

Ohio Lottery Commission

Video Lottery Sales Agent Fine Schedule

The Ohio Lottery has established rules and regulations establishing the framework for video lottery sales at racetrack locations. Violation of those rules and regulations may subject Video Lottery Sales Agent (VLSA) to sanctions including suspension or revocation of licenses or the levying of fines.

OAC 3770:2-3-05 Video lottery licenses; suspension or revocation.

(A) A video lottery license may be suspended or revoked as set forth in this rule:

(1) Non-compliance with Lottery Act, rules, regulations, policies, or directives. The director may suspend or revoke a video lottery license of a video lottery sales agent who does not comply with the Lottery act, all rules, terms and conditions, policies, orders and directives adopted, promulgated or issued by the commission or the director including but not limited to the following:

(a) Failure to pay any required licensing fee;

(b) Failure to maintain any required surety bond, dedicated non-revocable letter of credit, or other form of credit authorized or required by the director;

(c) Failure to maintain any insurance, coverage and/or bonds required by the director;

(d) Making a fraudulent representation in connection with a video lottery application or the video lottery sales agent's conduct;

(e) Failure to promptly and accurately settle the accounts of lottery transactions and/or pay to the commission the amounts due the commission from video lottery sales, unclaimed credit vouchers or other amounts due the commission in accordance with the procedures established by the director;

(f) Failure to credit or pay a winning video lottery participant as required by commission rule, regulation, policy, order or directive;

(g) Allowing an individual under the age of twenty-one to play video lottery games or to be paid a video lottery prize payment;

(h) Failure to maintain adequate and sufficient security at the video lottery sales agent's licensed facility;

(i) Offering a video lottery game that has not been approved by the director or commission, as applicable;

(j) Maintaining, installing or operating devices for the sale of video lottery at the facility approved for a video lottery license other than video lottery terminals (VLT) authorized and approved by the director for use in connection with video lottery;

(k) Failing to purchase, lease, maintain or make a timely repair the minimum number of video lottery terminals as required by the director or purchasing, leasing or maintaining an amount of video lottery terminals in excess of a maximum number authorized by the lottery act, all rules, terms and conditions, policies, orders and directives adopted, promulgated or issued by the commission or the director;

(l) Failure to comply with the terms and conditions of "The Americans with Disabilities Act of 1990," 104. stat. 327, 42 U.S.C. 12101 to 12213;

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(m) Failure to provide any required notice or failure to obtain any required approval prior to relocation or transportation of a video lottery terminal;

(n) Failure to make capital improvements as required by commission rule, regulation, policy, order or directive, and/or fail to meet financial obligations necessary for the continued operation of video lottery;

(o) Acting in a manner that impacts or has the likelihood of impacting the efficient operation or integrity of video lottery;

(p) Failure to adhere to all the terms and conditions as set forth in the licensing agreement, including any amendments or modifications thereto.

(2) The director may suspend or revoke a video lottery license if a video lottery sales agent, or any of its video lottery principals or any person who the director has determined should be subjected to a criminal background check are convicted of any of the offenses set forth in divisions (C)(1) to (C)(5) and (E)(1) to (E)(2) of section 3770.05 of the Revised Code, or any other criminal violation which as determined by the director may negatively impact the integrity of the lottery.

(3) The director may suspend or revoke a video lottery license if, at any time after issuance of a video lottery license, the director determines that a video lottery sales agent no longer meets the requirements and standards for issuance of a video lottery license as set forth in the Lottery Act, commission rules, regulations, policies, orders and directives adopted, promulgated or issued by the commission or the director.

(B) Any suspension or revocation under this section may be in addition to or in lieu of the imposition of a fine under rule 3770:2-3-06 of the Administrative Code.

(C) When required to do so by the Administrative Procedure Act, the director shall afford a hearing to a video lottery sales agent affected by an order to suspend or revoke a video lottery license. Such hearings shall be conducted by the director or a hearing examiner designated by the director and shall comply with the requirements for adjudication hearings set out in the Administrative Procedure Act.

