

Office of the Speaker Pro Tem  
North Carolina  
House of Representatives

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Representative  
Paul Stam



**Memorandum**

From: Brian Miller

To: Representative Paul Stam

Date: April 6, 2016

Subject: **Gaming the System: Lottery Ticket Discounting**

If you heard that one person had won 85-90% of the major-prize-value lottery tickets purchased at a specific convenience store, a red flag would likely go up. If you were then told that this extremely "lucky" person is the owner of that convenience store, another red flag would go up. Every time someone wins any significant-value prize, that person is beating the odds stacked drastically against them. But when one person is winning such a large majority of the significant prizes, there is cause for concern.

Such scenarios are not imaginative, but have actually occurred frequently across the US. In California, there have been several store owners who have been the holders of around 90% of the winning tickets purchased from their stores.<sup>1</sup> Investigators are highly suspicious of this, as these store owners would have had to personally spend *millions* on tickets to get these sorts of results by chance.<sup>2</sup> An NBC report points to this phenomenon happening nationwide, stating that:

"In Pennsylvania, a Philadelphia retailer cashed eighteen lottery tickets in three months for a total of \$45,000. In New Jersey, a retailer cashed 105 lottery tickets for more than \$236,000. In New York, another retailer has cashed 120 winning tickets for more than \$500,000. In Illinois, we found one store where four employees and five of their relatives cashed a total of 556 winning tickets, for more than \$1,600,000."<sup>3</sup>

If it seems too good to be true, then it likely is. A Dayton, Ohio news source offers an explanation of a practice that could explain why some retailers seem to beat the odds so drastically and win so often:

<sup>1</sup> See <http://losangeles.cbslocal.com/2014/10/30/cbs-2-investigates-lottery-retailers-cashing-in-at-surprising-rates/>

<sup>2</sup> One owner would've had to spend about \$2 million on tickets in order to get his reported \$304,000 in prizes; and another owner would've had to spend about \$600,000 in order to bring in their \$59,000 in prizes.

<sup>3</sup> See [http://www.nbcnews.com/id/30550956/ns/dateline\\_nbc-the\\_hansen\\_files\\_with\\_chris\\_hansen/t/how-lucky-can-you-get/#.VwUePpwrLIV](http://www.nbcnews.com/id/30550956/ns/dateline_nbc-the_hansen_files_with_chris_hansen/t/how-lucky-can-you-get/#.VwUePpwrLIV)

“In the most obvious form of abuse that the Lottery Commission seeks to curtail, retailers have at times stolen prizes for themselves. In another method, not illegal but against Lottery Commission rules, store employees have at times turned in tickets for the actual winners when the real winners do not want it known that they have won in order to avoid paying child support or other debts. Those individuals can make a small profit by paying a discount for the ticket, allowing the real winner to avoid paying child support, taxes-owed or other debt. The practice is referred to as “discounting” by the lottery commission.”<sup>4</sup>

Other news sources indicate that ticket discounting is a widespread practice, occurring in various states such as New Jersey<sup>5</sup>, Georgia<sup>6</sup>, and North Carolina<sup>7</sup>. This practice of ticket discounting is harmful for two obvious reasons. First, it enables players to avoid paying child-support and taxes. Second, ticket-discounting actually *rewards* retailers with monetary incentive for helping dishonest players avoid paying debts.

The NC Lottery Commission contractually prohibits ticket discounting. The Commission does investigate instances in which it suspects it is occurring. Sometimes lottery investigators catch the perpetrators and sometimes they do not. But this points to a significant problem in our state: the prohibition is simply *contractual*. Violators would typically be subject to some sort of temporary suspension from selling lottery tickets. If the Commission so chose, it could permanently prohibit the retailer from selling lottery tickets. This type of enforcement is the common practice across various State lotteries.

The State of Indiana, however, is different:

*From the Indiana Code: Discounting Tickets*

IC 4-30-13-1

Violation; misdemeanor

Sec. 1. A person who knowingly:

(1) sells a lottery ticket and is not authorized by the commission or this article to engage in such a sale;

(2) sells a lottery ticket to a minor; or

**(3) sells a lottery ticket at a price other than that established by the commission; commits a Class A misdemeanor.**

*As added by P.L.341-1989(ss), SEC.1.*

The State of Indiana has made it a Class A misdemeanor to sell tickets at any rate other than the established one.

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<sup>4</sup> See <http://www.daytondailynews.com/news/news/frequent-lottery-wins-defy-odds-prompt-suspicion/nhLnW/>

<sup>5</sup> See <https://www.lotterypost.com/news/232537>

<sup>6</sup> See <http://www.myajc.com/news/news/state-regional-govt-politics/lottery-overlooked-highly-improbable-win-patterns/nhPr8/>

<sup>7</sup> See attached report

There are a couple advantages to Indiana's system. First, having ticket-discounting specifically classified as a misdemeanor provides further deterrence so retailers will avoid using this practice to make extra money off customers' winnings. Second, making it a misdemeanor opens up the issue to law-enforcement. The Lottery Commission on its own has been unable to prevent ticket discounting and properly enforce its contractual agreements. Law enforcement agencies have much more resources and investigative personnel. Ticket discounting is a significant problem that compromises the integrity of the NC Lottery and intra-state commerce. This would be a clear and effective first step in addressing the problem. A second possibility is to make the perpetrating ticket retailer secondarily liable for the child support and taxes owed by the original ticket buyer.

**Incident NCEL: IN-110494-ADMINISTRATIVE-14-0001**

Restricted Case?

No

Incident Number

IN-110494-ADMINISTRATIVE-14-0001

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

* Date of Report	7/3/2014	* Category	Administrative
* Time of Report	8:00:00 AM	* Sub Category	Retailer Investigation
Event Weekday	Thursday	Type	Retailer Claimant Inquiry
Date of Occurrence		* Incident Source	NCEL Security
Time of Occurrence		Security Representative	Ronnie Broadwell
		Title	
		Assigned to	Ronnie Broadwell

**Retailer Information**

* Location	110494 - Hill Top Food Mart
Region	RALEIGH
Status	Active
Sales Representative	Dwight Stewart
RSS Representative	Christopher Carr
Contact	Bhavna Patel
Loc address 1	3400 N. Main Street
Loc address 2	
Loc address 3	
Loc address 4	
Loc city	Fuquay Varina
Loc county	WAKE
Loc state	NC
Loc zip	27526
Retailer Phone	9195570231
Mailing Address	3400 N. Main Street
Mailing City	Fuquay Varina
State & Zip	NC

**Contact Information**Nearby locations [Click to View](#)**Reporting/Person Name****Incident Detail**

Witness to Incident?	Yes	Did this report involve Instant tickets?	Yes
Additional Subject?	Yes	Did this report involve Online tickets?	No
Attachments for this report?	Yes	Did owner receive sanctions?	

