

CHAPTER 1
GENERAL OPERATION OF THE LOTTERY

[Prior to 1/14/87, Iowa Lottery Agency[526] Ch 1]

[Prior to 9/17/03, see 705—Ch 1]

531—1.1(17A) Purpose. The Iowa lottery authority was established by Iowa Code Supplement chapter 99G to operate the state lottery.

This rule is intended to implement Iowa Code section 17A.3(1).

531—1.2(17A) Organization. The lottery is administered by the lottery authority board. The lottery is directed and supervised by the chief executive officer of the lottery. The lottery authority board has rule-making authority for the lottery.

This rule is intended to implement Iowa Code section 17A.3(1).

531—1.3(17A) Location. Lottery headquarters is located at 13001 University Avenue, Clive, Iowa 50325-8225. The lottery has regional offices located throughout the state offering some of the services available at the headquarters office. Information regarding lottery headquarters and regional offices can be obtained on the lottery Web site, www.ialottery.com, on point-of-sale game-play publications, and by contacting the lottery headquarters. The lottery authority board may be contacted through lottery headquarters. Office hours at all offices are 8 a.m. to 4:30 p.m., Monday through Friday. Prize redemption operations close at 4 p.m.

This rule is intended to implement Iowa Code section 17A.3(1).

[ARC 1954C, IAB 4/15/15, effective 5/20/15]

531—1.4(17A) Board meetings. The lottery authority board shall meet at least quarterly and may meet more often if necessary. The chief executive officer, the chairperson of the board, or a majority of the board may call a special board meeting. Board meetings are generally held at lottery headquarters at 13001 University Avenue, Clive, Iowa 50325-8225. Board meetings may be held by teleconference.

This rule is intended to implement Iowa Code section 17A.3(1) "a."

[ARC 1954C, IAB 4/15/15, effective 5/20/15]

531—1.5(17A,22,99G,252J) Public records and fair information practices.

1.5(1) In general, the business records of the lottery shall be public to the extent described in Iowa Code chapter 22. However, under Iowa Code Supplement section 99G.34, the following records shall be kept confidential, unless otherwise ordered by a court, by the lawful custodian of the records, or by another person duly authorized to release such information:

a. Marketing plans, research data, and proprietary intellectual property owned or held by the lottery under contractual agreements.

b. Personnel, vendor, and player social security or tax identification numbers.

c. Computer system hardware, software, functional and system specifications, and game play data files.

d. Security records pertaining to investigations and intelligence-sharing information between lottery security officers and those of other lotteries and law enforcement agencies, the security portions or segments of lottery requests for proposals, proposals by vendors to conduct lottery operations, and records of the security division of the lottery pertaining to game security data, ticket validation tests, and processes.

e. Player name and address lists, provided that the names and addresses of prize winners shall not be withheld.

f. Operational security measures, systems, or procedures and building plans.

g. Security reports and other information concerning bids or other contractual data, the disclosure of which would impair the efforts of the lottery to contract for goods or services on favorable terms.

h. Information that is otherwise confidential obtained pursuant to investigations.

1.5(2) Records, documents, and information in the possession of the lottery received pursuant to an intelligence-sharing, reciprocal use, or restricted use agreement entered into by the lottery with a federal

department or agency, any law enforcement agency, or the lottery regulation or gaming enforcement agency of any jurisdiction shall be considered investigative records of a law enforcement agency not subject to Iowa Code chapter 22 and shall not be released under any condition without the permission of the person or agency providing the record or information. Additionally, the results of background investigations conducted pursuant to Iowa Code Supplement section 99G.10(8) shall not be considered public records.

1.5(3) The lottery shall maintain and make available for public inspection at its offices during regular business hours a detailed listing of the estimated number of prizes of each particular denomination that are expected to be awarded in any game that is on sale or the estimated odds of winning the prizes and, after the end of the claim period, shall maintain and make available a listing of the total number of tickets or shares sold in a game and the number of prizes of each denomination that were awarded.

