

News Release



Controller of the State of California - Kathleen Connell

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FOR IMMEDIATE RELEASE

STATE CONTROLLER KATHLEEN CONNELL TO REVIEW LOTTERY POLICIES AFTER SCRATCHERS CONTROVERSY

CONNELL'S REVIEW WILL ENSURE PLAYERS HAVE A CHANCE AT TOP PRIZES

Sacramento, February 11, 2002 – State Controller Kathleen Connell today announced her auditors will review California State Lottery policies in light of recent cases where tickets were sold to Scratchers games after the top prizes had already been claimed.

“The California Lottery has admitted its policies may have misled the public into buying tickets for prizes they had no chance of winning,” said Connell. “I am concerned that the Lottery’s poor practices diminish the faith people have in a State-run system that plays an important role in providing money to schools.”

The problems came to light when a San Francisco woman sued the Lottery. She sued on behalf of thousands of Californians who purchased tickets after prizes as large as \$100,000 had already been claimed. The Lottery later acknowledged that dating back to 1996 it sold tickets for 11 games over a four-year period after the top prizes had been awarded.

As a result of the lawsuit, the Lottery has revised its policies in an effort to end games sooner when all top prizes have been redeemed. The Lottery is also conducting a free \$1 million special game in an effort to restore public confidence in the Lottery.

“The Lottery has taken steps to resolve its problems, but we need to be sure that the Lottery is now operating responsibly and fairly,” said Connell. “My goal is to ensure that the cause of the problems has been identified correctly and that the solutions put in place to prevent them will work.”

The Controller’s review will determine the extent to which the Lottery sold tickets after top prizes had been awarded, and the dollar amount those sales generated. In addition, the review will determine whether new policies the Lottery has in place will preclude sales of tickets after top prizes have been awarded.

Scratchers tickets are sold to the public through more than 19,000 contracted retailers. They consist of a variety of themes and offer different prize structures. Typical prices for a ticket is one dollar.

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