

DCLB #2

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**

**Office of Integrity & Oversight**  
**Integrity and Ethics Division**



**MEMORANDUM**

**TO:** Buddy Roogow, Executive Director  
D.C. Lottery and Charitable Games Control Board (DCLB)

**FROM:** William J. DiVello, Executive Director  
Office of Integrity and Oversight *William J. DiVello*

**DATE:** January 14, 2011

**SUBJECT:** Final Report on the Follow-Up Survey of the Security Divisions  
Operations at the District of Columbia Lottery and Charitable  
Games Board (Report No. OIO-10-01-02-IT)

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Attached is the final report summarizing the results of our follow-up survey of the Security Division operations at the District of Columbia Lottery and Charitable Games Control Board (DCLB), prepared by the staff of the Office of Integrity and Oversight (OIO). This survey was conducted as part of our continuous coverage at DCLB.

Our report contains 5 recommendations for necessary action to correct the described deficiencies. DCLB generally concurred with all of the findings and recommendations in its response to the draft report. We consider the actions planned and taken by the DCLB to be responsive to the recommendations. The full text of the DCLB's response is included at Exhibit B.

We appreciate the cooperation and courtesies extended to our staff during the Follow-Up Survey. If you have any questions, please contact Mohamad Yusuff, Director of Internal Audit at 202-442-8240 or me at 202-442-6445.

**Attachments**

**cc:** Natwar M. Gandhi, Chief Financial Officer  
Angell Jacobs, Chief of Staff, OCFO  
Tracey Cohen, Chief Operating Officer, DCLB  
Gwen Washington, Audit Coordinator, Executive Office, DCLB  
Kathy Crader, Chief Risk Officer, OCFO

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE CHIEF FINANCIAL OFFICER  
OFFICE OF INTEGRITY AND OVERSIGHT**

**FOLLOW-UP SURVEY OF THE SECURITY  
DIVISION OPERATIONS AT THE DISTRICT  
OF COLUMBIA LOTTERY AND CHARITABLE  
GAMES CONTROL BOARD (DCLB)**



**FINAL REPORT**

**THIS REPORT IS AN INTERNAL DOCUMENT FOR OFFICIAL PURPOSES ONLY AND MAY NOT BE  
RELEASED WITHOUT THE PRIOR WRITTEN APPROVAL OF THE EXECUTIVE DIRECTOR, OIO**

**FINAL REPORT ON FOLLOW-UP  
SURVEY OF THE SECURITY DIVISION OPERATIONS AT THE  
D. C. LOTTERY AND CHARITABLE GAMES CONTROL BOARD (DCLB)**

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**ACRONYMS**

DCLB	D. C. Lottery and Charitable Games Control Board
COR	Custodian of Records
IDP	Individual Development Plans
IPP	Individual Performance Plans
MOU	Memorandum of Understanding
MUSL	Multi-State Lottery Association
NASPL	North American Association of State and Provincial Lotteries
OCFO	Office of Chief Financial Officer
OIO	Office of Integrity and Oversight
SD	Security Division
SOP	Standard Operating Procedure
TBD	To Be Determined

**FINAL REPORT ON FOLLOW-UP  
SURVEY OF THE SECURITY DIVISION OPERATIONS AT THE  
D. C. LOTTERY AND CHARITABLE GAMES CONTROL BOARD (DCLB)**

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## EXECUTIVE DIGEST

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### OVERVIEW

The Office of Integrity and Oversight (OIO), Office of the Chief Financial Officer (OCFO) has completed a survey of the Security Division (SD) Operations within the District of Columbia Lottery and Charitable Games (DCLB). Our survey objectives were to review DCLB's implementations of recommendations contained in our report entitled "Report of Annual Operational Review District of Columbia Lottery and Charitable Games Board," dated December 24, 2008. We also evaluated the current operations of the Security Division.

### CONCLUSIONS

DCLB implemented 4 of the 6 recommendations contained in the prior OIO report, referenced above. Implementation of one of the two remaining recommendations is contingent upon changeover to DCLB's new on-line gaming system expected to be operational on November 23, 2010. The prior report revealed that, while the DCLB SD was operating at an acceptable level of proficiency, there was room for improvement. Although our current findings indicate that work remains to be accomplished, we noted evidence of improvements made by DCLB management since our last review.

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## EXECUTIVE DIGEST

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### SUMMARY OF RECOMMENDATIONS AND MANAGEMENT ACTION

We directed five recommendations to DCLB Management for necessary action to correct the noted deficiencies. The recommendations center on:

- Taking corrective action on the open recommendations.
- Having the SD Chief report directly to the DCLB Executive Office.
- Obtaining fire extinguishers for certain parts of the building.
- Implementing multi-departmental standard operating procedures relative to excessive ticket cancellations.
- Reconciling instant ticket reconstruction requests.

### MANAGEMENT ACTION

We received a response to the draft report from the Executive Director, DCLB on January 6, 2011. We consider DCLB's actions planned and taken through the fourth quarter of 2011 will remediate the findings cited in our report. The full text of DCLB's response is at Exhibit B.

A summary of the potential benefits resulting from this survey is shown at Exhibit A.