**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: 7/3/2014 9:00:24 AM)**

Created On

- 7/3/2014 9:00:24 AM

On 7/02/2014 at 10:00am, Investigations Manager (IM) Tim White received reports from Lead Data Analyst (LDA) Wayne Moore concerning two (2) suspected retailer claimant cases involving instant tickets in the Fuquay-Varina area and asked Investigator (Inv) Ronnie Broadwell to investigate. One (1) of the suspicious tickets: 380-109898-005 was claimed by Ravi Patel at the NCEL on 6/30/2014. She is described as an Indian female, DOB: [REDACTED], address: [REDACTED], Fuquay-Varina. The ticket is a \$2,000 winner and came

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from Lakeside Mart (retailer number 109898) and was scanned there on 6/29/2014 at 4:51pm.

The second suspicious ticket: 361-200297-011 was claimed by Binal Patel at the NCEL on 6/28/2014. He is described as an Indian male, DOB: [REDACTED], address: [REDACTED], Fuquay-Varina. The ticket is a \$1,000 winner and came from Hill Top Food Mart (retailer number 110494) and was scanned there on 6/27/2014 at 3:02pm.

All documents will be scanned into this case file.

**Supplemental Narrative (Created On: 9/11/2014 10:48:19 AM)**

Created On

- 9/11/2014 10:48:19 AM

On 7/02/2014 at 11:35am, Inv. Broadwell went to Lakeside Mart (retailer number 109898) and met with owner Fahad Ahmed. Ahmed allowed this investigator to view store video from 6/29/2014 at 4:51pm. Ahmed advised this was probably a player named Cecil who is described as an older white male. On the video, all that can be seen is Cecil's legs. The store video in Lakeside Mart (retailer number 109898) are not properly focused and Cecil does not stand at the cash register when he plays, but rather at the end of the counter out of the view of the store video. While at this location this investigator conducted a retailer security review and it appears at this time they are following all of the NCEL recommended guidelines.

On 7/02/2014 at 11:35am, Inv. Broadwell went to Hill Top Food Mart (retailer number 110494) and immediately saw clerk/claimant Binal Patel. Patel was extremely nervous. Inv. Broadwell showed Patel the latest paperwork for his latest claim and asked him if this was his ticket. Patel advised the ticket belonged to Cecil, last name unknown (LNU) who is described as an older white male and is a horse farmer. Patel advised Cecil LNU drives a White Ford Truck, four-door. Patel has six (6) claims at the NCEL and he said most were Cecil's tickets and he would get paid \$100 to claim each ticket. Patel advised he did not know Cecil's last name, his phone number or where he lived. Patel advised after he would claim the tickets, Cecil would come to Hill Top Food Mart (retailer number 110494) the next day and obtain his money. Inv. Broadwell showed Patel the claim from Ravi Patel and told him they both live at the same home address and he advised this was his sister and she worked there also as a clerk and claimed tickets for Cecil also. Inv. Broadwell told Patel not to claim anybody else's tickets, that players are supposed to claim their own tickets. While at this location this investigator conducted a retailer security review and with the exception of claiming tickets for players, it appears at this time they are following all of the NCEL recommended guidelines.

On 7/03/2014 at 8:45am, Inv. Broadwell called the number listed for Binal Patel on her winner's claim form (919) [REDACTED] and a male answered that barely spoke English. Inv. Broadwell left a phone number for her to call this investigator.

On 7/03/2014 at 8:50am, Inv. Broadwell called Ravi Patel at (919) [REDACTED] and asked him if the number this investigator had for Binal Patel was correct and he advised yes, this was her cell phone number. Inv. Broadwell asked Ravi Patel to have Binal Patel call this investigator. Inv. Broadwell also asked Ravi Patel to try and obtain Cecil's license tag number when he came back to the store and he said he would and call this investigator.

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On 7/03/2014 at 9:05am, Inv. Broadwell called Ahmed Fahad at (919) 772-7065, owner of Lakeside Mart (retailer number 109898). The clerk advised he was not there and provided a cell phone number of (919) [REDACTED]. Inv. Broadwell called this number and Fahad advised Cecil has tried to get his store clerks to claim tickets for him also, but they refused. (Fahad owns six (6) retailers) Inv. Broadwell asked Fahad to try and obtain the license tag number of Cecil and call this investigator and he said he would.

On 7/03/2014 at 9:25am, Inv. Broadwell received a call from Binal Patel. She advised the last claim she made for Cecil was on 6/27/2014 and was for \$1,000. and Cecil paid her \$100 to claim the ticket. Patel advised she did it because Cecil was begging her to do it. Patel advised she only has one (1) other prior claim and it was her ticket. Inv. Broadwell asked Patel to try and obtain a license tag number for Cecil and she advised she would and call this investigator. Inv. Broadwell told Patel not to claim anybody else's tickets, that players are supposed to claim their own tickets.

On 7/03/2014 at 1:30pm, Inv. Broadwell received a call from Ravi Patel who advised that Cecil came into the store and he told Cecil about the NCEL coming by the store and he could not claim anymore tickets for Cecil. Inv. Broadwell told Patel that this investigator only wanted him to get a vehicle tag number and not to tell Cecil anything. Patel advised he felt compelled to do so and that he also told the owner Bhavna Patel about the investigation.

On 7/03/2014 at 2:40pm, Inv. Broadwell called the number listed in the Enterprise Series (ES) for owner Bhavna Patel (919) [REDACTED] and clerk Ravi Patel answered the phone. Inv. Broadwell noticed Ravi Patel and owner Bhavna Patel have the same cell number. Inv. Broadwell asked Ravi Patel why he had the owner's cell phone number and he said Bhavna Patel was his aunt and he wasn't sure why his cell phone number was listed as the contact number for Bhavna Patel. Inv. Broadwell asked Patel to have owner Bhavna Patel call this investigator and he said he would. Ravi Patel advised he found Cecil's name, cell number and NCDL number. He advised he found it on a check Cecil Cashed. Ravi Patel advised it was: Cecil Thomas Etheridge, Cell number: (919) [REDACTED] and NCDL number: [REDACTED].

On 7/03/2014 at 3:00pm, Inv. Broadwell conducted a search in ES for Cecil Thomas Etheridge which resulted in Etheridge having approximately 25 claims with the NCEL. This report is attached as is his Wakegov.com property search. Etheridge has no debt setoff. ES shows Etheridge residing at [REDACTED] Road, Apex, with home number: (919) [REDACTED].

