

**BCLC Response to Recommendations by the BC Ombudsman
Player First Status Update – September 2007**

Ombudsman Recommendation	Action Description	Current Status	Target Completion
<p>Note: “Retailer(s)” refers to any lottery retail location owner, manager or employee who operates BCLC lottery equipment, handles lottery products, or provides lottery services.</p>			
<p>1. BCLC create and maintain a list of current identifying information on all BCLC retailers and BCLC retailer employees.</p>	<p>Phase 1: Initial compilation of current identifying information for lottery retailers.</p> <p>Phase 2: Comprehensive retailer database developed in conjunction with the retailer training and certification program starting October 2007.</p> <p>BCLC Sales Representatives will check current retailer employee lists against the retailer database to ensure compliance and accuracy.</p>	<p>Request for information issued to retailers May 19, 2007. Initial compilation completed August 2007.</p> <p>Maintenance of comprehensive retailer database will be ongoing.</p>	<p>March 2008</p>
	<p>BCLC will provide Gaming Policy Enforcement Branch (GPEB) monthly updates for on-site location manager information and Lottery Operation Agreement signatory for registration purposes.</p>	<p>Report parameters are being developed. GPEB registration started July 2007 with BCLC Retail kiosks first.</p>	<p>September 2007</p>
<p>2. BCLC require all BCLC retailers and BCLC retailer employees (insiders) to use a swipe card or enter a code before all purchases of lottery products in order to collect a prize.</p>	<p>BCLC is investigating a universal player card that would be optional for players and mandatory for lottery retailers.</p> <p>“No Play At Work” policy implemented. Lottery retailers (including employees who operate lottery equipment in the course of their jobs) are no longer allowed to purchase, play or validate their personal lottery tickets at their location of employment.</p> <p>All retailer prize claims over \$1,000 are subject to interviews by Corporate Security personnel and require sign off</p>	<p>Investigation underway.</p> <p>“No Play at Work” policy announced publicly May 29, 2007. A Directive was sent to all lottery retailers on July 17, 2007.</p>	<p>Summer 2009</p> <p>Completed July 2007</p> <p>Completed July 2007</p>

**BCLC Response to Recommendations by the BC Ombudsman
Player First Status Update – September 2007**

Ombudsman Recommendation	Action Description	Current Status	Target Completion
Note: "Retailer(s)" refers to any lottery retail location owner, manager or employee who operates BCLC lottery equipment, handles lottery products, or provides lottery services.			
	by the President and CEO.		
	BCLC has developed a new Lottery Retailer Code of Conduct which provides for consistent standards and expectations across the BCLC lottery network.	Lottery Retailer Code of Conduct sent to lottery retailers on July 17, 2007 and also included in the Player First retailer binder sent August 27, 2007.	Completed July 2007
3. BCLC report publicly and annually on the rate of insider play and wins at all prize levels.	BCLC will conduct regular independent research into retailer activity and report publicly and annually on the rate of insider play and prize wins at all levels.	BCLC is now tracking all retailer wins above \$1,000 for annual reporting. BCLC has contracted with Ipsos Reid to survey retailer play rates.	May 2008
4. BCLC pursue the development of technological security enhancements to monitor self-checking machines, speakers and any other devices designed to alert purchasers / customers of a win and if these devices are disabled for any reason to suspend sales at that location until they are inspected and repaired.	This recommendation seeks to reduce or eliminate the ability for any customer facing device to be tampered with or taken out of service. It focuses specifically on the Customer Display Monitor and Check-A-Ticket terminals (CATs).	All lottery terminals will be altered to ensure that they cannot be opened and tampered with by end of September 2007. System to provide BCLC with real-time notification of tampering so that sales can be suspended is in development.	September 2007 January 2008

