

AMCTO Panel – Lottery Licensing

MAY 23, 2019 - MUNICIPAL LICENSING AND LAW ENFORCEMENT FORUM



Panelists

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City of Brampton

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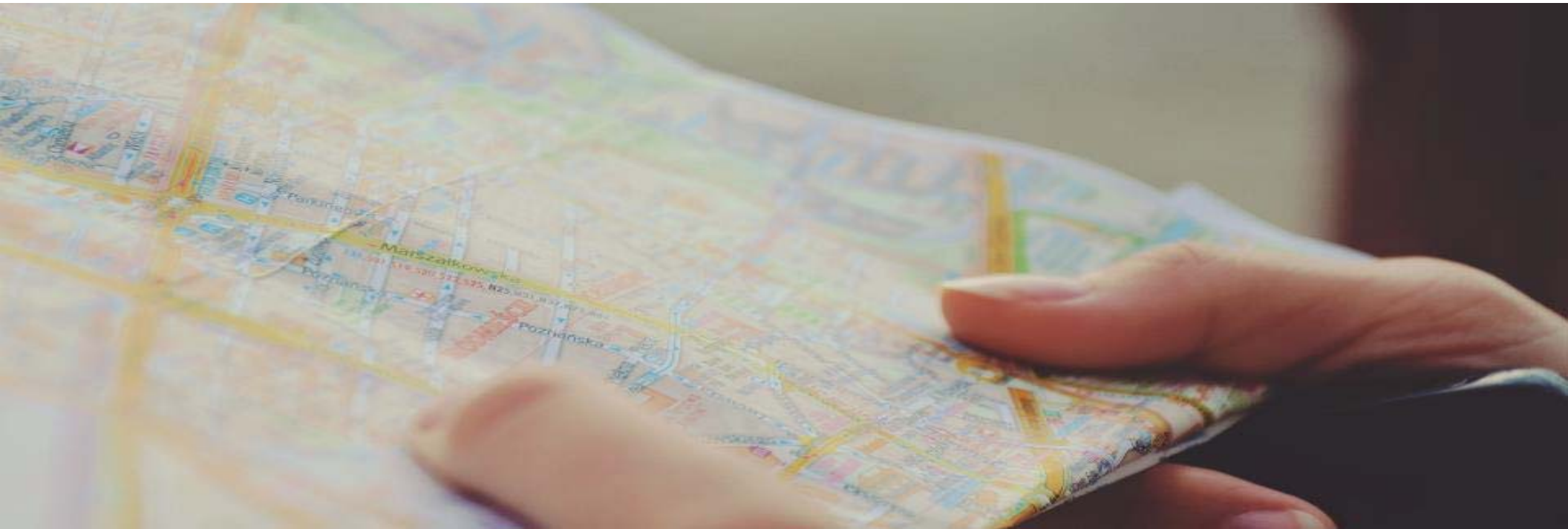
Senior Gaming Registration Officer,
Alcohol and Gaming Commission of Ontario

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Regulatory Framework



The AGCO

Established in 1998, the AGCO is an Ontario provincial regulatory agency reporting to the Ministry of the Attorney General (MAG).

Mandate

To regulate in accordance with the principles of honesty, integrity and in the public interest.

Vision

A world-class regulator that is innovative, proactive, and socially responsible.

The Regulatory Framework

- *Criminal Code (Canada)*
 - Prohibits gaming activities with the following exceptions:
 - Lottery schemes conducted and managed by Provincial Governments. In Ontario, the Ontario Lottery and Gaming Corporation is responsible for the conduct and management of provincial government lottery schemes.
 - Lottery schemes may be conducted and managed by charitable or religious organizations to raise proceeds for charitable or religious purposes pursuant to a lottery licence issued by a relevant authority.
- **Order-in-Council 1413/08**
 - Provides the legal authority for the Registrar of Alcohol, Gaming and Racing and municipal councils to issue lottery licences
 - Licences may be issued to eligible charitable groups if proceeds are used for a charitable purpose providing direct benefit to the residents of Ontario
 - Gives the Registrar authority to, among other things, set the maximum licence fees as well as Terms and Conditions related to, for example, the conduct, management, and operation of, or participation in, a lottery scheme to which a licence relates.
- *Gaming Control Act, 1992*
 - Provides for the registration of operators, gaming related and non-gaming related suppliers

The Regulatory Framework

- Terms and Conditions of Licences
 - Provides detailed information for the conduct and management of licensed lottery events.
- Registrar's Standards and Directives
- Lottery Licensing Policy Manual (LLPM)
 - Provides guidance to provincial and municipal officials in issuing and administering lottery licenses on a consistent basis
 - Used to determine eligibility for a lottery licence and for use of proceeds
 - Sets out the types of lottery schemes for which a licence may be issued.

AGCO Role in Licensing

The AGCO

- oversees the licensing of lottery events conducted and managed by charitable organizations (including bingo, raffles and the sale of break open tickets.)
- issues registrations to individuals or businesses that wish to provide goods or services to the charitable gaming sector
- carries out compliance assurance activities including inspections and audits to ensure that charitable gaming licensees and registrants are operating in accordance with the law, and in the public interest.