1.5(4) Notwithstanding any statutory confidentiality provision, the lottery may share information with the child support recovery unit through manual or automated means for the sole purpose of identifying licensees or applicants subject to enforcement under Iowa Code chapter 252J or 598.

1.5(5) Copies of public lottery business records may be obtained upon a written request made to the Iowa Lottery Authority, 13001 University Avenue, Clive, Iowa 50325-8225. The lottery may charge reasonable fees, including staff research and copying time, for the processing of any public records production requests.

This rule is intended to implement Iowa Code sections 22.11 and 252J.2, Iowa Code Supplement sections 99G.9(3) and 99G.10(8) and Iowa Code chapter 598.

[ARC 1954C, IAB 4/15/15, effective 5/20/15]

531—1.6(99G) Specific game rules. Specific game rules as authorized in Iowa Code Supplement section 99G.9(4) shall be made available by the lottery as necessary for the efficient conduct of specific lottery games. These rules may include, but are not limited to, descriptions of specific games, special promotions, and drawing procedures. Specific game rules shall be provided to board members as soon as is practical following issuance by the lottery. The promulgation of specific game rules is not subject to the requirements of Iowa Code chapter 17A.

This rule is intended to implement Iowa Code Supplement section 99G.9(4).

531—1.7(99G) Lottery contracting authority. The chief executive officer shall enter into contracts necessary for day-to-day operations, including without limitation contracts for accounting services, security services, annuity purchases, equipment and production, communications, auditing services, legal services, space planning, and remodeling. The chief executive officer may enter into these contracts without presenting these contracts to the board for approval or ratification. Contracts for consulting services that are expected to cost in excess of \$25,000 and all contracts for major procurements as defined in Iowa Code Supplement section 99G.3(8), must be ratified by the board in order to be binding on the lottery.

This rule is intended to implement Iowa Code Supplement sections 99G.7, 99G.9(2), and 99G.21.

531—1.8(99G) Location of ticket sales by retailers. Tickets may be sold on premises specified on a lottery license. Tickets may be sold on premises where alcoholic beverages, beer, or wine are sold or served pursuant to Iowa Code chapter 123. Tickets may not be sold by a retailer through the mail or by any technological means except as the lottery may provide or authorize.

This rule is intended to implement Iowa Code Supplement section 99G.30.

531—1.9(99G) Distribution of tickets by lottery authority. The lottery itself may sell lottery tickets. Ticket sales may be made by the lottery at any location or event deemed appropriate by the lottery. The lottery may distribute lottery tickets or shares for promotional purposes.

This rule is intended to implement Iowa Code Supplement sections 99G.21 and 99G.30.

531—1.10(99G) Ticket purchase restrictions. Tickets shall not be purchased by those persons designated in Iowa Code Supplement section 99G.31(2) “g” and “h” or by the assistant attorney general

assigned to the lottery. The lottery may restrict the purchase of tickets by lottery contractors through contractual provisions if the lottery determines that restrictions are appropriate.

This rule is intended to implement Iowa Code Supplement sections 99G.2(3) and 99G.31(2).

531—1.11(99G) Employee incentive programs. The lottery may design lottery employee incentive programs intended to increase lottery revenues. All employee incentive programs shall be approved by the board before implementation.

This rule is intended to implement Iowa Code Supplement section 99G.10(5).

531—1.12(99G) Advertising. Advertising for lottery games may include but is not limited to print advertisements, Internet, radio and television advertisements, billboards, and point-of-purchase display materials. Promotional and advertising items may be produced and distributed to the public, vendors, and retailers.

This rule is intended to implement Iowa Code Supplement sections 99G.2, 99G.7, and 99G.21.

531—1.13(99G) Promotional agreements with businesses. The chief executive officer may enter into agreements with business entities for the purpose of promoting any lottery game. Promotional agreements may require a business entity to fund or provide prizes or advertising.

This rule is intended to implement Iowa Code Supplement sections 99G.2, 99G.7, and 99G.21.