On 7/03/2014 at 3:00pm, Inv. Broadwell called Etheridge at Cell number: (919) [REDACTED] and a home number listed in ES for prior claims (919) [REDACTED] and did not get an answer and was unable to leave a voice mail.

On 7/07/2014 at 1:34pm, Inv. Broadwell called Bravna Patel at (919) 5570321 (store number) and did not get an answer.

On 8/18/2014, Investigations Manager (IM) Tim White advised that Hill Top Food Mart (retailer number 110494) was going before the Retailer Review Committee on 8/20/2014.

On 09/03/2014 at 10:00am Inv. Palko conducted the Employee Training for Suspended Retailers at Hill Top Food Mart (110494). All categories were discussed and clarified and all four (4) employees including owner Bhavna Patel signed the sheet. See Attachment #7. Inv. Palko left the Original Employee Training For Suspended Retailers Sheet with Retailer Credit and Renewal

Supervisor, Michelle Cerniauskas.

On 09/08/2014 Inv. Palko received a voicemail message from B. Patel. Inv. Palko called and left a voicemail message for B. Patel.

On 09/11/2014 at 9:30 am Inv. Palko conducted a second Employee Training for Suspended Retailers at Hill Top Food Mart (110494). the individuals present for this training were Binal Patel and Ravi Patel. Both employees signed the sheet. See Attachment #11. Inv. Palko left the Original Employee Training For Suspended Retailers Sheet with Retailer Credit and Renewal Supervisor, Michelle Cerniauskas.

#### 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
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#### Witness (1)



[Click for large image](#) (Binal Patel.JPG)

Last Name [?] Patel  
 First Name Binal  
 Address 1 [REDACTED]  
 City Fuquay-Varina  
 State NC  
 Phone Land [REDACTED]  
 Phone Cell [REDACTED]  
 State ID North Carolina

#### People Information

**Bhavna Patel (Personal, personal type.3)**



No Picture Available

Last Name [?] Patel  
 First Name Bhavna  
 Address 1 [REDACTED]  
 City RALEIGH  
 State NC  
 Zip 27606  
 Birth Date [REDACTED]  
 Employee #/ Owner # 13150  
 Hire Date 12/28/2012

8/19/2015

## A Little Too Lucky? CBS2 Investigates Lottery Retailers Cashing In At Surprising Rates

October 30, 2014 11:08 PM By David Goldstein

Filed Under: [California Lottery](#), [CBS 2 Investigates](#), [CBS2 investigative reporter David Goldstein](#), [David Goldstein](#), [Lottery Winners](#), [Lotto](#)



**LOS ANGELES (CBSLA.com)** — Are lottery retailers beating the odds, or is there something more going on?

A CBS2 News investigation found some store owners cashing in winning lottery tickets at surprising [rates](#).

Ali Ibrahim, owner of Hi-Crest Liquor & Junior Market in Garden Grove, is winning big.

CBS2 found Ibrahim and his [family](#) have cashed in almost all the big winners purchased at his store.

“You’ve won more than \$300,000. What is your secret?” CBS2 Investigative Reporter David Goldstein asked.

And he’s not alone. CBS2 found retailers across Southern California who cashed in tens and hundreds of thousands of dollars in winnings purchased at their stores. It’s not illegal, but experts say some may be defying the odds.

CBS2 obtained the names of every person who won \$600 or more playing the California Lottery over the past 11 years, which came out to nearly 500,000 winning tickets.



In the [business](#), they're called taxable tickets, because jackpots of \$600 and more have to be cashed at the California Lottery District Office. There, officials will take out federal taxes and any child support or money owed to the state.

CBS2 found Ibrahim on the list. He won \$600 or more 192 times and has gleaned more than \$300,000. Most of it came from tickets purchased at his own store; Ibrahim won 142 of the 188 winning tickets at Hi-Crest.

If you include his relatives — they won 166 of the 188 winning tickets — purchased at Hi-Crest, which comes out to 88 percent of the winning tickets.

Ibrahim didn't want to talk about it.

"Mr. Ibrahim, can I ask you a question? Seventy-five percent of your taxable winners in your store, you've won. You've won three out of four tickets of \$600 or more. How are you doing that?" Goldstein asked. "Can you answer the question, sir?"

Skip Garibaldi is associate director of the UCLA Institute for Pure and Applied Mathematics.

His take on Ibrahim's lucky streak: "Yeah, that is very peculiar for sure."

The mathematician calculates that some of these retailers are even beating the best Las Vegas odds or spending an absurd amount of money. In Ibrahim's case, Garibaldi said he would have had to spend big bucks.

"I think he spent about \$2 million on Hot Spot, which is his preferred game," the expert said.

"\$2 million to win \$304,000?" Goldstein said.

"That's right. That's what it looks like from the numbers," Garibaldi said.

At California Lottery headquarters in Sacramento, [security](#) officials say Ibrahim's frequency of winnings certainly has put him on their radar — more than once.

"We've probably done at least 10 investigations in that location ... because we want to test the integrity of the retailer," said Stephen Tacchini, the deputy director of law enforcement for the State Lottery and the former chief of the San Francisco Police Department.

He said they haven't caught Ibrahim doing anything wrong, but they're watching.

"Do you think it's suspicious winning three out of four?" Goldstein said.

"I can draw some conclusions, but there's nothing we found that he's doing wrong. He may be purchasing tickets from customers, which is a violation of our regulations. We know that does occur," Tacchini said.

That's one reason why retailers' names are near the top of the list for suspicious winners.

Experts say they've been known to purchase winning tickets for 50 or 75 cents on the dollar, if the winner is trying to avoid paying taxes or debts. That's against the rules.

Lottery officials also conduct stings in which an undercover officer posing as a customer hands a clerk a winning ticket, only to have him come back and say it's a loser.

Some retailers are also known to gamble more than others, which is why they may win. And when they do, they say it's just their lucky day.

Or is it?

Angela Kouch owns MJB Video in Koreatown. Her 119 wins at the store netted her more than \$79,000. Her husband had one win for \$5,000.

And a frequent customer Jose Ruiz has won 260 times, tallying more than \$200,000. Together, they've won 380 of the 392 taxable wins in the store since 2003, which comes out to 96 percent.

But when pressed, Kouch admitted not all the wins were hers.

"So, you were buying winning tickets?" Goldstein said.

"Yeah," she said.

"That's not allowed," Goldstein said.

"I don't make money," Kouch replied.

She says the Lottery caught her and withheld money.

"Are you buying winning tickets from other people?" Goldstein asked Ruiz.

"On occasion," Ruiz replied.

Ruiz also confessed to buying tickets but said he pools money with friends, and most of his wins were legitimate.

