



Ohio Administrative Code

Rule 3770-3-01 Grounds for suspension or revocation of a license.

Effective: July 20, 2019

(A) Non-compliance. In addition to the grounds for suspension or revocation of a license described in divisions (C)(1) to (C)(5), (D)(1) to (D)(4) and (E)(1) to (E)(2) of section 3770.05 of the Revised Code, the director may suspend or revoke the license of a 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 director, or any state or federal law.

(B) Violation of prohibitions. In addition to the prohibitions enumerated in divisions (A) to (E) of section 3770.08 of the Revised Code, the director may suspend or revoke the license of any sales agent who violates one of the following prohibitions:

(1) No sales agent, or any of its principals, relatives, or employees, shall pay, or direct another party to pay, the holder of a winning ticket or game an amount less than the full prize amount for which that ticket or game is redeemable.

(2) No sales agent, or any of its principals, relatives, or employees, shall submit, or direct another party to submit, a prize claim that originally was presented for payment by another holder of a winning ticket or game to whom the sales agent, or any of its principals, relatives, or employees, paid a discounted prize amount, or from whom the sales agent, or any of its principals, relatives, or employees, received payment in return for making the claim.

(3) No sales agent, or any of its principals, relatives, or employees, shall solicit, direct another party to solicit, or conspire with any person for the purpose of committing an act described in paragraph (B)(1) or (2) of this rule.

(4) If a sales agent, or any of its principals, relatives, or employees, has paid, directed another to pay, solicited, or conspired with another for the purpose of paying a prize amount, less than the full prize amount for which a winning ticket or game is redeemable, then that winning ticket or game may be deemed void and any associated prize award may be forfeited.



(C) Grounds relating to the honest and efficient conduct of the state lottery. The director may suspend or revoke a sales agent license for any of the following:

(1) The sales agent, or any of its principals, relatives, or employees, has made a false statement, omission, or misrepresentation of a material fact in connection with the application for, or renewal of, a license, in any reports, or to any person, in connection with a lottery transaction or investigation;

(2) The sales agent has failed to maintain the minimum sales levels for the license issued to the sales agent as determined by the director;

(3) The sales agent has failed to take adequate security precautions for the safe handling of tickets or games, lottery materials or game sales proceeds;

(4) The sales agent has failed to promptly and accurately settle the accounts of lottery transactions and pay to the director the amounts due from the sales agent's game sales by not regularly depositing amounts owed to the state lottery into an electronic funds transfer account established by the sales agent for accounting purposes, and to abide by the policies and procedures established by the director concerning the transfer of such funds.

(5) The sales agent has failed to maintain a surety bond and/or fidelity bond as required by the director, or alternatively has failed to deposit, into a dedicated account for the benefit of the state lottery, an amount as required by the director;

(6) The sales agent has failed to comply with the terms and conditions of The Americans with Disabilities Act of 1990 (ADA), Section 12101-12213 of 42 U.S.C. (as amended in 2008); or

(7) Notwithstanding the exceptions enumerated in paragraph (B) of rule 3770-2-02 of the Administrative Code, the sales agent, or any principal affiliated with the sales agent, has been found to have committed any of the acts enumerated in divisions (C)(1) to (C)(5), (D)(1) to (D)(4), or (E)(1) to (E)(2) of section 3770.05 of the Revised Code.



(D) If at any time after a license has been issued, the director determines that a sales agent no longer meets the standards for the issuance of a license provided in Chapter 3770-2 of the Administrative Code, the director may:

- (1) Suspend the sales agent's license until it is shown that the reason for the suspension has abated;
- (2) Modify the sales agent's license status; or
- (3) Revoke the sales agent's license.

(E) The director may suspend or revoke the license of any sales agent who fails to observe and comply with the procedures provided in Chapter 3770-4 of the Administrative Code or established by the director pursuant to said chapter.