**BCLC Response to Recommendations by the BC Ombudsman
Player First Status Update – September 2007**

Ombudsman Recommendation	Action Description	Current Status	Target Completion
<p>Note: “Retailer(s)” refers to any lottery retail location owner, manager or employee who operates BCLC lottery equipment, handles lottery products, or provides lottery services.</p>			
<p>5. BCLC require tickets or ‘non-valid duplicates’ to be returned to all ticket holders with appropriate markings to identify whether the ticket is not a winner; has been validated but not paid out; or is a winner and has been paid out.</p>	<p>A new device will be developed for use at point of sale to allow the player to validate their own ticket and the result printed on it. The player will have no need to surrender the original ticket to a lottery retailer.</p> <p>BCLC has implemented a new validation procedure that requires lottery retailers to return all tickets to the player; previously only non-winning tickets were returned. The new procedure requires lottery retailers to stamp the back of the winning ticket with “BCLC Paid by Lottery Retailer” stamp.</p> <p>In addition, BCLC created a validation information slip which is given to a player when the ticket is a winner but the lottery retailer can not pay-out the prize. The validation information slip confirms the prize.</p>	<p>BCLC is currently researching multiple options.</p> <p>Lottery retailers were required to return all tickets (including winning tickets with “PAID” marked on the back) and validation slips to players as of May 31, 2007.</p> <p>Project completed.</p> <p>Additional work will be undertaken to incorporate BCLC’s “universal winner symbol” into returned winning validation slips.</p>	<p>Summer 2009</p> <p>Completed June 2007</p> <p>Completed May 2007</p> <p>Completed September 2007</p> <p>Spring 2008</p>

**BCLC Response to Recommendations by the BC Ombudsman
Player First Status Update – September 2007**

Ombudsman Recommendation	Action Description	Current Status	Target Completion
<p>Note: “Retailer(s)” refers to any lottery retail location owner, manager or employee who operates BCLC lottery equipment, handles lottery products, or provides lottery services.</p>			
	<p>Currently tickets printed by the lottery terminal show purchase or play information which, if removed, could be used to enhance security investigations.</p>	<p>BCLC is undertaking a review of what information can be removed from the ticket to provide enhanced scrutiny of ticket ownership.</p>	<p>January 2008</p>
<p>6. BCLC include on-screen information about winning tickets in more than one language if the demographics of an area indicate this is useful.</p>	<p>Providing multi-lingual information on the Customer Display Monitor, by location, is not possible as they are not programmed to display different messages for each lottery retailer.</p> <p>BCLC is committed to more clearly communicating winning results to all players. When a player validates a winning ticket, the universal win symbol (dollar signs) will “fly” across the screen along with the word “WINNER” and the winning amount.</p> <p>BCLC will develop a brochure to educate players about winning tickets in multiple languages.</p>	<p>A universal win symbol was implemented August 27, 2007.</p> <p>Additional changes include:</p> <ul style="list-style-type: none"> • “WINNER” font provides more contrast with background and made easier to read • Multi-lingual “Play with Confidence” brochure will be distributed December 2007. 	<p>Completed August 2007</p> <p>December 2007</p>
<p>7. BCLC impose an audit process on all wins over \$3,000 that includes the requirement for a winner to make a statutory declaration that they are not a close relative of a BCLC retailer or a BCLC retailer employee.</p>	<p>A statutory declaration will be required by all prize claimants for amounts of \$3,000 or more to verify they are not a lottery retailer, or a family member of a lottery retailer.</p> <p>In order to process statutory declarations in British Columbia, Prize Payout staff must be appointed as Commissioners for Taking Affidavits.</p> <p>Prize claim forms from other jurisdictions were reviewed to identify</p>	<p>Statutory declarations will be implemented by October 2007, once BCLC prize payout staff have been appointed as Commissioners for Taking Oaths.</p> <p>New prize claim forms in use June 2007 that record whether a winner is a retailer or insider.</p>	<p>October 2007</p> <p>Completed July 2007</p>