"June, July, August, September of this year – you got every month," Goldstein said of Ruiz's winning streak.

"That's pretty good," Goldstein said.

"Not bad. I play to win," he replied.

Then there's Cuong Nguyen, who owns a café in Reseda that's claimed 75 Lottery wins in the past 11 years. If you included his relatives, that came out to 99 of the store's 204 taxable wins. That's 48 percent of all taxable wins.

Nguyen had a familiar response: "Yeah, it's luck."

"It's just luck?" Goldstein asked.

Nguyen replied: "Yeah."

The same went for Assad Harmouch. He owns Village Liquor in La Crescenta. He's had an amazing winning streak: 17 scratcher winners at his own store in the past three years, raking in \$59,000 total.

"Last year, you won \$1,000 on Oct. 16th, \$1,000 on Oct. 21, \$1,000 on Oct. 29, \$25,000 on Nov. 14," Goldstein told Harmouch.

"That's correct," Harmouch said.

"That's a pretty lucky streak," Goldstein replied.

"Thank you. Well, I spend a lot also at the same time," he said.

Garibaldi said the odds of winning more than \$600 on a scratcher are one in 1,917. He estimated Harmouch would have had to spend nearly \$600,000 to win \$59,000.

"That doesn't make sense right?" Goldstein asked the mathematician.

"I agree; it does not make sense," Garibaldi said.

Bill Hertoghe was the former head of security for the California Lottery.

" 'Lucky,' I hear that a lot, yeah," Hertoghe said. "In my experience, they're not that lucky. And if they are, they shouldn't be just retailers. They should be professional gamblers."

He believes some retailers are buying tickets or scamming winners. The Lottery said it has a security force to crack down on those who are skirting the rules.

Critics said these people are beating the odds so much so they may be too lucky.

Lottery officials said that without absolute proof, it's difficult to break the contracts with retailers. In fact, they've been sued for doing so in the past.

**David Goldstein**[facebook](#)

Investigative Reporter David Goldstein has been honored with the 2013 Lifetime Achievement Award from the Los Angeles Press Club. In his more than two decades reporting in L.A., David has been nominated for more than 15 Emmy Awards and has won more...



# How lucky can you get?

Dateline's undercover investigations reveal some dishonest lottery clerks



By [Chris Hansen](#) Correspondent

NBC News

updated 5/3/2009 8:00:07 PM ET

Like they say, "All you need is a dollar, and a dream." According to NASPL, it's that dream of a lottery win that made millions of Americans buy more than \$60 billion worth of tickets last year. The lotteries cleared almost \$18 billion in profit.

The winners get paid, and the states fill their coffers --plugging strained budgets with much-needed cash for everything from education to teacher retirement funds--- even programs to help compulsive gamblers.

Of course, there's a reason the state lotteries make so much money. The odds against winning--- especially in the big games--- are astronomical.

But most people lucky enough to beat those odds collect their prize money without any problems. But not always.

Bob Sehested of Camarillo, Calif. is a regular lottery player.

**Bob Sehested:** I like to play when it gets over 100 million, cause then you can dream about what you would do if you hit the 100 million, even though you don't expect to.

On Feb. 14, 2006, Bob was like millions of other Americans: Hoping for a little luck. He was playing the Mega Millions game, a lottery drawing that combines money from twelve states.

The rules are easy: Just pick the same six numbers that come up in the drawing, and you win the jackpot. But the odds doing that are, according to the New York Lotto Web site, 175,711,536 to one. 175 million to one. Still, somebody eventually wins....and that's why millions of players like Bob keep buying tickets.

**Bob Sehested:** My 50th birthday, I bought 50 tickets. Because the lottery prize was \$120 million. So, want to dream a little.

Instead of picking his own numbers, Bob let the computer pick the numbers for him. Despite the odds, Bob was still dreaming about what he'd do with all that money.

**Bob Sehested:** Put enough money into the bank that the interest would be enough to survive for the rest of my life. And then, I could leave it to the kids.

Bob was a regular customer at this store in Camarillo--- about an hour Northwest of Los Angeles. He was even on a first-name basis with the man behind the counter.

**Bob Sehested:** The person I bought the ticket from, I saw him almost on a daily basis. We talked. We were friendly.

And the next afternoon, Feb. 15, at about two-thirty, he went back to check his tickets. That same clerk had big news.

**Bob Sehested:** Told me someone hit the \$500,000 in the store.

One of their customers had picked 5 of the six numbers correctly--- and had won the second prize. Not the jackpot of 120 million --but still a hefty sum--- a bit more than \$530,000. The clerk knew that because the lottery computer had already told him that the second prize ticket had been sold in his store-- but no one knew who the winner was.

Still hopeful, Bob used a machine in the store to scan his tickets. You just slide the bar code under the scanner, and it tells you if you're a winner or not. Most of Bob's tickets were no good... but one ticket flashed a different message.

**Bob Sehested:** All it said on one of my tickets was "Congratulations. See retailer." And again, no one expects to win. Sure, you're heart races, cause you know someone won the half a million dollars.

The scanner only told him he had a winning ticket--but not how much he'd won. To find out he had to give it to the clerk who'd check it on his lottery computer. What did the clerk tell him?

**Bob Sehested:** And they tell you won four dollars.

Four bucks. Not the big winner--- but at least enough to play the game a few more times. So he told the agent:

**Bob Sehested:** Okay, give me four more tickets. I'll see you later. And go on with your life.

And where was the winner of that \$500,000 prize? Six weeks passed, and the Lottery still hadn't announced a winner. That's when Bob happened to be looking at the local newspaper's Web site.

**Bob Sehested:** And they have a video. They're looking for the winner in Camareo.

It was store security video of a man buying what turned out to be that \$500,000 ticket on the morning of the drawing—Feb. 14.

**Bob Sehested:** Now I knew the store the ticket was bought in. I clicked on the link to-- to see. You know, maybe I know the person. And I could contact 'em and-- and let them know they won.

That video could help lottery officials identify the winner-- because their computers told them the winning ticket was purchased at exactly 2:20 p.m.

And who did Bob see on that video coming into the store right at that time? His wife!

**Bob Sehested:** She was walking through. I said, "That's Wendy." And then, I backed up, blew up the screen. And I said, "that's me."

But if Bob was the winner, where was his \$500,000?

Bob Sehested of Camarillo, Calif. had just watched himself buying what turned out to be a 500,000 winning lottery ticket at this store. Trouble is, Bob didn't have the prize money, and didn't understand what had happened. The clerk behind the counter had told him his winning ticket was only worth four dollars.

So....

