To: Lottery Instant Ticket Retailers

From: South Dakota Lottery

Re: Policy and Procedures for Lost or Stolen Instant Tickets

The Lottery is sending this letter to all Instant Ticket Retailers to remind them of the procedures to follow regarding lost or stolen instant tickets. Following the procedures will assist the Lottery and law enforcement and will benefit your business by increasing the possibility that you may receive credit for some or all of the tickets.

- Contact the Lottery immediately if you suspect tickets have been lost or stolen. The Lottery has the ability to cancel full or partial packs of tickets, thus protecting the retailer (provided tickets are correctly validated by scanning). Lottery Personnel will assist you in determining whether any of the missing tickets have been validated.
- Report the lost or stolen tickets to your local police.
- Send a written request for credit to the Lottery along with copies of the Police report and any documentation you used to determine which tickets were lost or stolen.

If you follow the procedures, you may receive credit for lost or stolen tickets that have not been validated. Tickets that have been validated cannot be credited to you.

The State of South Dakota addresses the issue of lost or stolen tickets in the following Administrative Rules which have been in effect since October of 1987.

48:01:03:10. Unaccounted tickets. Tickets that cannot be accounted for by a retailer, regardless of the reason, are the responsibility of the retailer. If a retailer claims that unaccounted tickets were stolen or lost, the retailer may request an investigation of the claim. The executive director shall hold prize money in escrow pending findings of an investigation when a claimed ticket for a prize is among those reported stolen or lost by a retailer. The executive director may request a player to disclose the retailer who sold the winning ticket and may withhold award of the prize until disclosure and verification is made.

<u>48:01:03:11.</u> Lost or stolen tickets. The lottery commission and executive director are not responsible for lost or stolen tickets.

The intent of these two rules is to clarify that the retailer is ultimately responsible for all packs of instant tickets that are issued to them. If you follow the proper steps in reporting lost and or stolen tickets to both the Lottery and local police, we may be able to credit you for part or all of the packs of tickets involved. Once your request for credit has been reviewed, your account representative will notify you as to whether or not you will receive credit.

If you have any questions concerning this matter, please contact the Lottery or your Account Representative.