**BCLC Response to Recommendations by the BC Ombudsman
Player First Status Update – September 2007**

Ombudsman Recommendation	Action Description	Current Status	Target Completion
<p>Note: “Retailer(s)” refers to any lottery retail location owner, manager or employee who operates BCLC lottery equipment, handles lottery products, or provides lottery services.</p>			
	<p>opportunities for enhancements to the prize claim process.</p> <p>The prize claim process policy for mail-in claims is under review to include a process for the new validation procedures, including statutory declaration requirements, as well as new process for security investigations. Opportunities for statutory declarations in remote locations are being investigated.</p> <p>Lotto Subscription forms were amended to include a claimant declaration indicating if the player is a lottery retailer or a family member of a lottery retailer.</p>	<p>Statutory declaration process for mail-in claims to be implemented October 2007</p> <p>On-The-Spot subscription forms revised August 27, 2007. Renewal/Expiry Notice forms under review.</p>	<p>October 2007</p> <p>November 2007</p>
<p>8. BCLC require BCLC retailers to collect identification from winners for wins of \$1,000 and greater and forward this information to BCLC. BCLC will then input this data into a database and perform random and regular audits to ensure the rightful owner of the winning ticket was paid the correct prize.</p>	<p>BCLC has reduced prize payout validation limits at lottery retail locations throughout the province from \$3,000 to \$999.99. This will allow BCLC to capture information for winners \$1,000 and higher in the prize winner database.</p> <p>A process for conducting regular audits of these claims will be established by December 2007.</p>	<p>Validation limit was reduced to \$999.99 in August 27, 2007.</p> <p>Process in development.</p>	<p>Completed September 2007</p> <p>December 2007</p>
<p>9. BCLC commit to moving toward implementing 100% coverage of Check-A-Ticket Terminals (CATs) and Keno Self-Service Terminals (SST) as soon as possible.</p>	<p>Check-A-Ticket Terminals (CATs) allow the player to check lottery products except Scratch and Win tickets and Pull Tabs. The CAT will display whether your ticket is a winner or not, and if so, how much you’ve won. BCLC will provide 100% Check-A-Ticket Terminal</p>	<p>Phase 1: CAT programming altered to display actual win amount. Completed April, 2007.</p> <p>Phase 2: 1,200 new CATs ordered. As of June 2007 CATs were available in 75% of lottery locations.</p>	<p>November 2007</p>

**BCLC Response to Recommendations by the BC Ombudsman
Player First Status Update – September 2007**

Ombudsman Recommendation	Action Description	Current Status	Target Completion
Note: “Retailer(s)” refers to any lottery retail location owner, manager or employee who operates BCLC lottery equipment, handles lottery products, or provides lottery services.			
	(CATs) coverage at all lottery locations.	Phase 3: CATs will be available in 100% of lottery locations by November 2007.	
	Newly developed self-service lottery terminals (SSTs) will be installed in bars and pubs that sell lottery products so players can purchase and validate their own lottery tickets.	SSTs are currently available in 198 locations. New units to be installed starting in December 2007.	March 2008
	Scratch & Win (S&W) tickets are currently not readable by CATs. In order to provide this capability, S&W tickets will be redesigned by placing the validation bar code under latex. The bar code would not be readable until the latex is removed, thereby providing an additional layer of security.	Vendor RFP development in progress.	Summer 2009
10. BCLC implement a system where Scratch & Win tickets (S&W) are recorded when sold to a player. BCLC to use this information as a security check during prize payout process.	<p>BCLC will investigate options for tracking the time of sale for <u>individual</u> Scratch & Win (S&W) tickets. In order to do this, the entire process for the development and distribution of S&W tickets will be reviewed.</p> <p>BCLC is investigating options for scanning or recording the code on a <u>pack</u> of S&W tickets prior to selling them to a player. This will help identify the timeframe when a ticket is sold to a player. This record will be used as a security check during the prize payout process for prizes greater than \$1,000.</p>	<p>Options are being reviewed.</p> <p>Options are being reviewed.</p>	<p>Summer 2009</p> <p>April 2008</p>

