

Date:	October 10, 2025
То:	Director Wells and Oregon State Lottery Commissioners
From:	Kris Skaro, rules and policy analyst
Subject:	Public Comment Report re Bulk Ticket Purchases

In July, Lottery proposed rule changes to prohibit bulk ticket purchases, defined in the proposed rule as buying more than 50,000 tickets in the same Scratch-it Ticket game or more than 50,000 unique winning number combinations in the same drawing.

The rule was proposed in response to a high-profile incident in which a group of investors purchased 99% of all possible winning number combinations to guarantee a jackpot win, as well as other incidents in which people have conspired to purchase enough tickets to guarantee a large prize win.

Lottery notified legislators, media contacts, and other interested parties about the proposed rules and the opportunity to comment. The Lottery provided seven weeks to comment in writing and held a rulemaking hearing.

During the public comment period, Lottery received five comments. Two comments supported the rules. Three comments requested changes to the rule language to avoid a negative impact to their business while still meeting the stated goal of the rule. The comments are summarized in this report for your consideration. I will email a separate PDF that includes the full text of each comment for your reference.

As a reminder, Lottery is required by law to consider all comments before taking final action on the rules. Governor Kotek has directed state agencies to respond to comments received during the public rulemaking process. Therefore, each comment is followed by a brief response from the Lottery.

Director Wells will send final recommended rules to the Commission in the meeting materials for the October Commission meeting.

If you have questions, please let me or Director Wells know.

Commenter #1

She wrote to support the new proposed rules to "crack down on lottery misuse. I don't want to see out of state buyers allowed to continue, especially in the bulk-buying scenarios."

Lottery Response: We appreciate her support for the proposed rules.

Commenter #2

She commented to support other proposed rule changes but also mentions that she also agrees "with the other changes that preserve the integrity of the games, such as limiting bulk ticket sales."

Lottery Response: We appreciate her support for the proposed rules.

Steve Rosendahl, Lottery Retailer with Game Store, LLC

Steve Rosendahl is a longtime Lottery retailer who owns Game Store, LLC. He noted that in Lottery's Notice of Proposed Rulemaking, we said that we do not believe small businesses will be affected by or interested in the rule change, but he is writing to say that this rule would affect his small business, and he asks for the Lottery Commission's consideration in modifying the rule before it is finalized.

He says that while 50,000 seems like a reasonable cap on purchases, "there is ambiguity as to how or whether this rule would apply to businesses like my own that work with corporate entities that make bulk purchases without the intent to buy all possible number combinations.

"The Lottery has separately proposed rules to regulate purchases by certain entities acting as couriers, but it's not clear if this cap on "individual" purchases applies to those sales, which also happen in bulk. Given the volume of tickets we process at my location, a 50,000 limit on number combinations for draw games to a single purchaser would reduce the sales at my location and negatively impact my business.

"Therefore, I'd recommend implementing draw game caps that would allow these types of bulk sales to continue at existing rates (possibly subject to forthcoming regulation), while also ensuring that no one person is able to buy up a meaningful percentage of number combinations to ensure a win."

His recommended language is below with new language in bold italics and deleted language shown in strikethrough:

(4) Bulk Ticket Purchases Prohibited Restricted: Lottery games should not be played for investment purposes. No individual, and no group of individuals acting in concert, may purchase tickets in a manner intended to obtain all, or substantially all, possible winning number combinations for a single drawing or Scratch-It Ticket game. Unless preapproved by the Director and Commission, an individual or group of individuals working together may not purchase more than 50,000 tickets in the same Scratch-It Ticket game, or more than 50,000 100,000 unique possible winning number combinations for a single drawing in a draw game

that is not a multistate draw game, or more than 250,000 unique possible winning number combinations for a single drawing in a multistate draw game such as Powerball or Mega Millions.

After the comment period closed, Mr. Rosendahl asked to amend his comment in light of the record-breaking Powerball jackpot, which increased his draw game sales. He asked to amend his comment to request a 1,000,000 cap on national draw game ticket sales, which is still just 0.3% of all possible number combinations in the drawing.

<u>Lottery's Response</u>: In response to this comment, and following further analysis, Lottery is recommending an increase in the ticket purchase limits for draw games. Specifically, the proposed rule would allow purchases up to 3% of the total available number combinations.

For context, we estimate a 3% cap would allow purchases of roughly 8.7 million Powerball and Mega Millions tickets or about 368,000 number combinations or 184,000 tickets in Oregon's Game Megabucks. This approach aims to balance accessibility with game integrity. 3% is far below the percent purchased by the syndicate in Texas (about 99%), which should be an effective deterrent to syndicates targeting Oregon. Additionally, by using a percentage limit, future game or matrix changes would not require a rule change. This is similar to the approach of the Montana Lottery, who recently proposed prohibiting ticket purchases that exceed 5% of the total lotto game matrix.