(D) If a video lottery sales agent's video lottery license is revoked, a video lottery agent may reapply, but any subsequent application shall require submission of a new application and payment of a separate application fee and licensing fee, as applicable, and shall only be submitted after any waiting period for reapplication, if any, established by the director, has expired.

OAC 3770:2-3-06 Video lottery licenses; fines.

(A) As determined by the director, monetary fines may be imposed upon a video lottery sales agent who does not comply with the Lottery Act, all rules, regulations, terms and conditions, policies, orders and directives adopted, promulgated or issued by the commission or the director which may include but may not be limited to a determination that a video lottery sales agent has failed to comply with or violated any provisions set forth in paragraphs (A)(1) to (A)(3) of rule 3770:2-3-05 of the Administrative Code.

(B) Any fines under this section may be in addition to or in lieu of a suspension or revocation under rule 3770:2-3-05 of the Administrative Code.

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(C) The director may establish a schedule of fines that may be imposed pursuant to the authority set forth herein. Said schedule, and any amendments or revisions thereto, shall be approved by the director and made available to video lottery sales agents prior to imposition of monetary fines thereunder. Nothing contained on a fine schedule established by the director for video lottery sales agents shall mandate imposition of a fine, but in the event that fines are imposed, the video lottery sales agent fine schedule in effect at the time of the event leading to a determination that a fine shall be imposed, shall be applicable.

(D) When required to do so by the Administrative Procedure Act, the director shall afford a hearing to a video lottery sales agent affected by an order imposing a fine. Such hearings shall be conducted by the director or a hearing examiner designated by the director and shall comply with requirements for adjudication hearings set out in the Administrative Procedure Act. The requirement of the Administrative Procedure Act that adjudication hearings be afforded prior to a final decision by the director to suspend or revoke a video lottery license may be waived under circumstances such as non-payment of funds owed by a video lottery sales agent, or for reasons related to the public safety, convenience or trust which require immediate action. Further, as necessary for reasons related to public safety, convenience or trust which require immediate action, the director may order the immediate and indefinite disabling of all or a portion of the video lottery operations and/or removal of video lottery equipment at a video lottery sales agent's video lottery facility. The director, however, must continue to comply with the requirements of the Administrative Procedure Act in affording the video lottery sales agent a subsequent opportunity for an adjudication hearing.

Violation	Fine (maximum per occurrence)	OAC 3770 (Reference)
Conducting advertising or promotions deemed by the director to be inappropriate.	\$1,000 ¹	3770:2-6-05 The director may prohibit video lottery sales agents from engaging in certain advertising and promotions deemed by the director to be inappropriate. Unless otherwise approved by the director, any costs associated with advertising or promotions initiated by the video lottery sales agent are the responsibility of the video lottery sales agent. The director may initiate advertising and promotional programs and may provide video lottery sales agents with such materials as deemed appropriate
Conducting a promotion without the approval of the Director.	\$1,000 per day with a maximum of \$10,000 as well as any free play associated with the unapproved promotion.	3770:2-6-05 The director may prohibit video lottery sales agents from engaging in certain advertising and promotions deemed by the director to be inappropriate. Unless otherwise approved by the director, any costs associated with advertising or promotions initiated by the video lottery sales agent are the responsibility of the video lottery sales agent. The director may initiate advertising and promotional programs and may provide video lottery sales agents with such materials as deemed appropriate.

