104677 - Value Mart
 Region RALEIGH
 Status Active
 Sales Representative Gwendolyn Pickle
 RSS Representative Jason Gallo
 Contact Shailesh M. Patel
 Loc address 1 307 Carthage Street
 Loc address 2
 Loc address 3
 Loc address 4
 Loc city Sanford
 Loc county LEE
 Loc state NC
 Loc zip 27330
 Retailer Phone 9197761448
 Mailing Address 307 Carthage Street
 Mailing City Sanford
 State & Zip NC

Contact Information

Nearby locations [Click to View](#)

Reporting/Person Name

Shaileshkumar Patel (Retail Owner)



No Picture Available

Last Name [?]	Patel
First Name	Shaileshkumar
Address 1	[REDACTED]
City	Sanford
State	NC
Zip	27330
Phone Cell	[REDACTED]

8/19/2015

State ID North Carolina
Employee # / Owner # Owner

Investigation Detail

Were police notified?	No	Did owner receive sanctions?	No
Were there Witnesses?	No	Interviewed Flag	No
Attachments for this report?	Yes	Captured on CCTV?	Yes
Instant tickets involved?	Yes	Additional Subject, Suspect?	No
Online tickets involved?	No	Additional Loss to NCEL?	No
		Were court charges filed as part of this Investigation	

Initial Narrative: This is brief synopsis of initial incident reported. **Supplemental Narrative:** For all additional information please create a supplemental narrative.

Initial Narrative (Created On: 10/10/2014 10:39:55 AM)**Created On**

- 10/10/2014 10:39:55 AM

On 10/10/2014 at 10:00am Security Operations Specialist (SOS) LeConey received a "Retailer Claimant" case from Prize Validation regarding player, Shaileshkumar Patel, owner of Value Mart (retailer number 104677). Patel submitted what appeared to be a non-defaced winning ticket for \$1,000,000 "406-\$1,000,000 Jackpot" (406-081534-004). SOS LeConey scanned the ticket, a Winner Claim Form, Security Statement, and a copy of Patel's NC driver's license and Social Security card and entered them into the "Attachments" section of this report.

SOS LeConey printed a page from Enterprise Series (ES) showing Shaileshkumar Patel's previous 14 claims and added it to the case file. A check of ES shows the pack (406-081534) was activated by Value Mart on 10/5/2014 at 8:34pm. A check of validation activity for other tickets in the pack showed no results.

Supplemental Narrative (Created On: 10/22/2014 9:46:37 AM)**Created On**

- 10/22/2014 9:46:37 AM

On Monday 10/06/2014, Investigator (Inv.) Jason Livingston received an email from Investigations Manager (IM) Tim White, requesting him to respond to Value Mart (Retailer Number 104677) in reference to the owner, Shaileshkumar Patel winning a \$1,000,000 prize from game 406-\$1,000,000 Jackpot, ticket 406-081534-004. Inv. Livingston made contact with Patel and scheduled an appointment with Patel for Tuesday 10/07/2014. Inv. Livingston did make a site visit to Value Mart (Retailer Number 104677) on that date and spoke to Patel about the circumstances of his purchasing the ticket. Patel explained that he had won several other big prizes in the past and asked for the presence of former Inv. Ronnie Broadwell. Inv. Livingston told Patel that Inv. Broadwell was no longer employed with the NCEL and that he would be handling the investigation. Inv. Livingston further inquired about the video surveillance for the purchase date, 10/05/2014 and Patel agreed to show him the video after he explained that he called the NCEL because he was familiar with the process involved, referring to him being a retail owner and he wanted an Investigator to view the video before it was erased to prove he did not steal the ticket from a customer. Inv. Livingston reviewed the "Pay Before You Play" policy with Patel and he explained that he had never heard of such a policy in his previous claims. Inv. Livingston proceeded in viewing the video surveillance from 10/05/2014, which is stored on the Z: drive under Investigator Video, titled Value Mart 104677. The video reflected Patel playing numerous \$1,000,000 Jackpot game 406 tickets and not just playing the game, but rather just scratching the bar code and scanning them on the terminal one after the other during the time viewed, including the submitted winning ticket. Inv. Livingston questioned Patel as to his method of scratching and scanning the ticket. Patel explained he does this daily and he just settles his debt to the store at the end of each week for any lottery played. Inv. Livingston again discussed the policy with Patel and he was adamant he didn't know. Inv. Livingston, while at the store, notified IM White of his findings. IM White instructed Inv. Livingston to hold the payment until he saw the video and discussed the scenario with General Counsel (GC) Quan Kirk and Director of Security (DOS) Moe McKnight. Inv. Livingston was later notified on 10/13/2014 by IM White that he was setting up a meeting with the Retailer Review Committee at the request of GC Kirk to seek their approval of the actions of Patel. IM White also notified Inv. Livingston that Patel had not renewed his Retailer Contract since 2011 and the new "Pay Before You Play" policy was implemented approximately two (2) years ago, therefore Patel never had the new hyperlink to direct him to the new policy. Based on the facts of this case, Inv. Livingston has been instructed to wait on the outcome of the Retailer Review Committee meeting decision and will base the payment approval or denial on further information provided by IM White.

