



CALIFORNIA LOTTERY® Retailer Security Resource Guide



CALIFORNIA LOTTERY
SECURITY/LAW ENFORCEMENT DIVISION

INTRODUCTION

The goal of the California Lottery's Security/Law Enforcement Division (SLED) is to ensure that your association with the California Lottery (Lottery) is both successful and profitable. Your business and California's schools benefit from the responsible sale of Lottery products. The Lottery's ability to fulfill its mission largely depends upon the success of its retailers.

One of SLED's goals is to provide Lottery retailers with information related to loss prevention and security. This Retailer Security Resource Guide will help you to recognize problems and prevent or reduce losses related to your sale of Lottery products.

SLED may investigate any Lottery-related crime that is committed at your place of business. Lottery-related crimes may include burglary, robbery, theft, embezzlement, and receipt of stolen property. SLED assists local law enforcement agencies in investigating Lottery-related crimes and supporting the prosecution of persons who commit those crimes.

Working together, SLED and Lottery retailers can be successful in achieving their goals.

LOTTERY HEADQUARTERS

700 North 10th Street
Sacramento, CA 95811

DISTRICT OFFICES

(SLED Investigators and District Sales Representatives)

Northern California

Central Valley
750 W. Pinedale Avenue
Fresno, CA 93711
(559) 449-2430

East Bay
2489 Industrial Parkway West
Hayward, CA 94545
(510) 670-4630

Sacramento
4106 East Commerce Way
Sacramento, CA 95834
(916) 830-0292

San Francisco
820 Dubuque Avenue
So. San Francisco, CA 94080
(650) 875-2200

Southern California

San Diego
5656 Ruffin Road
San Diego, CA 92123
(858) 492-1700

Inland Empire
1840 Commercenter Circle
San Bernardino, CA 92408
(909) 806-4126

Van Nuys
16525 Sherman Way, Ste. C-10
Van Nuys, CA 91406
(818) 901-5006

Santa Fe Springs
9746 Norwalk Blvd.
Santa Fe Springs, CA 90670
(562) 906-6356

Santa Ana
3400 W. Warner Avenue, Ste. F
Santa Ana, CA 92704
(714) 708-0540

Telephone Numbers

California Lottery Retail Line
Security/Law Enforcement Division
TDD
GTECH Services/Supplies
Problem Gambling Hotline
California Lottery Website

1-800-EZLOTTO (1-800-395-6886)
1-800-LOTTERY option 4 (24 hours)
1-855-591-5776
1-800-666-6695
1-888-277-3115

www.calottery.com
www.californialottery.com
www.calottery.com/retailer
reportfraud@calottery.com

California Lottery Retailer Website
Report Fraud Online

General Security Tips

One of the highest priorities for business owners is to prevent their employees, customers, and business from becoming crime victims. There are several things you can consider doing to prevent or reduce the likelihood of becoming the victim of a crime.

- ❖ Consider installing a physical security alarm system and advertising the system by placing signs in clearly visible locations.
- ❖ If you are purchasing an alarm system, contact several reputable companies and get a full assessment of your needs. Consider adding the following features:
 - Monitored alarm system that contacts law enforcement when activated.
 - Panic buttons in case of a robbery.
- ❖ Fully illuminate the exterior of your building, including all parking areas.
- ❖ Make sure your business entrance is under video surveillance.
- ❖ Avoid having anyone work alone.
- ❖ Avoid blocking windows with signs or displays that may prevent people outside from seeing in. Your best protection is visibility from the outside.
- ❖ When closing each night, make sure your business is locked and your security system is operating.
- ❖ Use deadbolt locks on all exterior doors.
- ❖ Clearly mark public and private areas inside your retail location and secure private areas from public access.
- ❖ Maintain clear visibility to the street from your business so you are able to view the sidewalk, parking areas, and passing vehicles.
- ❖ Make sure your cash register is clearly visible to passers-by.
- ❖ Display signs at entrances and exits indicating that safes require secondary keys not in the possession of employees.
- ❖ If your business is in an area with a high robbery rate, consider installing a bulletproof cashier screen.

- ❖ Develop a mutual aid system among stores on your block. Agree to keep an eye on each other's buildings and watch for any suspicious activities. Consider installing "buddy buzzer" alarms so you can signal your neighbor if you are being robbed.
- ❖ Record the serial number of the bottom bill in each bin of the cash drawer, and instruct employees not to use these bills in making change.
- ❖ Place colored tape markers at exits. Mark at height intervals for use in identifying the height of persons in the event of a robbery.
- ❖ NEVER count your cash receipts in your office while the office door is open to the public, or closed but unlocked! Require employees to notify you of any visitors, customers, or sales personnel before opening the office door during a money count. It is much better for you to meet them at the front counter than have them casually enter your office.
- ❖ Ask your local law enforcement agency's crime prevention unit for a security survey of your business.