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Failure to provide the OLC with video lottery terminal floor plans and to update them as appropriate.	\$1,000	3770: 2-6-04 (B) Relocation and installation of video lottery terminals within a video lottery sales agent's facility. As required by the director, a video lottery sales agent shall provide the lottery with an updated video lottery terminal floor plan which sets forth the number of video lottery terminals, the names of the video lottery terminal providers (and the number of video lottery terminals provided by each different video lottery terminal provider), and the location of each video lottery terminal.
Employing an individual without an appropriate key gaming, gaming, or non-gaming license and proper identification.	\$1,000 per employee with a maximum of \$5,000	3770:2-4-01 (B), (C) (B) Any individual who holds a license may perform the duties and responsibilities of any position within that category. (C) Identification. A licensed employee shall have a photo taken for identification purposes and shall produce the appropriate and necessary identification, within a reasonable time, when required to do so.
A VLSA that does not have required certifications for video lottery terminals and video lottery games prior to operation by the public.	\$1,000 per machine	3770:2-6-04(C) Certification. All certifications required by the lottery for video lottery terminals and video lottery games must be provided and must occur in accordance with rule 3770:2-5-01 of the Administrative Code and any other required procedures and any required certifications shall be in place prior to operation by the public of any video lottery terminal.
A VLSA that has more than two thousand five hundred video lottery terminals operational at the licensed facility without the approval of the Director.	\$1,000 per day ²	3770:2-6-01(B) A determination regarding the number of video lottery terminals that shall be located at and operational at the licensed facility shall involve discussions between the video lottery sales agent and the director. Unless otherwise approved by the director, no video lottery sales agent shall have more than two thousand five hundred video lottery terminals operational at the licensed facility.
A VLSA permits an individual less than twenty-one years of age to play a video lottery game.	\$10,000 per occurrence	3770:2-7-01(A) (A) Video lottery games may be played by and video lottery prize payments may be paid to video lottery participants. In the event that an individual under twenty-one years of age plays a video lottery game, the play of the game is voidable and the individual under twenty-one years of age forfeits all credits 3770:2-3-05(A)(1)(g) Allowing an individual under the age of twenty-one to play video lottery games or to be paid a video lottery prize payment

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<p>A VLSA permits an individual less than twenty-one years of age to play a video lottery game and to win a video lottery jackpot</p>	<p>\$10,000 per occurrence. In addition, the jackpot shall be voided and the VLSA shall forfeit the commission derived from the canceled jackpot (66.5% of amount).</p>	<p>3770:2-7-01 (A) (A) Video lottery games may be played by and video lottery prize payments may be paid to video lottery participants. In the event that an individual under twenty-one years of age plays a video lottery game, the play of the game is voidable and the individual under twenty-one years of age forfeits all credits. 3770:2-3-05(A)(1)(g) Allowing an individual under the age of twenty-one to play video lottery games or to be paid a video lottery prize payment</p>
<p>A VLSA fails to demonstrate control of individuals less than twenty-one years of age that traverse the gaming floor at all times while within the facility.</p>	<p>Up to \$10,000 per occurrence</p>	<p>OLC Security and Surveillance Policy VLSAs must demonstrate active control over individuals less than twenty one years of age traversing the gaming floor to prevent these individuals from loitering or stopping while en route to age allowable venues such as the race track, entertainment, or restaurants.</p>
<p>A VLSA who does not seek approval by the director prior to putting VLT into operation or installs and operates VLT other than an approved VLT.</p>	<p>\$1,000 per day²</p>	<p>3770:2-3-05(A)(1) (i) and (j) (i) Offering a video lottery game that has not been approved by the director or commission, as applicable; (j) Maintaining, installing or operating devices for the sale of video lottery at the facility approved for a video lottery license other than video lottery terminals authorized and approved by the director for use in connection with video lottery;</p>
<p>A VLSA who sets the theoretical payout of a VLT to below eighty-five percent.</p>	<p>\$25,000 per machine</p>	<p>3770:2-10-60 (D) Prize structure. The value of video lottery prize winnings and the number and type of different video lottery prize winning combinations available for each video lottery game shall be established by the director and shall be subject to approval through a resolution of five commissioners present at a meeting of the commission prior to the video lottery game being available to a video lottery sales agent for sale to video lottery participants. No resolution shall be approved unless there is a projected average return to video lottery participants of eighty-five per cent or more during the expected lifetime of the video lottery game using standard methods of probability theory</p>