**Bob Sehested:** I called the lottery and it all went from there.

Lottery investigators came to Sehested's house and interviewed him. They quickly determined that Sehested was the legitimate winner of the \$500,000 prize--- and he eventually got his money.

But why hadn't Bob known he'd had the winning ticket in the first place? After some more investigation, it became clear the clerk had stolen the winning ticket.

Here's how he did it:

**Bob Sehested:** When I put my ticket on the counter for him to check it, he was waiting on another customer. And he kept glancing down at my ticket. And then, when he was done with that customer, for some reason, he went into the backroom. Then, he came back. And then, he checked my ticket and told me it was four dollars.

Apparently the clerk knew he was looking at the winning numbers.

**Bob Sehested:** So I guess since he knew that the store had the \$500,000 winner, he knew what numbers he was looking for.

And it seems he was prepared. He had another ticket handy in the back room ready to substitute just in case the big winner showed up. That substitute ticket was for a mere four dollar winner. The ultimate switcharoo.

Lottery investigators became suspicious when the clerk tried to cash the \$500,000 ticket. Any large claim like that gets investigated, and the clerk's story about how he got the ticket didn't add up. The clerk pled guilty to Grand Theft, Making a False Claim to a Government Agency and Enhancements for a

theft over \$500,000.00. The prize offered by the stolen Mega Millions Lottery ticket was \$530,858.00. The clerk was sentenced to five years and four months in state prison.

Investigators arrested the clerk. He pleaded guilty to Grand Theft and making a false claim to a Government Agency. He was sentenced to more than five years in prison.

It was a happy ending for Bob Sehested. He used his winnings to buy into a tool manufacturing company. But he was shocked that the clerk he knew by name and saw every day would rip him off.

**Bob Sehested:** I didn't pay attention. I trusted him. And that was a mistake.

California tries to assure that what happened to Bob, doesn't happen to others, and --- like most states-- - takes extra precautions to make the lottery secure and fair.

Inside Lottery headquarters in Sacramento, we were given a tour of the room where they draw those winning numbers. It's literally sealed shut. Two ID cards have to be scanned at the same time to gain entry. And then what happens-- as soon as the door opens, we have cameras that automatically come on... Audio and video cameras.

Jeff Aills is the Gaming Security Manager.

**Chris Hansen:** Why do you need a seal? Why not just a lock with a special key?

**JeffAills:** If there's a lock and key, someone could get that key, duplicate and go from there.

The Lottery's computer systems track everything from winning numbers and sales figures-- to where winning tickets are bought and redeemed. They even make sure those balls used to pick the Lotto numbers are all exactly the same.

**JeffAills:** Every month we do a ball-weigh and cleaning and measuring. What we do is we go to the nearest thousandth of a gram.

**Chris Hansen:** Thousandth of a gram?

The diameters are constantly checked. And each ball is given the equivalent of the spa treatment.

**JeffAills:** Wipe them off, we powder them--- make sure they're in good order--- then we tuck them into their little case and have them sealed.

**Chris Hansen:** That's a lot of levels of security.

**JeffAills:** It has to be, because if anyone thought that the integrity of the lottery was down, we could close our doors. No one would want to play our games. We want to ensure that everyone has a fair and equal chance.

And with all that security, most people hope that if you are lucky enough to beat those odds and buy that winning ticket, you're going to get your money. But the problem with lottery security isn't inside headquarters, but outside--- at the stores where tickets are bought, sold, and redeemed.

We obtained lists of top winners from ten state lotteries. We found that in many of those states--- lottery retailers, clerks and their relatives are among the biggest winners.

In Pennsylvania, a Philadelphia retailer cashed eighteen lottery tickets in three months for a total of \$45,000.

In New Jersey, a retailer cashed 105 lottery tickets for more than \$236,000.

In New York, another retailer has cashed 120 winning tickets for more than \$500,000.

In Illinois, we found one store where four employees and five of their relatives cashed a total of 556 winning tickets, for more than \$1,600,000.

In California, lottery investigators were seeing the same thing. In fact, in 2007, the five most frequent winners in California were retailers. One store owner in Los Angeles cashed 121 tickets for more than \$160,000.

California lottery officials want to know why some of its retailers are cashing in big. So investigators have begun to ask questions... going undercover. This investigator is posing as a customer who doesn't know she has a winning ticket.



# Frequent lottery wins defy odds; prompt suspicion

By [Katie Wedell](#)

Staff Writer

**SPRINGFIELD —**

The top lottery winners in Ohio have claimed hundreds of large prizes over the past decades, some in such short spans of time that it seemingly defies the odds and has prompted investigations by the Ohio Lottery.

State lottery investigators track multiple-winners to look for retailers who are either stealing prizes for themselves or store employees turning in tickets for others wanting to avoid paying off debts.

This newspaper examined every prize claim of \$600 or more going back to the launch of the Ohio Lottery in the mid-1970s, a database that showed 13 people have claimed more than 100 prizes each.

That investigation also found the most frequent Ohio winner, a Cleveland man, has claimed more than 300 prizes since 2008, for a total of more than \$800,000.

In the most obvious form of abuse that the Lottery Commission seeks to curtail, retailers have at times stolen prizes for themselves. In another method, not illegal but against Lottery Commission rules, store employees have at times turned in tickets for the actual winners when the real winners do not want it known that they have won in order to avoid paying child support or other debts. Those individuals can make a small profit by paying a discount for the ticket, allowing the real winner to avoid paying child support, taxes or other debt. The practice is referred to as “discounting” by the lottery commission.

Retailers caught discounting could lose their ability to sell tickets, but lottery officials said discounting is not a criminal offense.

For regular, individual players the legality of discounting is less clear.

“The lottery’s position is that players taking measures to avoid a court order is unlawful,” Marie Kilbane, spokeswoman for that Ohio Lottery said. “However the answer on the legality of discounting beyond that is unclear.”

It’s not illegal for regular players to give their ticket to someone else to turn in, but they could be subject to broader criminal charges like defrauding a creditor, based on the specifics of the case, Attorney General’s office spokesman Dan Tierney said.

“I can’t say in all cases that this is a crime or this isn’t a crime,” he said. “It would be up to a local prosecutor to determine.”

Edward Blain, of the northern-Ohio village of Nova, has claimed more than 150 prizes of more than \$1,000 each in the past two decades. Interviewed this week, Blain said he’s never engaged in

discounting but said other lottery players have told him that they avoided debt collection by going to a store that will discount.

“If you win \$5,000, they’ll give you \$3,200 in cash and then go turn it in for you,” he said. The difference usually covers the taxes on the prize with a little left over for the discounter’s pocket. Blain said he doesn’t know specific stores that offer this service.