**BCLC Response to Recommendations by the BC Ombudsman
Player First Status Update – September 2007**

Ombudsman Recommendation	Action Description	Current Status	Target Completion
Note: "Retailer(s)" refers to any lottery retail location owner, manager or employee who operates BCLC lottery equipment, handles lottery products, or provides lottery services.			
11. BCLC modify its internal watchdog system to ensure that multiple checks of the same ticket, multiple attempts to validate a scratch and win or similar product, and any other suspicious activity be identified, investigated, reported upon, acted upon and tracked for trends.	Internal systems currently used to monitor retail activities and sales patterns for suspicious activity will be upgraded and integrated into a new incident tracking system. System replacement under consideration.	Manual processes to improve tracking and follow-up of alerts from current systems have been implemented for short term use. BCLC is currently assessing opportunities for implementing a full scale Fraud Detection system.	Summer 2009
12. BCLC develop an incentive program for BCLC retailers and BCLC retailer employees to identify gaps in post-point of sale security procedures and report them to BCLC.	BCLC will provide an incentive to retailers that will encourage them to identify opportunities for post point of sale security improvements.	Options are being reviewed.	January 2008
13. Where BCLC reasonably suspects that a BCLC retailer or retailer employee or any other person has committed a criminal offence, BCLC promptly pass on this information to the appropriate police force.	BCLC reports any incidents of suspected fraud or other criminal activity to police and to Gaming Policy & Enforcement Branch.	Current practice.	Completed November 2006
14. BCLC have a clear, consistently enforced, process of progressive discipline for BCLC retailers and BCLC retailer employees for breaches of post-point of sale security including where appropriate termination of the BCLC contract.	To help make sure players are protected and serviced by retailers willing to support BCLC policies and procedures, an enhanced Lottery Retailer Progressive Discipline Policy has been put in place. The Policy makes certain there is clear and consistent application of discipline that will be followed if BCLC Corporate Security investigators identify conduct by lottery retailers which harm and undermine: <ul style="list-style-type: none"> • the integrity or security of lottery 	Lottery Retailer Progressive Discipline Policy approved June 26, 2007. Lottery Retailer Progressive Discipline Policy sent to lottery retailers on July 17, 2007 and also included in the Player First retailer binder sent August 27, 2007.	Completed July 2007

**BCLC Response to Recommendations by the BC Ombudsman
Player First Status Update – September 2007**

Ombudsman Recommendation	Action Description	Current Status	Target Completion
<p>Note: “Retailer(s)” refers to any lottery retail location owner, manager or employee who operates BCLC lottery equipment, handles lottery products, or provides lottery services.</p>			
	<p>games</p> <ul style="list-style-type: none"> the reputation of BCLC’s lottery games BCLC’s authority to conduct, manage and operate lottery schemes on behalf of the Government of BC. <p>Disciplinary measures range from warning letter to immediate termination of the Lottery Operations Agreement depending on the type of contractual violation.</p>		
<p>15. BCLC certify all persons operating its machinery have been properly trained to do so.</p>	<p>BCLC will certify that all persons who operate lottery equipment have been trained. Training sessions will be available at BCLC offices, regional locations and on-site by BCLC Sales Representatives as well as through web-based/online training. Lottery retailers will have to pass a test to receive certification. Once certified, BCLC captures the names and date of birth of all lottery retailers for addition to the lottery retailer database (used to verify lottery retailer prize claims). Lottery retailers are required to maintain correct database information.</p>	<p>Certification program will begin October 2007 with training offered at BCLC offices, regional locations, on-site by Sales Representatives or through a training DVD.</p> <p>Web-based/online training and certification will be launched early 2008. RFP for web-based training issued.</p>	<p>October 2007</p> <p>March 2008</p>
<p>16. BCLC conduct regular, random and comprehensive audits of BCLC retail outlets to ensure compliance with its post-point of sale policies and take progressive disciplinary action for any</p>	<p>BCLC’s “mystery shopper” program now involves auditing retailers to ensure compliance with BCLC’s validation procedures. Disciplinary action will take</p>	<p>By December 2007, the majority of lottery retailers will have been visited at least once (except outlying points). An enhanced “mystery shopper” program is being</p>	<p>December 2007</p>