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Failure to maintain any required surety bond, dedicated non-revocable letter of credit, or other form of credit authorized or required by the Director.	\$10,000	3770:2-3-05 (A) (1)(b) (b) Failure to maintain any required surety bond, dedicated non-revocable letter of credit, or other form of credit authorized or required by the director
Failure to maintain any insurance, coverage and/or bonds required by the director.	\$10,000	3770:2-3-05(A)(1)(c) (c) Failure to maintain any insurance, coverage and/or bonds required by the director;
Failure to maintain adequate and sufficient security for video lottery terminals or video lottery games provided in the State.	\$10,000	3770:2-3-05(A)(1)(h) (h) Failure to maintain adequate and sufficient security at the video lottery sales agent's licensed facility;
Failure to provide any required notice or failure to obtain any required approval prior to transportation of a video lottery terminal within or out of the State.	\$10,000	3770:2-6-04 (A) Transportation of video lottery terminals. Prior to transportation of a video lottery terminal within or out of the state, the video lottery sales agent and/or technology providers shall provide prior notification to the director. Notification shall be provided in a manner determined by the director to be acceptable.
Failure to adhere to all the terms and conditions as set forth in the licensing agreement, including any amendments or modifications.	\$10,000	3770:2-3-05(A)(1) (p) (p) Failure to adhere to all the terms and conditions as set forth in the licensing agreement, including any amendments or modifications thereto.
Failure to comply with ongoing duty to report changes in financial condition, criminal activities, and other incidents as set in policy.	\$50,000	3770:2-3-05 (A)(3) The director may suspend or revoke a video lottery license if, at any time after issuance of a video lottery license, the director determines that a video lottery sales agent no longer meets the requirements and standards for issuance of a video lottery license as set forth in the Lottery Act, commission rules, regulations, policies, orders and directives adopted, promulgated or issued by the commission or the director.
If the director has determined that a VLSA provider should be subjected to a criminal background check and is convicted of any of the offenses set forth in divisions(C)(1) to (C)(5) and (E)(1) to (E)(2) of Section 3770.05 of the Revised Code, or any other criminal violation which as determined may negatively impact the integrity of the lottery.	\$50,000	3770:2-3-05(2) The director may suspend or revoke a video lottery license if a video lottery sales agent, or any of its video lottery principals or any person who the director has determined should be subjected to a criminal background check are convicted of any of the offenses set forth in divisions(C)(1) to (C)(5) and (E)(1) to (E)(2) of section 3770.05 of the Revised Code, or any other criminal violation which as determined by the director may negatively impact the integrity of the lottery.

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<p>Failure to complete the transfer of funds required in order to settle the weekly invoices sent to the VLSA.</p>	<p>10% of the transfer</p>	<p>3770:2-3-10 (E) Penalties for non-transfer of funds. The director may impose penalties for the failure of a video lottery sales agent to transfer funds to the lottery in a timely manner. Penalties may include, but are not limited to, monetary penalties, modification of license, immediate suspension or revocation. The director may adopt internal management regulations elaborating on any terms regarding the collection of sales revenues due and owing from the video lottery sales agents.</p>
<p>Failure to restore communications between an active commissioned VLT and the Central Monitoring System (CMS) within seven days, thus prohibiting the accurate and prompt settlement with the Ohio Lottery.</p>	<p>\$1,000 per VLT per occurrence</p>	<p>3770:2-3-05(A)(e) Failure to promptly and accurately settle the accounts of lottery transactions and/or pay to the commission the amounts due the commission from video lottery sales, unclaimed credit vouchers or other amounts due the commission in accordance with the procedures established by the director;</p>

¹ Also the advertising and/or promotional campaign shall be required to be pulled from all media.

² Also subject to forfeit all revenue related to this machine.