### **Odds are against big profits**

The most frequent winner in the state is Rickey Meng of Cleveland. Meng has claimed more than 300 prizes of more than \$600 in less than six years.

Two thirds of those prizes have been won playing Pick 4 with about \$700,000 of his total \$820,000 in pre-tax winnings coming from that game.

“At best, that game has odds of about one in 2,000,” said Bill Notz, a professor in the statistics department at Ohio State University.

Meng didn’t return multiple phone calls seeking comment for this story. Lottery officials confirmed that he isn’t a retailer.

If someone wanted even odds to win that game 300 times, Notz said, they would have to play about 600,000 times — or more than 270 times per day over six years.

“This all changes when you talk about the odds of someone winning,” as opposed to a specific person winning, Notz said. “With lots and lots of people playing the lottery regularly, a few of them are going to do tremendously well.”

It’s possible that the top winners in the state are those lucky few, he said, but they would need to be playing almost daily and spending a lot of money.

“My guess is that you wouldn’t come out ahead,” Notz said.

Assuming more than 200 tickets are purchased daily at the \$1 bet level, an individual would likely spend more than \$400,000 to possibly win double that amount over six years.

If someone has early success, Notz said, then they have money to put toward more tickets and continue the streak.

But the odds of some of the streaks seen in Ohio are even steeper.

The lottery lists the odds of winning a straight Pick 4 — exactly matching all four numbers — at one in 10,000.

Ticket’s claimed by Meng have matched all four numbers on that game 165 times since 2008, claiming prizes of either \$2,500 or \$5,000 each, depending on the bet. That’s a total of \$600,000 in winnings from those matches.

The odds say he'd likely have to purchase more than 1.6 million tickets to achieve those results at a cost of at least \$825,000, Notz said.

Cole Barker of Springfield is the second luckiest lottery winner in Clark County. He's claimed 62 prizes of \$600 or more over the years, including a \$2 million win in 2011. The top winner in Clark County has claimed 69 prizes.

Barker confirmed that the only way to win that many prizes is to buy a lot of tickets.

"Everybody tells me I'm lucky," he said. He said he played almost every day during his streaks. The day he hit \$2 million he had spent \$40.

Barker, a technology coordinator at Greenon Local Schools, said he's bought a house and a boat in Florida with his winnings where he and his wife plan to eventually retire.

He's never had anyone ask him to turn in a ticket for them.

"I owe enough to the IRS, so I'm not going to do that for someone," he said.

### **Lottery investigates retailers**

Lottery rules say people who win between \$600 and \$5,000 must fill out a claim form and can receive the cash at numerous banking locations with proper photo ID.

Claims of less than \$600 don't require a form to be completed in order to receive a payout so records aren't available for those prizes.

Those who win more than \$5,000 or who win prizes from Mega Millions, Powerball or Classic Lotto must contact the nearest regional lottery office to submit a claim form.

The winner's name, Social Security number and other identifiers are run through several state and national systems to determine if he or she owes any debts, which will be deducted from the prize total before it is awarded, lottery spokeswoman Danielle Frizzi-Babb said.

The Ohio Lottery has collected more than \$2.8 million in child support from prize winners since 2001. The Attorney General's office has received nearly \$8.4 million in back taxes and other debts from lottery prizes since that collection began in 2003.

Some wishing to avoid forking over their winnings try to fill out the claim form using a friend or family member's name, said Such Patel, who owns the Plum Food Mart in Springfield along with his brother Paresh Patel.

They've never had anyone ask them to claim a ticket in exchange for payment, Such Patel said.

The lottery's Retailer Compliance Inspection Program has the authority to investigate store owners or employees suspected of discounting, Frizzi-Babb said, but they don't have the power to police individual players.

Winners don't have to prove that they purchased a ticket in order to claim it, she said, and it's legal to give a winning lottery ticket to someone else as a gift.

Lottery investigators also do random and complaint-based checks to make sure retailers aren't stealing winnings by telling customers they won less than the total prize amount or by saying a ticket wasn't a winner and turning it in themselves.

Thefts are reported by the lottery to local law enforcement for criminal prosecution, Frizzi-Babb said.

Since 2010, they've performed an average of 100 stings per year at lottery retailers statewide that have resulted in nearly 50 arrests. Dozens of Southwest Ohio clerks have been caught stealing from winners by undercover investigators.

With the exception of pending cases, every arrest statewide has resulted in a plea of guilty or no contest with most being sentenced to probation, community service and fines.

### **Frequent wins by retailers a red flag**

Two of the most prolific winners in Ohio lottery history have owned stores where lottery tickets are sold.

Retailers and clerks are required to indicate that they own or work in a lottery location when they claim their prizes and frequent wins can prompt an investigation.

Manojkumar Patel is a former convenience store owner who says he got lucky playing unwanted tickets customers rejected because they had errors.

He's claimed nearly 200 winning tickets since 1996, totalling more than \$700,000, according to lottery records. That makes him the third winningest player in Ohio. Three of his family members have claimed dozens of tickets also, totalling an additional \$200,000 over two decades.

But Patel said his family spent just as much on tickets as they won, and over the years he pretty much broke even.

While he owned Mike's Convenient Food Mart in Cleveland Heights, Patel said he was approached by at least one customer asking to turn in a ticket for him.

"One customer had won like \$10,000 on an instant ticket," he said. The man owed money for alimony and child support, and asked to cash the ticket in Patel's name.

"I said, 'I can't cash that for you, that's yours,' " Patel said. "Why would I do that? I don't want to pay the taxes."

But the high number of claims Patel made — 163 between April 2005 and November 2010 — prompted an investigation by the lottery's security department.

“If a winner has claimed more than one or several large prizes within a small window of time, claims will notice a pattern and alert security,” Frizzi-Babb said.

The lottery’s investigation could include a review of surveillance footage to confirm that the person claiming those tickets actually purchased them.

In Patel’s case, undercover investigators went to his store four times, but they didn’t find any evidence that he was discounting.

“I was not doing anything wrong,” Patel said. He said his store generated more than \$40 million for the Ohio Lottery during the time that he owned it.

Samuel Sliman of Canton, who owns several businesses including a drive-through, according to Stark County property records, has claimed 217 lottery prizes of \$600 or more since 2001 for winnings of more than \$670,000.

He got on the lottery’s radar in 2007 when he won 10 prizes of \$20,800 on Pick 4 tickets over an eight day span.

Earlier this year an undercover investigator went to his store to test if the clerk would pay a winning ticket correctly.

The store was found to be in compliance and the clerk didn’t offer to buy the ticket.

Sliman did not return multiple calls for comment, but told a lottery investigator in an interview last month that he plays Pick 4 a lot, sometimes twice a day. He has not won a prize over \$10,000 since that 2007 streak.