**BCLC Response to Recommendations by the BC Ombudsman
Player First Status Update – September 2007**

Ombudsman Recommendation	Action Description	Current Status	Target Completion
Note: “Retailer(s)” refers to any lottery retail location owner, manager or employee who operates BCLC lottery equipment, handles lottery products, or provides lottery services.			
breaches.	place as a result of any breaches.	developed for implementation in January 2008. This program will use winning tickets to test validation, payout and retailer integrity	
17. BCLC develop an incentive program for purchasers/customers to promptly report deficiencies at its retail outlet.	<p>BCLC is developing a Customer/Player Incentive Program.</p> <p>Players can contact BCLC (toll-free line, mail or using bclc.com) to report any perceived deficiencies in the lottery retail environment.</p> <p>BCLC’s Corporate Security staff will investigate and document all reported lottery retailer deficiencies and take appropriate action when necessary.</p>	<p>In development.</p> <p>Complete.</p> <p>Current practice.</p>	January 2008
18. BCLC create a written policy for dealing with all customer complaints about post point of sale security issues, including clear categories for identifying and tracking those customer complaints; a requirement that all those customer complaints be referred to and investigated by security; a process for analysing those complaints and tracking trends; and a requirement that the results of the process be reported on annually to the Chief Executive Officer, the Board of BCLC and the public.	<p>This program is intended to take a company-wide view to complaint management and resolution. It will involve changes to systems, process, policy and procedures. Trend analysis and integration to the overall risk and fraud framework will be included.</p> <p>An interim report on current complaint activities will be issued in December, and thereafter reporting will occur annually.</p>	<p>Call tracking system implemented April 2007. System provides call centre efficiencies and captures customer complaints received through all channels (email, 1-800 number, or mail).</p> <p>All integrity complaints are now referred to security.</p> <p>Wider case management systems and procedure changes now under consideration.</p>	July 2008
19. BCLC establish a position at the senior management level with	Terms of reference developed.	To be implemented once position	November

**BCLC Response to Recommendations by the BC Ombudsman
Player First Status Update – September 2007**

Ombudsman Recommendation	Action Description	Current Status	Target Completion
Note: “Retailer(s)” refers to any lottery retail location owner, manager or employee who operates BCLC lottery equipment, handles lottery products, or provides lottery services.			
responsibility for all aspects of post point of sale purchaser/customer prize payout security of lottery products.		filled.	2007
20. BCLC implement all GPEB December 2006 recommendations promptly.	BCLC has accepted all of GPEB’s December 2006 recommendations.	Of the 10 GPEB recommendations, 7 are complete and 3 are ongoing.	November 2007
21. BCLC be open to receiving complaints from players who feel that they were the victim of retailer impropriety. BCLC to investigate the complaints fully to determine if substantiated; if so, BCLC should be willing to reimburse the player.	All security-related complaints, including complaints of retailer impropriety, made through telephone, written correspondence or submitted through bclc.com are forwarded to lottery security for tracking and full investigation. Results of investigations are communicated to the player involved.	“Play With Confidence” page launched on bclc.com April 2007. This information was also advertised in newspapers throughout the province to advise players where they can complain. Toll free customer complaint line launched May 29, 2007.	Completed
22. BCLC review its records including phone logs and security records to determine if there are any complaints where BCLC can improve its response or investigation.	Call logs/transcripts for August 2004 through December 2006 have been provided to KPMG for third-party review. Records identified by KPMG will be reviewed and investigated by Corporate Security .	Initial review has been completed by KPMG. Security has begun their investigation of these results.	Completed July 2007 April 2008
23. BCLC security review all multiple retailer winners to confirm that the prize payouts are valid; if suspicious circumstances are found, BCLC to report to the appropriate authorities.	BCLC has contracted a third party Forensic Accountant to review in detail the prize claim files of lottery retailers from 2001 to 2007 who have claimed prizes over \$10,000. Specifically to determine whether the rightful owner of the prize winning ticket has been paid and/or possible reasons for multiple wins.	Forensic Accountant’s final report released August 23, 2007. All retailer wins \$1,000 or greater are now being reviewed by Corporate Security investigators to determine if prize payouts are valid. The Solicitor-General has also appointed Deloitte & Touche to conduct a formal review of BCLC and GPEB, which includes review of	Completed August 2007 October 2007

