

~~Stolen, Defective, Damaged, Destroyed, Lost, or Stolen and Damaged Scratch-It Tickets~~

- (1) Defective, Damaged, or Destroyed Tickets: A Lottery retailer will not be billed for non-activated Scratch-it tickets that are defective, damaged, or destroyed, or the Lottery may credit a retailer's EFT account for activated Scratch-it tickets that are defective, damaged, or destroyed, ~~under the following conditions:~~
  - ~~(a) Manufacturing Defect: If the defect is a result of a manufacturing error or the damage or destruction occurred during shipment, delivery, or dispensing; or~~
  - ~~(b) Reasonable Control: The damage or destruction is due to circumstances beyond the retailer's reasonable control, such as a structure fire, flood, or other natural disaster; and~~
  - (ea) Time Limitation: Damaged or defective Scratch-it tickets ~~are~~ must be returned to the Lottery within 30 days of discovering the damage or defect. When the Scratch-it tickets cannot be returned because they are completely destroyed or damaged beyond recognition, within 30 days of when the tickets were destroyed or damaged the retailer must submit, on a form provided by the Lottery, a signed and notarized affidavit which describes the circumstances of how the Scratch-it tickets were destroyed or damaged. The Lottery's Finance and Accounting department will review inventory and sales records and confirm the value of the destroyed or damaged Scratch-it tickets.
  - ~~(db) Director's Approval: Credit for defective, damaged, or destroyed Scratch-it tickets may be given only upon approval of the Director or designee.~~
- (2) Loss or Theft of ~~Activated~~ Tickets: ~~The Lottery may credit a retailer's EFT account for one-half of the uninsured loss of activated Scratch-it<sup>SM</sup> tickets that are stolen from the retailer's premises subject to the following:~~
  - ~~(a) Loss Amount: The theft results in a loss of \$150 or more of activated Scratch-it<sup>SM</sup> tickets.~~
  - ~~(b) Security Measures: The retailer has in place and was using at the time of the theft, reasonable security measures to prevent the theft of Scratch-it<sup>SM</sup> tickets. The Director will, in the Director's sole discretion, determine if a retailer was using reasonable security measures at the time of the theft. For purposes of this rule, "reasonable security measures" means that at a minimum, the retailer:~~
    - (A) ~~Approved Dispensers: Keeps Lottery Scratch-it<sup>SM</sup> tickets in Lottery approved dispensers, ITVMs, or stored in a locked container inaccessible to customers and unauthorized employees if the tickets are not yet being offered for sale;~~
    - (B) ~~Inventory Control Process: Has an inventory control process in place, including adequate record keeping, Scratch-it<sup>SM</sup> ticket access controls, and ticket activation controls; and~~

~~(C) — Accounting Procedures: Uses accounting or bookkeeping procedures that alert the retailer to the theft of activated Scratch-It<sup>SM</sup> tickets within seven business days of the theft.~~

~~(c) — Reporting Requirements: The retailer must:~~

~~(A) — R report the loss or theft to a local law enforcement agency and to the Lottery within 48 hours of discovering the loss or theft. The report must include the game, pack, and Scratch-it ticket numbers of the lost or stolen tickets. The Lottery will bill the retailer for non-activated tickets when they are reported lost or stolen. and~~

~~(B) — Submit to the Lottery a copy of a police report showing the theft was reported to the local law enforcement agency.~~

~~(d) — Retailer Affidavit: The retailer must submit to the Lottery, on an affidavit form provided by the Lottery, a signed and notarized statement:~~

~~(A) — Describing the circumstances of the theft, the game, pack, and Scratch-It<sup>SM</sup> ticket numbers of the stolen tickets, the total loss claimed, and a statement whether the retailer is self-insured or is covered by third-party insurance; and~~

~~(B) — The retailer must attach to the statement a copy of any documents substantiating the theft or loss, including, but not limited to, any inventory control records related to the stolen tickets and any financial records showing the monetary loss.~~

~~(e) — Third Party Insurance: If the loss is fully covered by third-party insurance, the retailer is not eligible to receive a credit for the stolen tickets. If the loss is not entirely covered by third-party insurance, then the retailer may receive a credit for one-half of the balance of the loss if the retailer provides a letter from the insurance company setting forth the amount of loss claimed by the retailer and the amount paid to the retailer by the insurance company. The retailer must provide any other information needed by the Lottery to determine the amount of insurance coverage and the amount paid to the retailer for the loss.~~

~~(f) — Cooperation: The retailer must fully cooperate with the Lottery and provide any documents or information requested. The retailer must cooperate fully in the prosecution of any criminal case resulting from the theft of the tickets or in any civil lawsuit for recovery of the amount of the loss paid to the retailer by the Lottery under this rule.~~

~~(g) — Restitution from Criminal Prosecution of Judgment in Civil Action: The Director will not credit the retailer's EFT account for any amount of the loss that a court orders repaid as restitution or that is awarded to the retailer in a civil judgment or settlement. The Director may delay crediting the retailer for the loss claimed until criminal proceedings related to the theft of the tickets are concluded. The Lottery may recover from the retailer any amount ordered as restitution in a~~

~~criminal case or received by the retailer pursuant to a civil judgment or settlement agreement.~~

~~(h) — Employee Theft: In no event will the Director authorize credit to a retailer when the retailer is the victim of employee theft.~~

~~(i) — Time Limitation: Notwithstanding the 48-hour reporting requirement of subsection (c) of this section, the Director may authorize a credit upon a showing that the failure to timely report was beyond the retailer's reasonable control. In no event will a retailer receive a credit for a theft that occurred more than 30 days prior to the date that the retailer reported the theft to the Lottery and the local law enforcement agency as set forth in subsection (b) of this section.~~

~~(j) — Limit on Credit Amount: In no event may a retailer receive credit for a loss resulting from theft in an amount greater than \$2500 during the term of the retailer contract.~~

~~(3) — Theft of Non-Activated Tickets: The Lottery will not bill a retailer for Scratch-it<sup>SM</sup> tickets received but not activated that are stolen from the retailer's premise if the theft results in the loss of \$150 or more of non-active Scratch-it<sup>SM</sup> tickets and the retailer complies with the requirements of subsections (2)(b) through (2)(h) of this rule. The limitations set forth in subsections (2)(g) through (2)(j) of this rule apply to the theft of non-activated Scratch-it<sup>SM</sup> tickets.~~

Statutory/Other Authority: [Or Const, Art XV, § 4\(4\)\(a\)](#), [ORS 461.120, 461.150, 461.190, 461.210, 461.260 & 461.300](#)

Statutes/Other Implemented: [Or Const, Art XV, § 4\(4\)](#), [ORS 461.120, 461.150, 461.190, 461.210, 461.260 & 461.300](#)