We considered the intent language suggested in this comment but decided the language is subjective and would make the rules harder to enforce.

Dani Rosendahl, Lottery Retailer with Game Store, LLC

Dani Rosendahl is a Lottery retailer who owns Game Store, LLC. She testified at the rulemaking hearing that the 50,000 threshold for draw games is too low. The notice explains that the reason for the rules was the situation the occurred in Texas, but in that case, a syndicate bought millions of tickets in order to guarantee a jackpot. According to recent Oregonian reporting, you would need to buy 12 million unique possible winning number combinations to guarantee a jackpot prize in Megabucks and you would need to buy several hundred million tickets to corner the market in a national draw game. Her business sells well over 50,000 tickets in a drawing but she has never attempted to corner the market or buy all possible winning number combinations. Therefore, she requests Lottery increase the threshold for the number of winning number combinations that can be purchased in a single drawing.

<u>Lottery's Response</u>: Lottery understands that her business model is not being used to buy up all the tickets in an attempt to guarantee a jackpot prize. As noted above, Lottery is recommending an increase in the ticket purchase limits for draw games. For details, see Lottery's response to the previous comment.

Michael Platzer, Manager of Global Players Network USA

Michael Platzer, Manager of Global Players Network USA, wrote to request the Lottery amend the bulk purchase rules. "As detailed in the Notice, the Oregon Lottery proposed this rule in response to incidents that have come to light 'in which a group of individuals conspired to purchase all or most of the possible number combinations to ensure a jackpot win."

He argues the flat cap is "more restrictive than necessary to achieve the stated purpose" and "potentially incompatible with the lottery's separately proposed rulemaking regarding courier sales."

He says, "the number of combinations required to purchase all or most possible outcomes varies substantially by game. For example, the odds of winning Oregon's Megabucks game are 1:6,135,756. Purchasing 50,000 number combinations secures only 0.8% of the winning number combinations for this game. While the number of Scratch-It tickets issued for any one game are not publicized, it is likely that the Lottery issues fewer than 6,135,756 tickets per Scratch-It game, meaning that 50,000-ticket purchase could represent a far greater share of possible outcomes. For multi-state games, a 50,000 purchase has an even smaller impact: 50,000 unique number combinations equal just .016% of possible combinations for Mega Millions, and 0.017% of the available combinations for Powerball.

"This suggests that the proposed draw game limit is set far lower than necessary to prevent the targeted harm, and may unnecessarily reduce Lottery revenue. This concern is heightened given the separately pending rulemaking on courier activity, which assumes that bulk purchases will be permissible in the regular course of operations. As drafted, the bulk purchase rule could require couriers or other entities acting pursuant to a future regulatory structure to obtain separate preapproval for each single drawing in which they exceed 50,000 number combinations, even where no attempt is made to purchase all possible number communications. Such a preapproval process is likely to create inefficiencies and burdens for both the Lottery and the operators.

"To address the stated concern—preventing conspiracies to purchase substantially all possible wining combinations—without unduly restricting legitimate activity, we respectfully recommend tailoring the cap to game type and jackpot odds rather than imposing a single flat limit. This will narrowly tailor the restriction to address potentially wrongful conduct, while ensuring that it will not conflict with or impose unnecessarily onerous restrictions on lawful conduct that may be detailed in separate rulemaking. We propose the following language to that end:

(4) Bulk Ticket Purchases Prohibited Restricted: Lottery games should not be played for investment purposes. No individual, and no group of individuals acting in concert, may purchase tickets in a manner intended to obtain all, or substantially all, possible winning number combinations for a single drawing or Scratch-It Ticket game. Unless preapproved by the Director and Commission, an individual or group of individuals working together may not purchase more than 50,000 tickets in the same Scratch-It Ticket game, or more than 50,000 100,000 unique possible winning number combinations for a single drawing in a draw game that is not a multistate draw game, or more than 250,000 unique possible winning number combinations for a single drawing in a multistate draw game such as Powerball or Mega Millions.

After the comment period closed, Mr. Platzer asked to amend his comment in light of the record-breaking Powerball jackpot, which increased his draw game sales. He asked to amend his comment to request a 1,000,000 cap on national draw game ticket sales, which is still just 0.3% of all possible number combinations in the drawing.

<u>Lottery's Response</u>: As noted above, Lottery is recommending an increase in the ticket purchase limits for draw games to 3% of the total available combinations. Also as noted above, we considered the intent language but decided the language is subjective and would make the rules harder to enforce.