If you suspect your business has been burglarized:

- ❖ Call 911 and make a police or sheriff's crime report. Obtain the report number for future reference.
- ❖ Don't go inside – the burglar might still be there.
- ❖ Don't open for business until law enforcement completes its investigation – your employees or customers might unknowingly destroy or alter valuable evidence.

If you are robbed:

- ❖ Consider your personal safety first and foremost!
- ❖ If you have a silent alarm *and can reach it unnoticed*, use it. Otherwise, wait until the robber leaves.
- ❖ Have a prearranged signal for such emergencies to alert other employees.
- ❖ Observe carefully. The description of the suspect you give to law enforcement might be the only information they have to go on in their investigation.
- ❖ Call 911 and make a police or sheriff's crime report. Obtain the report number for future reference.
- ❖ Write down everything that you can remember about the robber and crime itself; the robber's physical description (including tattoos, accent, scars or anything

unusual), clothing, words used, mannerisms, weapon, vehicle description, and direction of travel.

- ❖ Keep everyone away from the crime scene to prevent them from contaminating any evidence (surfaces or objects the robber might have touched).
- ❖ Cooperate fully with law enforcement and prosecutors. Your help is crucial.

Lottery Security

Lottery tickets are valuable and should be treated with the same caution as money. To make sure your lottery products are safe and secure:

- ❖ Keep Lottery terminals under video surveillance.
- ❖ Sign off whenever a Lottery terminal is left unattended.
- ❖ Sign off each Lottery terminal at the close of business.
- ❖ Only allow properly trained employees to operate Lottery terminals.
- ❖ Never allow customers to access your Lottery terminals.
- ❖ Place reserve ticket stock in a secure location.
- ❖ Retain all Lottery terminal "SIGNED ON" slips for at least **14 days**.
- ❖ Confirm the price and make sure you receive payment for Lottery products before giving them to your customer.
- ❖ Report the malfunction of any Lottery-issued equipment immediately by contacting GTECH Services/Supplies.
- ❖ Scan all tickets through the Lottery terminal before paying any prizes. Never pay a Lottery prize by simply looking at the ticket, as the ticket may have been reported lost or stolen and you may not be reimbursed for paying that prize.
- ❖ Pay only the prize amount that is listed on the "Cashing Receipt" generated by the Lottery terminal. Never pay more or less than the indicated amount.
- ❖ Never pay a Lottery prize of \$600 or more. Instead, provide the winner with a claim form. Prizes of \$600 or more can only be paid by the Lottery.
- ❖ Mark "PAID," tear, mutilate, or draw a line through the barcode of tickets you have validated/cashed.

- ❖ Keep a complete, up-to-date inventory of your Lottery merchandise and property (by serial number if available). Keep a copy in a safe deposit box at a location away from your retail location.
- ❖ Report any crime involving Lottery products to your nearest law enforcement agency first, and then contact SLED by calling 1-800-LOTTERY/1-800-568-8379 and choosing option 4. Please provide a police report number if available.

Scratchers®

Inventory Control

- ❖ Always maintain an up-to-date inventory of your Scratchers tickets. For your convenience, the Lottery has included examples of "Daily Scratchers Tracking" and "Instant Ticket Vending Machine Inventory" forms with this guide. It is very important to complete these forms, keep them updated, and maintain them in a secure location away from the Scratchers display. When reporting stolen Scratchers tickets to the Lottery you will need to provide the game number, pack number, and ticket number range (for example, the stolen Scratchers tickets ranged from number 074 to 249) of the stolen tickets.
- ❖ Never place Lottery products in easy reach of the public. Place all Scratchers display units where they can be visually monitored by store employees.
- ❖ Only display Scratchers tickets that are being offered for sale to the public. All other Scratchers tickets should be placed in a secure, locked location.
- ❖ Sell Scratchers tickets in consecutive order. Avoid separating packs of tickets. This could make it difficult to identify any lost or stolen tickets.
- ❖ Do not allow all employees access to your Scratchers ticket inventory. Only employees with management responsibility should have access to these products.

Confirming Scratchers Ticket Orders

- ❖ Scratchers tickets are shipped to you from the Lottery. Each order contains a delivery invoice that identifies all tickets in the order. A copy of a delivery invoice has been included in your "Retailer Training Handbook." Please take the time to familiarize yourself with this invoice. Invoices are very important and should be kept with your Lottery records.