Is the licensing authority for:

- Charitable gaming events in pooling bingo halls
- Bingo events with prize boards over \$5,500
- Super jackpot bingo events
- Progressive bingo game events and loonie progressive games
- Social gaming events (i.e. table game event held in conjunction with a social event)
- Raffle lotteries for total prizes over \$50,000
- Certain Break Open Ticket licences
- Lotteries held in conjunction with another gaming event
- All lottery schemes conducted in unorganized territories
- Lottery schemes at designated fairs or exhibitions
- Electronic Raffles (e-Raffles)

Municipal Role in Licensing

Municipalities

- Conduct eligibility reviews of applicants and maintain current core eligibility files
- Review lottery applications, reports and financial statements
- Ensure proceeds raised are accounted for and used for the delivery of the licensee's charitable mandates as approved on the application
- Ensure compliance with all lottery licences they issue
- Report any breaches of Gaming Control Act or of Provincial licences to the AGCO
- Conduct periodic inspections of licensees and locations (Break Open Ticket Sellers & Bingo Halls)
- May charge licence fees up to a maximum prescribed by the Registrar and can determine when to collect those fees
- May establish lottery licensing policies so long as they do not conflict with those established by the Registrar

▪ **Issue charitable lottery licences for:**

- Bingo events with prize boards up to \$5,500
- Media bingo events with prizes up to \$5,500
- Break open tickets for local organizations
- Raffle lotteries for total prizes of \$50,000 and under; and
- Bazaar lotteries which include wheels of fortune with a maximum bet of \$2, raffles not exceeding \$50,000, and bingo events up to \$5,500

Compliance

- The AGCO and municipalities work together in responding to compliance issues or concerns that may arise with respect to lottery licensees and any gaming suppliers used by the charities.
- The AGCO and Municipalities are responsible for ensuring that charities comply with the Terms and Conditions of licences they issue
- Unlicensed lottery schemes – Contact local police for assistance



AGCO role in Compliance

The AGCO

- Has Authority to:
 - Investigate suspected contraventions of the terms and conditions
 - Investigate suspected financial and management improprieties
 - Conduct audits of licensed organizations.
 - The Registrar may freeze bank accounts if it is in the best interest of the public to do so.



Municipal Role in Compliance

Municipalities

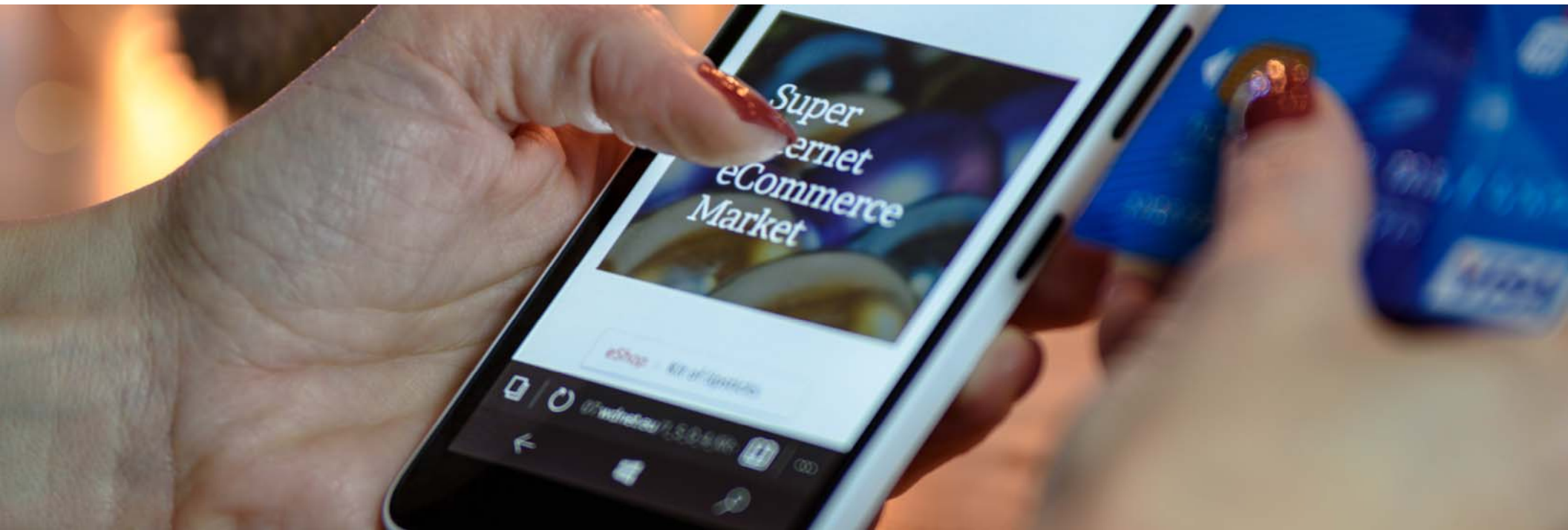
- Have Authority to:
 - Investigate suspected contraventions of the terms and conditions
 - Investigate suspected financial and management improprieties
 - Conduct audits of licensed organizations
- Each municipality has the responsibility to investigate any breach of the terms and conditions of a licence it issues.
 - A municipality may request the assistance of the local police or AGCO



What is on the mind of municipalities?



Electronic Raffles



Phase 2 Offerings

Phase 1

1. Event-Based 50/50
(in-person**)

2. Fixed Prize Raffle
(online* and in-person**)



Phase 2: New Offerings

1. Online* 50/50 draws
2. Catch the Ace (Progressive Raffle), online* and in-person**
3. Charities may use network of locations to sell tickets
4. Prize distribution using e-commerce (GRS)
5. Charity-developed online e-Raffle sales platform
6. Greater flexibility to structure draws.
 - Sales over several days and at multiple venues
 - 50/50 draw - may include a reasonable # of fixed prize draw(s)
 - Combined in-person** and online* sales

Note:

**Online* sales occur when a customer uses the internet to purchase a ticket.

- **LIMIT OF 2 ONLINE CONCURRENT LICENCES.**

***In-Person* occurs when a customer purchases a ticket from a representative of the charity on or through an e-raffle device



AGCO | Animal and Breeding
Consultants of Choice

Paper-Based Raffles



Break Open Tickets (BOT)



Supporting Municipalities with Licensing



Compliance



Questions?

