

GPE Comments on BCLC's Eighth Status Report on Implementation of Recommendations from B.C.'s Ombudsman (August 2009)

Introduction

On August 13, 2009, the BC Lottery Corporation (BCLC) issued its eighth quarterly report outlining the status of its response to recommendations made by B.C.'s Ombudsman and Gaming Policy and Enforcement (GPE) concerning B.C.'s lottery systems. BCLC also issued a report on its research into retailer and player win rates. This document provides GPE's comments on those reports.

Observations

Since BCLC's last report in April 2009, it has continued to make progress on implementing recommendations made by the Ombudsman. In particular, since April 2009, BCLC has made progress in developing Scratch & Win tickets that are readable by Check-A-Ticket terminals.

GPE will continue to monitor all of the recommendations made by the Ombudsman and, where necessary and appropriate, will make recommendations to enhance the integrity of lottery gaming in the province.

In its October 2007 report on B.C.'s lottery retailer network, Deloitte & Touche cautioned against the implementation of two of the Ombudsman's recommendations because the cost of implementing the recommendations could exceed benefits related to having the recommendation in place. These two recommendations are to scan all scratch and win tickets at the time of sale; and, implement mandatory retailer swipe cards. BCLC has conducted a thorough investigation into both matters and has indicated that it will address these issues by summer of 2010. GPE accepts that the two recommendations in question present complex challenges. However, GPE also notes that three years will have passed between the issuing of the report by the B.C. Ombudsman and the completion of these two recommendations. GPE will closely monitor BCLC's actions over the coming months to ensure these recommendations are appropriately addressed.

The Ombudsman noted that retailers are not obligated to make public when, or if, a major prize has been won from a Pull Tab box. While the Ombudsman did not make a recommendation on the matter, she did suggest that BCLC consider ensuring that all players have access to the same information as retailers concerning when major prizes have been paid out. BCLC has conducted a study into this matter which is being reviewed by GPE.

The Ombudsman recommended that BCLC develop processes to accurately monitor retailer rates of play and win. GPE has reviewed the retailer win rate reports and notes that it will take several years before BCLC has collected enough data to determine if there is a clear difference between retailer win rates and win rates of the general public. Given the attention that has been paid to this matter over the past two years GPE recommends that BCLC publicly indicate when enough data will be collected to detect if the retailer win rate is too high. GPE also recommends that BCLC consider enhancing its research processes so that such information is more expediently available.