On 10/15/2014, the retailer review committee met to discuss the information revealed in the investigation above. In attendance for this meeting was Director of Security (DoS) Moe McKnight, Director of Administration (DoA) Stacy Askew, Deputy Executive Director of Sales (DED) Terri Avery, Director of Sales East (DoSE) Daniel Rose, Director of Sales Development (DoSD) Walter Ingram, Deputy Executive Director of Finance, Administration, and Security (DED) Bill Jourdain, General Counsel (GC) Quan Kirk, Retail Contracts Manager (RCM) Veronica Pennniger, Investigations Manager (IM) Tim White, Security Administrative Assistant (SAA) Jennifer Rodriguez. No decision on payment was made at this meeting. Due to the possible media and possible public perception implications it was decided that this information would be shared with Executive Director (ED) Alice Garland for further discussion.

On 10/22/2014, DoS McKnight notified IM White that ED Garland advised to pay the player/owner. IM White informed Inv. Livingston to authorize payment. IM White returned to the folder to Prize Validation.

8/19/2015

Based on the aforementioned information, payment is approved. IM White also had advised Inv. Livingston he had completed the finance check and Patel did not owe any money to the NCEL. Inv. Livingston has completed the payment approval in the Retailer Management System. This case is closed.

Instant Ticket Information

Game Number	Pack Number	Ticket or Range of Tickets	Pack Status	Blocked in ES	Confirmed Date	Confirmed Time	Administrative Fee	Previous Missing Ticket Report Date
406 - \$1,000,000 Jackpot	081534	004		No				

Was reporting person notified of administrative fee associated with missing/stolen tickets? N/A
 Validation Retailer Information No

Attachments (2)

Evidence Number	Description of items	File Name	Attached BY	Date attached	Created Time	Disposition	Alert flag
EV1000025491 - IC10000445345	Description: ticket and documents	Shaileshkumar Patel.pdf	GLECONEY	10/10/2014	10:21:56 AM	0	0
EV1000025512 - IC10000445345	Description: Transaction terminal history	TMIR Custom Filter 104677 - 10-1-14 thru 10-6-14.xlsx	TWHITE	10/14/2014	11:18:31 AM	0	0

Letter Record (0)

Task (0 Pending)

Additional Information

Ticket Reconstruct submitted on: n/a
 Ticket Reconstruct returned on: n/a
 Retailer Management System updated: Yes
 PV Folder Returned by: IM T. White
 PV Folder returned to: PVM A. Jacobs
 PV Folder returned date: 10/22/2014
 PV Folder returned time: 7:50:00 AM
 * Investigation Flags PRIZE PAID

Management Summary Information (Created On: 10/13/2014 7:32:59 AM)

Created On
- 10/13/2014 7:32:59 AM
Retailer claimant inquiry involving Shaileshkumar Patel, owner of Value Mart (retailer number 104677).