**BCLC Response to Recommendations by the BC Ombudsman
Player First Status Update – September 2007**

Ombudsman Recommendation	Action Description	Current Status	Target Completion
Note: "Retailer(s)" refers to any lottery retail location owner, manager or employee who operates BCLC lottery equipment, handles lottery products, or provides lottery services.			
		winner files.	
Actions related to concerns about Game Design Issues (Ombudsman's Report, Appendix C)			
Review of Pull Tab model and provide recommendations for change.	BCLC will investigate options regarding what prizes have been won and which remain for the prize categories on Pull Tab games.	Under review.	April 2008
Scratch & Win (S&W) Prizes won reported on bclc.com	BCLC will provide information through our website on what prizes have been won and which remain for the prize categories on S&W games.	BCLC has begun work on system changes to allow for the reporting of ongoing prizing breakdowns for S&W games.	April 2008

**BCLC Response to Recommendations by the BC Ombudsman
Player First Status Update – September 2007**

ADDITIONAL INITIATIVES BEING IMPLEMENTED TO PUT BCLC AT THE FOREFRONT OF PLAYER PROTECTION			
Additional Action	Action Description	Current Status	Target Completion
“Win” tune change.	The win tune is the musical jingle that plays on the Lottery Terminal every time there is a winning ticket validated. The music now plays at the loudest volume and the tune has been modified to make it more distinct.	New win tune developed and implemented August 27, 2007.	Completed September 2007
Lottery terminal freeze.	Programming is being developed to make the Lottery Terminal freeze when a validation of \$10,000 or greater occurs. The retailer will be instructed to call Hotline and follow specific instructions. The player will also be spoken with by Hotline to ensure they understand what they need to do to redeem their prize.	Programming in progress.	November 2007
Extend validation file retention period.	Currently tickets that are validated or checked multiple times within 30 days following the draw will return the message to the player of “Already Validated.” Due to data storage limitations, after 30 days the game validation files are purged and any further attempts to repeat validate displays “Not A Winner”, leading to occasions when player believes he/she is being deprived of a win. System changes will be implemented to retain the specific validation message for a longer period of time.	Programming in progress.	November 2007

**BCLC Response to Recommendations by the BC Ombudsman
Player First Status Update – September 2007**

ADDITIONAL INITIATIVES BEING IMPLEMENTED TO PUT BCLC AT THE FOREFRONT OF PLAYER PROTECTION			
Additional Action	Action Description	Current Status	Target Completion
Implement “Play With Confidence” advertising.	<p>BCLC has implemented and will continue to support the “<i>Play with Confidence</i>” advertising program.</p> <p>BCLC will provide players with educational information about how to protect their ticket and how to determine if their ticket is a winner, and if so, how much.</p>	<p>“Ticket Care Instructions” and “Play With Confidence” advertising campaigns were initiated in November 2006.</p> <p>Educational information will continue to be provided.</p>	December 2007
Validation limit reduction and implementation of extended hours for Prize Payout Offices.	<p>BCLC has reduced prize payout validation limits at lottery locations from \$3,000 to \$999.99. For prizes \$1,000 - \$9,999 players will be directed to claim prizes at BCLC’s Richmond or Kamloops Prize Payout Offices, one of five Regional Prize Payout Centres or through the mail.</p>	<p>Validation limit reduction and extended hours for Prize Payout Offices in effect as of August 27, 2007.</p>	Completed September 2007
	<p>Prize claims \$10,000 or greater must be claimed in person at BCLC’s Richmond or Kamloops Prize Payout Offices only.</p> <p>BCLC’s Richmond and Kamloops Prize Payout Office hours of operation will be extended until 9:00 pm on Thursdays and open Saturdays from 9:00 am to 4:30 pm to accommodate anticipated demand.</p>		
Withhold payment to lottery retailers who have violated the “No Play At Work” policy.	<p>Investigation underway to determine if legal impediments to paying out retailer wins can be overcome.</p>		Unknown