

	<b>State of Michigan Bureau of State Lottery</b>	TYPE: <b>Directive</b>
		NUMBER: <b>20.SLS.1.12.0</b>
CATEGORY:	<b>Retailer Directive</b>	PAGE: <b>Page 1 of 2</b>
SUBJECT: <b>Validating &amp; Canceling Procedures for On-line, Instant, and Pull-Tab Tickets</b>		EFFECTIVE DATE: <b>5/11/2011</b>

### Overview

The purpose of this directive is to establish uniform validating and canceling procedures for Lottery licensees who are selling any combination of On-line, Instant Game, and Pull-Tab tickets at their location.

### Background

Section 11(1) & (2) of McCauley-Traxler-Law-Bowman-McNeely Lottery Act, states in part: "The commissioner shall promulgate rules... as necessary to implement this act.

Under Lottery Rules, upon the issuance of a license, the retailer agrees to:

Lottery Rule 432.6(a) states "Be bound by and comply with the act, these rules, or instructions and directives of the commissioner or bureau.

Lottery Rule 432.6(k) states "Validate all winning tickets through the bureau gaming system and pay customers the full prize value of validated winning tickets up to the retailer's cashing limit as determined by the commissioner.

### Validated Tickets

Retailers are required to use the Altura terminal when validating all eligible, intact and complete winning on-line, instant game, and pull-tab tickets. Once a ticket has been knowingly validated and the correct prize amount has been paid to the player, the validated ticket shall be retained by the validating retailer. All validated tickets shall be defaced (e.g., permanent marker, tearing a corner, etc.) by the Retailer rendering the ticket void. It is recommended validated tickets be retained until all Retailer records are balanced then validated tickets must be destroyed.

### Canceled Tickets

Retailers are allowed to cancel Daily 3 and Daily 4 tickets if there is a legitimate reason (e.g., retailer made mistake on midday versus evening draw, player did not have funds to pay for ticket, or player changed their mind) for doing so. Once a ticket has been canceled, the canceled ticket will be retained by the Retailer. Under no circumstances shall a canceled ticket be given to a player.

It should be noted if the percentage of cancelations, set by the bureau, is greater than the number of tickets sold in a two week period, the bureau's gaming system will automatically deactivate the Retailer's cancelation privileges. Cancelation privileges may be reactivated if

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the Retailer submits a written explanation to Retailer Services detailing why their location exceeded the cancelation limit. There is no guarantee the retailer's written explanation will be accepted.

**Contact / Update Responsibility**

Retailer Services

**Approving Authority**

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M. Scott Bowen, Commissioner