Investigation Status

Status Closed Approved By GHARRINGTON
 Disposition Approved Date 10/22/2014
 Closed By RPEKRUL
 Closed Date 10/31/2014
 Related incident
 Related investigation

Key Performance Indicators

Positive Performance Review Issued N

8/20/2015

Key Performance Indicators

E1	E2	E3	E4	E5	E6	E7	E8	E9	E10	E11	E12	E13	E14
0	0	0	0	0	0	0	0	0	0	0	0	0	0

Key Performance Indicators 2

E15	E16	E17	E18	E19	E20	E21	E22	E23	E24	E25	E26	E27	E28
0	0	0	0	0	0	0	0	0	0	0	0	0	0

E1 - Player not contacted within 24hrs, E2 - Retailer not contacted within 24 hrs, E3 - Missing "Reporting person", E4 - Missing "Suspect information", E5 - Missing "Police report", E6 - Missing "Supplemental Narrative", E7 - Missing "Attachments", E8 - Missing "Ticket Information", E9 - Missing "Interview", E10 - Missing "Written Statement", E11 - Missing "Witness Information", E12 - Missing "Evidence", E13 - Missing "Evidence Inventory Report", E14 - Failure to request "Ticket reconstruct", E15 - No Retailer Security Review, E16 - Failure to Customer Service of FST Request, E17 - Failure to Check Debt Setoff with Finance, E18 - Spelling and spacing, E19 - Grammatical Subject/Verb Tense, E20 - Incorrect Formatting of Titles and Abbreviations, E21 - Narrative clarity, E22 - Missing "Restitution Information", E23 - Missing "Victim Impact Statement", E24 - Missing "Court Information", E25 - Missing "Summary Report", E26 - Missing "Case Report", E27 - Missing "Video", E28 - Failure to complete "RMS".

Key Performance Indicators 3

Customer Service	Communication	Knowledge and Skills	Growth and Development	Efficiency and Effectiveness	Organization / Team Support
2	2	2	2	2	2