- ❖ Confirm receipt of an order only after verifying that the contents are complete and the delivery receipt is accurate.
- ❖ If a shipment box or envelope is intact and has not been altered, sign as “received” and confirm receipt through the Lottery terminal.
- ❖ If a shipment has been damaged or tampered with, check the contents and the invoice carefully. Ensure that the invoiced contents are there and that the delivery person notes the damage before signing as “received” and confirming through the terminal.
- ❖ Immediately report any overages or shortages of Scratchers tickets or packs to the Lottery by contacting your District Sales Representative or calling the Lottery’s toll-free number at 1-800-EZLOTTO.

Validating Scratchers Tickets

- ❖ Retailers **must validate** Lottery tickets before paying a prize to a customer. When a Lottery ticket is validated, the terminal will produce a validation slip verifying the prize amount to be paid. It will also include information that will provide retailers with the current status of the Lottery ticket and will notify them if a ticket has been previously paid, is not a winner, has been altered, or has been reported stolen.
- ❖ Retailers are authorized to cash only validated winning Lottery tickets for prizes under \$600.
- ❖ The Lottery will not reimburse the retailer for payment of a prize to a customer for a Lottery ticket that has not been validated.

Reporting Lost or Stolen Scratchers Tickets

- ❖ Report any crime involving Lottery products to your nearest law enforcement agency first, and then contact SLED by calling 1-800-LOTTERY/1-800-568-8379 and choosing option 4. Provide a police report number if available.
- ❖ Make sure any report you file contains accurate, up-to-date information identifying the stolen Scratchers tickets. This includes game, pack, and ticket range numbers.
- ❖ Depending on the accuracy of the information you provide, at the Lottery Director’s discretion you may be reimbursed by the Lottery for some or all of the cost of stolen tickets.

- ❖ Retailers are required to provide insurance information when requesting reimbursement for stolen tickets. Failure to provide insurance information may result in the denial of a reimbursement request. Retailers who have been credited by the Lottery for stolen, lost, damaged, or destroyed tickets and who recover all or any portion of the loss from an insurer or other third party must immediately notify the Lottery. The Lottery is entitled to offset the retailer's account to reflect the Lottery's share of such recovery.
- ❖ Report the recovery of any lost or stolen Lottery products. If a report was made in error, contact SLED immediately.

Fraudulent or Stolen Scratchers Tickets

Validate ALL Scratchers tickets BEFORE making any prize payments. Non-winning Scratchers tickets can be altered to make them look like winning tickets. Scratchers tickets that have been altered will be detected by the Lottery terminal and will not be validated.

- ❖ Players have been known to replace the entire play area of an ALREADY PAID winning ticket to a non-winning ticket. Winning Scratchers tickets that have already been paid and tickets that have been "flagged" as stolen will **NOT** validate for a prize when scanned. The Lottery terminal and printed receipt will display a message telling the player to "file a claim" with the Lottery.

Novelty/Joke Tickets – Scam

- ❖ Official Lottery Scratchers tickets are printed with the words *California Lottery*® on the FRONT and BACK. Novelty-type tickets are **NOT** printed by the California Lottery. They are sold at novelty stores and are used as a joke or gag with a bogus prize, usually for \$10,000. Occasionally, players have taken the back of an official Scratchers ticket and pasted it to the back of a novelty ticket. They try to sell the altered Scratchers ticket to an unsuspecting retailer or private citizen for a reduced prize (of \$1,000 - \$2,000).

Draw Games

- ❖ Use only draw game ticket stock that was issued to your store by the Lottery.
- ❖ Do not pre-print Lottery draw game tickets for sale. Only print draw game tickets when customers request them.
- ❖ Always VERIFY the VALUE of a draw game ticket BEFORE releasing it to the player to ensure that your customer has paid the proper price for their ticket. Don't assume the customer is paying the proper price for a draw game ticket.

Example: A customer gives a cashier \$1.00 and a playslip marked for 100 draws (a \$100 value) to purchase a Hot Spot® ticket. The cashier prints the Hot Spot ticket and hands it to the customer who then leaves the store. The cashier did not check the Lottery terminal screen or ticket to verify the value of the Hot Spot ticket. The customer left the retail location with the \$100 Hot Spot ticket resulting in a net loss of \$99 to the retailer. The cashier should have verified the ticket's value was \$100, and not assumed it was for \$1.00.

- ❖ Immediately cancel any Lottery draw game ticket issued in error (except for Mega Millions and Powerball tickets, which cannot be cancelled).
- ❖ Report any crime involving Lottery products to your nearest law enforcement agency first, and then contact SLED by calling 1-800-LOTTERY/1-800-568-8379 and choosing option 4. Please provide a police report number if available.