531—1.14(99G) Agreements for the sale of advertising. The lottery may enter into agreements with other units of state government or with individuals, corporations, or other entities outside of state government for the purpose of selling advertising space on such items as lottery tickets or equipment and in lottery publications or promotional materials. The lottery may also enter into such agreements to sell lottery tickets or merchandise marked with the lottery logo.

This rule is intended to implement Iowa Code Supplement sections 99G.2, 99G.7, 99G.9, and 99G.21.

531—1.15 to 1.27 Reserved.

531—1.28(99G) Promotional use of tickets by persons without lottery licenses. Other than the lottery, no person, business, or other organization may sell lottery tickets unless licensed by the lottery. Tickets may, however, be given away for promotional purposes. Tickets may be given away for promotional purposes in conjunction with the required purchase of a product or service or an admission fee without violating this provision provided that the actual cost of the product or service or admission fee is not calculated to include the ticket price, and the promotion is not designed, intended, or conducted to circumvent the lottery's licensing requirements.

This rule is intended to implement Iowa Code Supplement sections 99G.9, 99G.25, and 99G.30.

531—1.29(99G) Employee background investigation. The lottery shall require a background investigation by the department of public safety division of criminal investigation in connection with the employment of lottery personnel. Background investigations to be conducted are as follows:

1.29(1) Standard background investigations. The lottery may require a standard division of criminal investigation background investigation of any prospective lottery employee, consisting of a state criminal history background check, work history, and financial review.

1.29(2) Sensitive position background investigations. The board shall identify those sensitive positions that require full background investigations. Such positions shall include, at a minimum, any officer of the lottery, and any employee with operational management responsibilities, security duties, or system maintenance or programming responsibilities related to the lottery's data processing or network hardware, software, communication, or related systems. In addition to a work history and financial review, a full background investigation may include a national criminal history record check through the Federal Bureau of Investigation. The screening of employees through the Federal Bureau of

Investigation shall be conducted by submission of fingerprints through the state criminal history record repository to the Federal Bureau of Investigation.

1.29(3) *Alternative sources for investigations.* In lieu of a division of criminal investigation standard or full background investigation, or any component thereof, the chief executive officer, at the chief executive officer's discretion and in cooperation with the division of criminal investigation, may accept a report furnished by the division of criminal investigation based on information furnished by authorities in another state of a recent, comparable investigation conducted by said authorities communicated between law enforcement agencies, which may be updated with any information reflecting changes during the interim between the Iowa and the earlier investigations.

This rule is intended to implement Iowa Code Supplement sections 99G.9(3) and 99G.10.

[Filed emergency 6/14/85—published 7/3/85, effective 6/14/85]

[Filed emergency 12/23/86—published 1/14/87, effective 12/26/86]

[Filed 11/3/88, Notice 8/10/88—published 11/30/88, effective 1/4/89]

[Filed 12/8/89, Notice 10/18/89—published 12/27/89, effective 2/1/90]

[Filed emergency 4/8/94—published 4/27/94, effective 4/8/94]

[Filed 2/10/95, Notice 8/31/94—published 3/1/95, effective 4/5/95]

[Filed 4/26/96, Notice 1/17/96—published 5/22/96, effective 6/26/96]

[Filed 8/1/96, Notice 5/22/96—published 8/28/96, effective 10/2/96]

[Filed 4/30/99, Notice 3/24/99—published 5/19/99, effective 7/1/99]

[Filed 4/11/03, Notice 2/19/03—published 4/30/03, effective 6/4/03]

[Filed 6/6/03, Notice 4/30/03—published 6/25/03, effective 7/30/03]

[Filed emergency 8/28/03—published 9/17/03, effective 8/28/03]

[Filed 3/12/04, Notice 9/17/03—published 3/31/04, effective 5/7/04]

[Filed 4/7/06, Notice 12/21/05—published 4/26/06, effective 5/31/06]

[Filed ARC 1954C (Notice ARC 1847C, IAB 2/4/15), IAB 4/15/15, effective 5/20/15]