KPI Notes

Created On
No record found

8/19/2015

K-12 Lottery Funding Per Student FY 2012-13					Lottery Sales Per Capita FY 2012-13				
	Lottery Funding FY 2012-13 ¹	Number of Students for 2012-13 School Year ²	Lottery Funding Per Student	Percent of Average Funding Per Student	Lottery Sales FY 2012-13	Sales-Eligible Population (18 and older) ²²	Lottery Sales Per Capita	Percentage of Average Sales Per Capita ²³	Net Difference Between Lottery Funding Per Capita and Lottery Sales Per Capita
North Carolina	\$337,028,959	1,492,793	\$225.77	100.00%	\$1,596,693,058	7,465,545	213.87	100.00%	11.90
Western North Carolina Counties									
Montgomery County	\$892,165	4,139	\$215.55	95.47%	\$6,092,169	21,064	289.22	135.23%	-73.67
Alamance County	\$4,959,892	23,696	\$209.31	92.71%	\$32,533,603	118,460	274.64	128.41%	-65.32
Richmond County	\$1,644,753	7,643	\$215.20	95.32%	\$9,525,338	35,385	269.19	125.87%	-53.99
Scotland County	\$1,374,518	6,124	\$224.45	99.41%	\$7,325,903	27,400	267.37	125.01%	-42.92
Rockingham County	\$2,993,935	13,837	\$216.37	95.84%	\$17,053,713	72,875	234.01	109.42%	-17.64
Rutherford County	\$1,907,337	10,415	\$183.13	81.12%	\$10,395,145	52,685	197.31	92.26%	-14.17
Guilford County ³	\$16,065,838	74,622	\$215.30	95.36%	\$87,745,741	385,344	227.71	106.47%	-12.41
Moore County	\$2,756,557	12,979	\$212.39	94.07%	\$15,923,331	71,157	223.78	104.63%	-11.39
Gaston County	\$6,836,349	33,020	\$207.04	91.70%	\$34,606,670	159,124	217.48	101.69%	-10.45
McDowell County	\$1,449,589	6,455	\$224.57	99.47%	\$8,295,761	35,405	234.31	109.56%	-9.74
Catawba County	\$5,389,303	24,555	\$219.48	97.21%	\$26,736,276	118,606	225.42	105.40%	-5.94
Forsyth County ⁴	\$12,184,929	55,194	\$220.77	97.78%	\$57,595,818	272,241	211.56	98.92%	9.20
Cleveland County ⁵	\$3,440,835	15,651	\$219.85	97.38%	\$15,684,989	75,218	208.53	97.50%	11.32
Lincoln County	\$2,588,001	13,305	\$194.51	86.16%	\$10,812,192	61,180	176.73	82.63%	17.79
Burke County	\$2,751,570	13,225	\$208.06	92.15%	\$13,358,816	70,991	188.18	87.99%	19.88
Anson County	\$836,737	3,744	\$223.49	98.99%	\$4,125,240	20,818	198.16	92.65%	25.33
Iredell County ⁶	\$5,848,662	29,480	\$198.39	87.87%	\$20,921,647	122,719	170.48	79.71%	27.91
Cabarrus County ⁷	\$7,863,318	35,689	\$220.33	97.59%	\$24,980,552	134,936	185.13	86.56%	35.20
Rowan County	\$4,562,609	20,079	\$227.23	100.65%	\$20,376,320	106,335	191.62	89.60%	35.61
Stanly County	\$1,992,221	9,347	\$213.14	94.41%	\$7,766,163	47,199	164.54	76.93%	48.60
Davidson County	\$5,671,278	25,662	\$221.00	97.89%	\$21,061,275	125,390	167.97	78.54%	53.03
Stokes County	\$1,421,929	6,822	\$208.43	92.32%	\$5,591,397	36,909	151.49	70.83%	56.94