“Sliman stated that he was aware of (discounting and theft issues) but would never put himself in a position to jeopardize his business or his reputation in the community,” according to investigative notes.

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### **The most prolific lottery winners in Ohio**

1. Rickey Meng, Cleveland, Ohio; 302 claims since 2008.
2. Samuel J. Sliman, Canton, Ohio; 217 claims since 2001.
3. Manojkumar Patel, Highland Heights, Ohio; 199 claims since 1996.
4. Nimer M. Abuhamdeh, Westlake, Ohio; 185 claims since 1996.
5. James R. Bennett, Polk, Ohio; 160 claims since 2009.

How we got this story

The Springfield News-Sun analyzed Ohio Lottery data between 1974 and July 2014 to find the most prolific winners among more than 690,000 claims of \$600 or more.

# N.J. lottery retailer loses license after 'discounting' ticket

Jun 7, 2011, 8:29 am



New Jersey Lottery: N.J. lottery retailer loses license after 'discounting' ticket

MORRISTOWN, N.J. — The New Jersey Lottery Commission has levied a \$10,000 fine and permanently revoked the license held by Super Gold Deli on Morris Street in Morristown, New Jersey, to sell scratch-offs and online tickets.

Both Super Gold, a cigar and convenience store, and the affiliated Gold's Co. cannot sell lottery tickets because an employee admittedly "discounted" a winning ticket for a customer, Lottery Executive Director Carole Hedinger said Monday.

Discounting refers to a retailer offering a patron less than the full price for a winning ticket. The retailer then submits a claim form to the state to redeem the value of the ticket, as though he or she is the actual winner.

Against Lottery rules, the tactic might be done because the ticket buyer may owe back taxes, child support, tuition or have other monetary liens, all items the state checks before paying a prize claim over \$600, Hedinger said.

The licenses to sell lottery were revoked in the past month. It was Super Gold's second offense since 2005, when it first paid a \$10,000 fine and got a warning, Hedinger said.

A woman who answered the phone at the deli at first said she was the owner. When asked about the lottery revocation, she said she was an employee, that the manager was not available, and then hung up.

Hedinger said lottery security investigators learned about the discounting offense and corroborated that it occurred. She said Super Gold representatives acknowledged the violation.

There are about 6,200 retailers licenses to sell lottery in New Jersey and the discounting offense is not considered common, Hedinger said.

# Lottery lets players collect 100-plus prizes. Is something fishy?

[STATE & REGIONAL GOVT & POLITICS](#)

By Sean Sposito - The Atlanta Journal-Constitution

Posted: 6:17 a.m. Thursday, Sept. 18, 2014

How do certain people win the lottery several times in a single day, and not just piddling sums, but prizes of \$600 or more? How does someone win prizes of that size at an average pace of more than once a month for a decade?

How can at least 134 people, many of them store owners who sell lottery tickets, amass winnings that, given the odds, would have required that they spend \$1 million or more on tickets?

Those logic-defying patterns say one thing: Some people are claiming prizes they did not win themselves.

Georgia Lottery Corporation officials don't dispute that conclusion, drawn by a mathematician who helped The Atlanta Journal-Constitution analyze the state's database of winners.

The bottom line: At least \$16.3 million has been paid out since 2003 to people whose winning patterns are so improbable that someone should have asked hard questions. That is a very conservative estimate; the actual figure is probably considerably higher.

Past and current lottery officials concede that something is amiss, but until recently the corporation made almost no attempt to learn the scope of the problem or to stop people from manipulating the system for personal gain.

"If you are asking me, did somebody win 200 tickets legitimately over that time, I don't think that they bought those tickets," said Joe Kim, who was hired as the lottery's vice president and general counsel in April. Over the summer, the lottery began instituting tighter controls.

Kim's predecessor, Kurt Freedlund, said the patterns are no secret. "It's a problem, it is one that everyone in the lottery industry is aware of, and it's something that really needs to be addressed," said Freedlund, who left at the beginning of February. "But it's a very difficult thing to address."

He and Kim disagree on an arcane but crucial legal point: whether, under Georgia law, winning lottery tickets, like cash or checks payable to the bearer, can be transferred from person to person. Freedlund believes they can, Kim thinks otherwise.

In response to questions from the AJC, past and current lottery officials emphasized that they have always fully investigated complaints about retailers.

Some states have taken more initiative. Investigators in those states have uncovered two types of lottery manipulation, which, as Freedlund said, are now well known throughout the industry.

One is known as discounting. It happens when someone who owes back taxes or child support wins a prize and sells it to someone else at a discount to avoid paying the state the money that is owed.

“I really think the issue is what we call discounting or retailer trading, where people come in with winning tickets but they don’t want to pay the tax on it or they might have back child support that’s due,” said Bill Hertoghe, the former deputy director of security and law enforcement for the California lottery.

Debbie D. Alford, the president and chief executive of the Georgia Lottery Corporation, was not available for an interview about the AJC’s findings, but she emailed a statement. “We believe most of these cases involved retailers agreeing to cash winning tickets on behalf of their customers – a violation of law, rules and regulations,” Alford wrote.

Someone who makes a profit by buying the ticket at a discount and collecting the full winnings does not commit a crime. But the Lottery Act says that once a player has won, the prize cannot be sold to someone else. If it is, the ticket becomes worthless – or it would, if the lottery rigorously enforced the law.

Kip Wise owns a store in Griffin that sells lottery tickets. “Believe it or not, a lot of people owe the government,” said Wise, who admits he bought winning tickets but said he didn’t think he was doing anything wrong.

“They owe the state. They are drawing welfare checks. They are drawing unemployment checks. A lot of them don’t want (their winnings) to be reported, and if a person is going to have to pay a 33 percent tax, and they can sell it at a (discount), they’re up a little bit, too.”

The second type of practice is a crime. It happens when a customer hands a ticket to a store owner or clerk to determine if it is a winner, and the owner or clerk lies, saying it’s not, when it actually is.

More than a third of the people red-flagged by the AJC’s analysis have the same names as people who own, or once owned, stores that sell lottery tickets. If they are involved in any practice not in keeping with the Lottery Act, it may simply be discounting. But it could be worse.

“It’s not that clerks and owners can’t play the lottery, but if they come forward with an awful lot of winning tickets, that’s a red flag,” said Hertoghe, who is now a private investigator and consultant for state lotteries.

Margaret DeFrancisco, who retired as the lottery’s chief executive in 2012 after a nine-year run, said the lottery always responded to customer complaints about possible abuses. “If we learned about something and it was reported to us, we investigated it,” she said.



