

Sec. 12-568a-2. General provisions

(a) Official procedures.

(1) The CLC shall at all times abide by the approved official procedures, except that in the event of an emergency situation, the CLC may deviate from the official procedures with the written permission of the department.

(2) Prior to implementation, the CLC shall obtain the department's written approval of all official procedures related to lottery games and the CLC internal controls in order to preserve the integrity of lottery gaming and operation and minimize the possibility of corruption or illegal practices for the protection of the public.

(3) Each different type of lottery game shall be established by the CLC and official procedures for each lottery game shall be approved by the department in writing prior to public promotion, implementation or sale of tickets. For purposes of sections 12-568a-1 to 12-568a-24, inclusive, of the Regulations of Connecticut State Agencies, the types or categories of lottery games shall be (A) instant games; (B) terminal games and (C) other games approved by the department, including any variations of instant and terminal games. Any lottery game or type or category of game, once having been established may thereafter be discontinued provided written notice is given to the department prior to or within 24 hours after discontinuation of such game. Except as otherwise provided in sections 12-568a-1 to 12-568a-24, inclusive, of the Regulations of Connecticut State Agencies, a discontinuation shall not affect the rights of those who purchased tickets prior to the effective date of discontinuation.

(4) Related to the operation of the lottery, official procedures shall be required for, but are not limited to, the following: prize claim periods; promotional drawings; unclaimed prizes; ticket validation and verification requirements; controls on the production and distribution of tickets and ticket stock; ticket destruction; lottery gaming system configuration; failover recovery; acceptance testing; procedures to protect the lottery gaming system from tampering with pools, liabilities or winning ticket information; procedures for balancing and for reconciling the lottery gaming system on a daily and weekly basis; lost or stolen ticket claims; mutilated tickets; payments of prizes to minors; multiple claimants; interrupted games; timing of prize payments; cancellation of tickets; security plans for the CLC's primary and secondary drawing locations; pool augmentation; game additions, changes and discontinuations; subscription programs; disaster recovery plans for the network, ICS and lottery gaming systems; business continuity plans for management of lottery games and lottery retailer terminals; probability of winning; lump sum versus annuitized payment plans; drawings; confidentiality of drawing procedures; vendor reports for issuance of ticket stock; fraudulent lottery game claims; previously paid lottery game claims; rightful ticket ownership and incredulous claims; unclaimed prize information; audits of instant ticket games; ticket reconstruction; agent settlement; definitions of a valid terminal ticket and a valid instant ticket; ticket vending machines; and acceptable practices for the sale and validation of tickets by agents.

(5) Related to internal controls, official procedures shall be required for, but are not limited to, the following: physical security of the CLC's buildings, cyber security, emergency response and resolution policies, management structure and qualification standards for key personnel, and marketing and sales procedures.

(6) The commissioner may accept, reject or require modification of any official procedure. Rejection or required modifications of an official procedure shall be based on the potential for detrimental impact on: the integrity of gaming operations; data privacy; financial or physical security of the lottery or the CLC; or the department's ability to effectively regulate the CLC or operation of lottery. The CLC may appeal any rejection of an official procedure by requesting a hearing before the commissioner in accordance with chapter 54 of the Connecticut General Statutes. Such request for a hearing shall be made in writing to the commissioner within fifteen days of receipt from the department of a rejection of an official procedure.

(b) Rules of operation.

(1) To assure the integrity of the operation of the CLC, by June 30th of each odd numbered year, the CLC shall prepare, update and submit to the department CLC's rules of operation for consideration and review. The department shall have thirty (30) calendar days to review and provide comments on the submitted rules of operation before the CLC Board may approve such rules of operation. At least two of the CLC's approved rules of operation shall be reviewed every two years by an independent certified public accounting firm, as approved by the department, which firm shall provide a management report to be submitted to the department. The same rules of operation shall not be reviewed again within a five-year period. The independent certified public accounting firm shall determine whether the CLC is operating in compliance with its rules of operation and whether there are any material weaknesses in the rules of operation reviewed by the accounting firm. Such management report shall be completed within ninety (90) days of the CLC's biennial rules of operation submission to the department.

(2) The CLC shall submit to the department a copy of any proposed revision of the rules of operation prior to engaging in the activity covered by the rules of operation.

(c) Emergencies. Notwithstanding the provisions of subsections (a) and (b) of this section, in the event of unforeseen problems which might reasonably cause substantial detriment to the public interest of the state, the department reserves the right to order an immediate suspension of the sales of any tickets or the conducting of any drawing relating to a particular game. The department may thereafter require the CLC to establish new procedures relating to the manner in which any incidental drawings are to be conducted, winners to be determined, and the amount of any prizes to be fixed. In addition, if during the actual conduct of any drawing, a problem arises requiring immediate action, the commissioner shall take immediate action.

(d) Prize payouts.

The CLC may limit its liability in games with fixed payouts and may cause a cessation of sales of tickets of certain designation when such liability limit has been reached.

(e) Notice of change of lottery games; drawing deadline. In the event that the CLC changes a lottery game to a different lottery game, the CLC shall set a date before which all eligible winners shall claim to participate in the final drawing of the old game. The CLC shall give adequate notice to the public by posting on the CLC website, and providing such other public notice as the department may require, that the lottery game is to be changed and that winning ticket holders shall claim by a certain date pursuant to this section to be eligible for the final drawing.

Regulations of Connecticut State Agencies

(f) **Waiver.** In the sole discretion of the commissioner, any provision contained within sections 12-568a-1 to 12-568a-23, inclusive, of the Regulations of Connecticut State Agencies, may be waived when such waiver is in the best interests of the state and the operation of the lottery.

(g) **Official procedures.** The CLC shall establish official procedures for each new lottery game and any modification to an existing lottery game. The procedures shall be in writing, kept on file at the CLC offices and made available upon demand to any party requesting a copy. The CLC may produce and distribute informational brochures and other materials designed to inform the general public as to the manner of participation in a lottery game. This lottery game information may also be printed on the ticket itself. However, in the event of any conflict, the official procedures, as approved by the department, shall control.

(Adopted effective October 6, 1999; Amended April 13, 2021)