Mitchell County	\$456,590	2,071	\$220.47	97.65%	\$1,982,069	12,489	158.71	74.21%	61.76
Caldwell County	\$2,685,740	12,477	\$215.26	95.34%	\$9,785,258	64,120	152.61	71.36%	62.65
Caswell County	\$628,423	2,858	\$219.88	97.39%	\$2,919,272	18,712	156.01	72.95%	63.87
Buncombe County	\$6,727,463	30,720	\$218.99	97.00%	\$30,266,398	195,385	154.91	72.43%	64.09
Haywood County	\$1,658,851	7,665	\$216.42	95.86%	\$7,139,489	47,810	149.33	69.82%	67.09
Mecklenburg County ⁸	\$33,201,962	147,152	\$225.63	99.94%	\$114,964,807	726,544	158.24	73.99%	67.40
Alleghany County	\$313,311	1,446	\$216.67	95.97%	\$1,303,624	8,797	148.19	69.29%	68.48
Henderson County	\$3,015,470	13,743	\$219.42	97.19%	\$12,959,344	86,490	149.84	70.06%	69.58
Davie County	\$1,423,165	6,483	\$219.52	97.23%	\$4,724,549	32,065	147.34	68.89%	72.18
Wilkes County	\$2,163,324	10,129	\$213.58	94.60%	\$7,640,158	54,285	140.74	65.81%	72.84
Randolph County ⁹	\$5,124,969	23,380	\$219.20	97.09%	\$15,737,019	108,233	145.40	67.98%	73.80
Jackson County	\$787,591	3,862	\$203.93	90.33%	\$4,195,945	33,303	125.99	58.91%	77.94
Union County	\$8,930,647	41,751	\$213.90	94.74%	\$18,926,722	147,148	128.62	60.14%	85.28
Surry County	\$2,468,479	11,817	\$208.89	92.52%	\$6,939,521	56,788	122.20	57.14%	86.69
Avery County	\$469,997	2,272	\$206.86	91.63%	\$1,661,387	14,723	112.84	52.76%	94.02
Transylvania County	\$765,050	3,758	\$203.58	90.17%	\$2,810,496	27,223	103.24	48.27%	100.34
Cherokee County	\$717,669	3,565	\$201.31	89.17%	\$2,063,694	22,023	93.71	43.81%	107.60
Yadkin County	\$1,233,958	5,739	\$215.01	95.24%	\$2,954,165	29,562	99.93	46.73%	115.08
Ashe County	\$703,466	3,139	\$224.11	99.26%	\$2,316,428	22,044	105.08	49.13%	119.02
Polk County	\$494,943	2,300	\$215.19	95.31%	\$1,566,315	16,639	94.14	44.02%	121.06
Alexander County	\$1,216,199	5,458	\$222.83	98.70%	\$2,869,749	28,813	99.60	46.57%	123.23
Yancey County	\$524,397	2,367	\$221.54	98.13%	\$1,333,341	14,202	93.88	43.90%	127.66
Swain County	\$449,543	2,156	\$208.51	92.35%	\$865,351	10,879	79.54	37.19%	128.96
Macon County	\$1,019,759	4,417	\$230.87	102.26%	\$2,700,225	27,368	98.66	46.13%	132.21
Watauga County	\$993,047	4,666	\$212.83	94.27%	\$2,894,309	44,790	64.62	30.21%	148.21
Clay County	\$296,818	1,337	\$222.00	98.33%	\$551,627	8,709	63.34	29.62%	158.66
Madison County	\$558,947	2,548	\$219.37	97.16%	\$1,012,176	16,737	60.48	28.28%	158.89
Graham County	\$275,751	1,227	\$224.74	99.54%	\$355,113	6,855	51.80	24.22%	172.93
Eastern North Carolina Counties									