A statistical analysis such as the one performed by the AJC can identify people whose winning patterns are so improbable that they merit a closer look. But it can't prove that any individual is actually gaming the system, or if so, how.

That takes old-fashioned detective work.

But the corporation has only two staff investigators, and until recently they focused on prizes of \$250,000 or more and addressing player complaints. (The folks on the AJC's list of wildly improbable winners most often claimed prizes of \$1,000, sometimes multiple times in a single day.)

The phenomenon of players with grossly improbable winning patterns has gotten lots of attention in recent months. First, The Palm Beach Post, a sister paper to the AJC, exposed the problem in Florida. The Boston Globe followed suit in Massachusetts.

The AJC's analysis focused on winning tickets worth more than \$600 from October, 2003, to May of this year. At that level the state requires winners to fill out a claim form and provide proof of identity and a social security number. Before handing over the cash, lottery employees check each winner's name against state databases of people who owe taxes, child support, education loans or other debts to state agencies.

Until recently, if the winner wasn't a retailer and if the prize was under \$500,000, the player walked out with the winnings the same day. Store owners that sell tickets have to wait to be paid out on prizes over \$250,000.

Getting a handle on practices such as ticket discounting in Georgia is complicated by the fact that the lottery doesn't maintain all the data needed for a definitive analysis. For starters, it has no record of winners before October 2003, when a software conversion corrupted all its data.

Here's another gap: To determine which players are truly suspicious, you must know the odds of winning each specific amount on each specific game. Those odds – amounting to thousands of different variables for multiple different games and versions of those games – aren't computerized. The lottery keeps them in a thick binder of documents, a format absolutely useless for analyzing suspicious winning patterns.

To get around that problem, the mathematician who helped the AJC, Skip Garibaldi, had to rely on knowledge he gained in helping The Palm Beach Post analyze Florida's database of winners. To avoid overstating Georgia's problem, Garibaldi, who holds posts at both Emory and UCLA, opted for the most conservative estimates Georgia's database of winners would yield.

In recent months, the lottery has started to ramp up enforcement by flagging high-frequency winners.

If officials find a pattern of wins they consider highly questionable, Kim said, they can hold up a winner's prizes indefinitely or sever the corporation's relationship with a retailer. Thus far the lottery has refused 11 payments based on win patterns.

It has also created what Kim calls a “bad boy’s list” of 65 high-frequency winners. Most are, or once were, lottery retailers. Whenever someone on the list shows up at a lottery district office to claim a prize over \$600, employees have orders to send the person to the lottery’s headquarters in downtown Atlanta.

Seven retailers with improbable win patterns have been sent notices of possible suspension. “The extraordinarily improbable win patterns ... create a prima facie case that tickets are being assigned to you by third parties,” the warning letters read.

Wise, the Griffin retailer, is one of the ones who got a letter. He was also denied a prize this summer.

He said he’s won the lottery many times legitimately. Wise said he can’t recall how many times he bought tickets from other winners at a discount. He said he will no longer cash in tickets he’s bought, or even play the lottery.

Catching people who claim prizes they didn’t win is more complex than flagging people who win large amounts or who win repeatedly. You must look at the number of locations where a person wins, the time span during which wins took place and other factors.

But complex doesn’t mean impossible. Alford and Kim are the first lottery executives in Georgia to employ tools other states have used. They’ve hired two private investigation firms to help the in-house investigators conduct stings, a technique used in states including California.

A sting involves presenting a retailer with an actual winning ticket, and “seeing if they are going to buy it from you at a discount, or if they are going to lie to you about the value of the ticket,” Kim said.

Kim said the lottery is also talking with technology giant SAS of Cary, NC, about using its software suite to ferret out suspicious players.

Priyanka Chawla is one of the retailers who recently got a letter from the state. Chawla is listed by the lottery as the owner of several stores throughout the state. She has cashed in at least 107 winners worth at least \$600 for a total of \$126,812.

By Garibaldi’s estimate, she would have had to spend at least \$2.5 million to achieve those wins – roughly \$1,000 a day in the roughly six and a half years during which her wins took place.

“Even if the probability of winning each prize was one chance in a thousand, and it’s probably much less, (she) would have had to buy something like half a million tickets during this time period to have a plausible chance of winning so many prizes,” said Jeffrey Rosenthal, a University of Toronto statistician. A few years ago, Rosenthal helped Canadian journalists uncover retailer fraud in the Ontario lottery.

When reached by phone, Chawla said she has not bought winning tickets from other players. All the wins were hers, she said. “I play a lot, and then you get lucky. And I don’t like playing small tickets, dollars here or there.”

Sometimes, retailers avoid suspicion by hiring “runners” to cash in winning tickets they have acquired from the actual winners.

Eddie Allen of Bowman, who cashed in at least \$161,081 worth of tickets, says he used to do the deed for retailers who just handed him tickets. He got to keep 10 percent of the winnings for himself, he said.

When asked whom he worked with, he said, “ ... you know, like liquor stores ... I don’t keep up with names. They’re out of business now, they sell the stores and they move on.”

Miteshkumar Tilva, who owns a package store in Smyrna, said he would never cash in anyone else’s ticket. But he has been approached by customers who asked him to do it.

“They’ll say: ‘Down the road, there’s a guy who will do it for me,’” he said. “I just say: ‘Go there!’”

Tilva’s case shows why using data to spot people who may not adhere to the Lottery Act is so complex. He is on the state’s list of high-frequency winners. But he wasn’t flagged by the AJC’s analysis, because many of his wins were at Keno and Cash 4. Garibaldi excluded those games from his spending calculations because it’s trickier to determine how much a player must spend to win a given amount.

Tilva also said he’s won some very large prizes, which gave him ready cash. “I’ve hit \$65,000,” he said. “I’ve hit \$45,000. This year, I’ve hit \$60,000. When you get those kinds of hits that gives you a boost. I’ve been just playing with the winnings.”

Mohammad Shafiq is on the AJC’s list. In June, he walked into a lottery office and tried to claim a \$1,000 prize with a lottery ticket torn in half. Lottery employees refused to pay.

At the time, Shafiq owned at least two stores that sold lottery tickets in Hull and Athens. The torn ticket was a red flag, something a store owner or clerk might do to persuade a customer who handed in a winning ticket that it was worthless.

Since 2004, Shafiq has won at least \$159,327 on tickets worth more than \$600. Given the odds, he would have had to conservatively spend nearly \$3 million to amass those winnings.

After the lottery refused to pay his prize, Shafiq told officials he was getting rid of his stores. Soon afterward, he switched ownership to someone who lives at the same address he does, Kim said.

The lottery suspended both Shafiq and the new owner from selling lottery tickets. He has filed an appeal.