Nash County	\$3,668,522	17,804	\$206.05	91.27%	\$40,854,136	73,608	555.02	259.51%	-348.97
Halifax County	\$1,766,537	7,798	\$226.54	100.34%	\$22,550,825	42,040	536.41	250.81%	-309.88
Vance County	\$1,594,152	7,649	\$208.41	92.31%	\$16,934,236	33,857	500.17	233.87%	-291.76
Wilson County	\$2,793,243	13,148	\$212.45	94.10%	\$28,056,604	62,098	451.81	211.26%	-239.37
Lenoir County	\$2,015,979	9,308	\$216.59	95.93%	\$19,429,558	45,264	429.25	200.71%	-212.66
Edgecombe County ¹⁰	\$1,632,422	7,076	\$230.70	102.18%	\$18,610,444	42,577	437.10	204.38%	-206.40
Washington County	\$375,214	1,710	\$219.42	97.19%	\$4,100,386	9,933	412.80	193.02%	-193.38
Hyde County	\$126,886	574	\$221.06	97.91%	\$1,971,672	4,796	411.11	192.22%	-190.05
Bertie County	\$562,806	2,696	\$208.76	92.46%	\$6,593,060	16,558	398.18	186.18%	-189.42
Beaufort County	\$1,528,428	7,250	\$210.82	93.38%	\$13,981,185	37,246	375.37	175.52%	-164.56
Martin County ¹¹	\$855,134	3,721	\$229.81	101.79%	\$7,133,175	18,845	378.52	176.99%	-148.71
Hertford County	\$700,112	3,047	\$229.77	101.77%	\$6,569,658	19,427	338.17	158.12%	-108.40
Northampton County	\$546,119	2,940	\$185.75	82.28%	\$4,973,580	17,244	288.42	134.86%	-102.67
Cumberland County	\$11,700,180	52,258	\$223.89	99.17%	\$74,675,480	238,863	312.63	146.18%	-88.74
Lee County	\$2,279,460	9,857	\$231.25	102.43%	\$13,813,881	44,238	312.26	146.01%	-81.01
Pamlico County	\$297,320	1,836	\$161.94	71.73%	\$2,553,283	10,799	236.44	110.55%	-74.50
Duplin County	\$2,168,465	9,278	\$233.72	103.52%	\$13,743,264	44,787	306.86	143.48%	-73.14
Wayne County	\$4,451,247	19,529	\$227.93	100.96%	\$28,041,868	93,940	298.51	139.57%	-70.58
Granville County ¹²	\$1,904,301	8,559	\$222.49	98.55%	\$13,930,540	47,634	292.45	136.74%	-69.96
Person County	\$1,084,878	5,870	\$184.82	81.86%	\$7,773,219	30,530	254.61	119.05%	-69.79
Tyrrell County	\$130,500	570	\$228.95	101.41%	\$1,037,802	3,546	292.67	136.84%	-63.72
Craven County	\$3,547,334	14,996	\$236.55	104.78%	\$23,472,908	80,975	289.88	135.54%	-53.33
Pasquotank County	\$1,341,098	5,858	\$228.93	101.40%	\$8,882,345	31,532	281.69	131.71%	-52.76
Pitt County	\$5,426,083	23,594	\$229.98	101.86%	\$37,522,456	134,232	279.53	130.70%	-49.56
Sampson County	\$2,693,625	11,605	\$232.11	102.81%	\$13,244,244	47,909	276.45	129.26%	-44.34
Franklin County	\$1,965,087	8,870	\$221.54	98.13%	\$12,366,880	46,907	263.65	123.27%	-42.10
Bladen County ¹³	\$1,129,414	5,128	\$220.24	97.55%	\$6,972,839	27,125	257.06	120.20%	-36.82
Jones County	\$271,843	1,128	\$241.00	106.74%	\$2,172,308	8,254	263.18	123.06%	-22.19
Warren County	\$545,354	2,580	\$211.38	93.63%	\$3,847,275	16,562	232.30	108.62%	-20.92

Carteret County	\$1,858,321	8,751	\$212.36	94.06%	\$12,621,853	55,059	229.24	107.19%	-16.89
Chowan County	\$505,951	2,283	\$221.62	98.16%	\$2,741,176	11,570	236.92	110.78%	-15.30
Durham County ¹⁴	\$7,785,600	36,919	\$210.88	93.41%	\$48,901,967	216,413	225.97	105.66%	-15.08
Columbus County ¹⁵	\$1,899,100	9,418	\$201.65	89.31%	\$9,500,224	44,525	213.37	99.77%	-11.72
Robeson County ¹⁶	\$5,614,490	24,142	\$232.56	103.01%	\$23,788,020	99,298	239.56	112.01%	-7.00
Greene County	\$705,395	3,213	\$219.54	97.24%	\$3,631,076	16,642	218.19	102.02%	1.36
Johnston County	\$7,574,175	33,829	\$223.90	99.17%	\$27,895,871	127,183	219.34	102.56%	4.56
Pender County	\$1,789,824	8,397	\$213.15	94.41%	\$8,647,411	42,043	205.68	96.17%	7.47
Brunswick County	\$2,760,619	13,241	\$208.49	92.35%	\$17,839,962	92,059	193.79	90.61%	14.70
Chatham County ¹⁷	\$1,860,802	8,944	\$208.05	92.15%	\$10,018,877	52,097	192.31	89.92%	15.74
New Hanover County ¹⁸	\$5,787,545	25,595	\$226.12	100.16%	\$34,514,444	168,309	205.07	95.88%	21.05
Dare County	\$1,116,636	4,917	\$227.10	100.59%	\$5,663,801	27,774	203.92	95.35%	23.17
Onslow County ¹⁹	\$6,141,368	25,081	\$244.86	108.46%	\$29,772,206	137,650	216.29	101.13%	28.57
Hoke County	\$1,999,952	8,228	\$243.07	107.66%	\$7,574,739	35,447	213.69	99.92%	29.37
Wake County ²⁰	\$34,654,739	157,624	\$219.86	97.38%	\$134,265,439	709,410	189.26	88.49%	30.59
Harnett County	\$4,497,783	19,871	\$226.35	100.26%	\$15,975,736	88,362	180.80	84.54%	45.55
Currituck County ²¹	\$850,912	3,923	\$216.90	96.07%	\$3,033,873	18,616	162.97	76.20%	53.93
Orange County	\$4,379,058	19,938	\$219.63	97.28%	\$17,504,810	109,795	159.43	74.55%	60.20
Gates County	\$381,866	1,794	\$212.86	94.28%	\$1,074,046	9,272	115.84	54.16%	97.02
Camden County	\$417,734	1,942	\$215.11	95.28%	\$829,537	7,618	108.89	50.91%	106.21
Perquimans County	\$416,389	1,769	\$235.38	104.26%	\$1,142,295	10,900	104.80	49.00%	130.58

¹Excludes NC Pre-K, Scholarship, and UNC Need-Based Aid Funding

²Includes Charter School and Non-Charter School Allotted ADM

³Cornerstone Charter Academy, Summerfield Charter Academy and The College Preparatory and Leadership Academy of High Point, charter schools in Guilford County, opened in 2012-2013 and are not included.

⁴The North Carolina Leadership Academy, a charter school in Forsyth County, opened in 2013 and is not included.

⁵Pinnacle Classical Academy, a charter school in Cleveland County, opened in 2013-14 and is not included.

⁶Langtree Charter Academy in Iredell County opened in 2013 and is not included.

⁷Cabarrus Charter Academy in Cabarrus County opened in 2013 and is not included.

⁸Aristotle Preparatory Academy, Charlotte Choice Charter, Corvian Community School and Invest Collegiate, charter schools in Mecklenburg County, opened in 2012-13 and are not included.

⁹Uwharrie Charter Academy in Randolph County opened in 2013 and is not included.

¹⁰North East Carolina Prep School, a charter school in Edgecombe County, opened in 2012-13 and is not included.

¹¹Bear Grass Charter School, a charter school in Martin County, opened in 2012-13 and is not included.

¹²Falls Lake Academy and Oxford Preparatory High School, charter schools in Granville County, opened in 2013-14 and are not included.

¹³Paul R. Brown Leadership Academy, a charter school in Bladen County, opened in 2013-14 and is not included.

¹⁴The Institute for the Development of Young Leaders and Research Triangle High School, charter schools in Durham County, opened in 2013-14 and are not included

¹⁵Flemington Academy and STEM Education for a Global Society Academy, charter schools in Columbus County, opened in 2013-14 and are not included.

¹⁶Southeastern Academy, a Charter School in Robeson County, opened in 2012-2013 and is not included.

¹⁷Willow Oak Montessori Charter School in Chatham County opened in 2013 and is not included.

¹⁸Douglass Academy and Island Montessori, charter schools in New Hanover County, opened in 2013 and are not included.

¹⁹Z.E.C.A. School of Arts and Technology, a charter school in Onslow County, opened in 2013 and is not included.

²⁰Longleaf School of the Arts and Triangle Math & Science Academy, charter schools in Wake County, opened in 2012-2013 and are not included.

²¹Water's Edge Village Charter School in Currituck County opened in 2012 and is not included.

²²Population is calculated for those who are 18 years of age or older. Population is based on 2012 U.S Census Bureau Data.

²³Total Average Sales Per Capita in NC is \$213.87.