## INTRODUCTION

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### BACKGROUND

The Mission of the DC Lottery Security Division is to provide an operating environment at Headquarters and at the Claim Center, which will allow Lottery Staff to conduct business in a “safe and secure manner.” It is also the Security Division’s mission to support lottery staff, agents and customers by acting as a resource for crime prevention advice and by investigating allegations of misconduct. The mission is carried out by using a combination of security and safety systems, proactive security programs and procedures and a trained, professional security staff.

### OBJECTIVES, SCOPE, AND METHODOLOGY

The primary objectives of this survey were to:

- review DCLB implementations of the agreed to recommendations contained in our report entitled “Report of Annual Operational Review District of Columbia Lottery and Charitable Games Board,” dated December 24, 2008;
- evaluate the current SD policies and procedures that were developed after our last review;
- assess the SD’s current resources;
- assess whether there are effective working relationships maintained with the other components of the DCLB, including contractors.

To accomplish our objectives, we interviewed DCLB Security Division, other DCLB Lottery officers and a contractor that works closely on security related issues. In addition, we performed reviews, surveys, and walk-through procedures to accomplish the above mentioned objectives.

## INTRODUCTION

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### PRIOR REVIEW

**“Report of Annual Operation Review District of Columbia and Charitable Games (DCLB) Security Division (SD),” OIO Case #: 2008-0214, dated December 24, 2008.**

This evaluation found the SD had made improvements by implementing policies and procedures to improve security measures and investigations. Major improvements had been accomplished since the last evaluation in their video surveillance system at DCLB Headquarters and the Claims Center, to include digitalized, flat screen monitors and motion sensors. Additionally, their entire security access control system is currently being upgraded. The SD staff has aided the D.C. Metropolitan Police Department in crime prevention services and served on multiple task forces. One such task force project recommended allowing agents to continue to cancel tickets under DCLB’s current policies, while recommending that tracking and enforcement procedures be strengthened. The Chief has designed several publications to enhance security operations for DCLB employees, contractors, vendors and the community in general.

Recommendations were made to: (1) establish a comprehensive case management system, to include: central filing, universal case and information tracking, appropriate written duties and responsibilities be established for the custodian of records, and provide adequate case review and insure proper documentation; (2) coordinate with Human Resources to ensure they receive written confirmation when employees are separated; (3) reinforce and/or reeducate DCLB and uniform contract guard staff on their requirements under the OCFO’s Code of Conduct; (4) address uncompensated overtime; (5) place emphasis on employee development and professional training; and (6) adopt a more proactive, hands-on approach to management/supervisory oversight, to include addressing low employee morale.



## FINDINGS

### FINDING 1: IMPLEMENTATION OF RECOMMENDATIONS IN PRIOR REPORT

#### SYNOPSIS

DCLB implemented 4 of the 6 recommendations contained in a prior OIO report, entitled, "Report of Annual Operational Review District of Columbia Lottery and Charitable Games Board," dated December 24, 2008. Implementation on one of the two remaining recommendations is contingent upon changeover to the new on line gaming system expected to be operational on November 23, 2010. The prior report revealed that, while the DCLB Security Division was operating at an acceptable level of proficiency, there was room for improvement. Although our findings indicated that work remains to be done, we noted evidence of improvement made by DCLB management.

#### DISCUSSION

The Table I below provides an abbreviated version of the recommendations reviewed, DCLB's original response, and the current status of the recommendations.

<b>TABLE I – RECOMMENDATIONS REVIEWED</b>		
<b>Intent of Recommendation</b>	<b>DCLB's Response</b>	<b>Current Status of Recommendation</b>
<p>Recommendation 1: Provide written standard operating procedure (SOP) in dealing with Comprehensive Case Management, Tracking and Review.</p>	<p>Agreed. Will implement a new case tracking system using an Access database by June 2009, and initiate a case management SOP based on the new system.</p>	<p>Our follow-up survey found that DCLB implemented an electronic case management system in November 2009, and issued a revised SOP for Security Investigations in December 2009. However, we noted that the system does not handle all types of investigations – e.g., case logs are still done manually, stolen ticket, and background investigation cases are tracked and accounted for separately. We understand that with the implementation of the new on-line gaming system, the SD will receive the stolen ticket notification, perform the investigation and transition the ticket in question to stolen status without the vendor's assistance.</p> <p><b>Current Status: Remains Open.</b></p>

## FINDINGS

**TABLE I – RECOMMENDATIONS REVIEWED**

Intent of Recommendation	DCLB's Response	Current Status of Recommendation
<p>Recommendation 1.1: Universal Tracking and Logs - Develop and implement an automated case system that would provide a more streamlined process, coupled with the capability of generating reports, and a universal log to capture all of the relevant information.</p>	<p>Concurred. The new system will have the capability of generating reports and a universal log to capture all of the relevant information. In addition, the system will enable us to categorize cases, assign numbers, and track case status and access agent information.</p>	<p>See above comments.  <b>Current Status: Remains Open.</b></p>
<p>Recommendation 1.2: Custodian of Records (COR), Central filing and Accountability – Ensure that the COR is not a collateral duty; maintain a viable case file tracking system; ensure working papers are physically maintained in a central location and enforce individual accountability for case management procedures.</p>	<p>DCLB will revise the appropriate documents to include the duties and responsibilities of the COR. Will also reinforce the importance of pursuing a team effort to ensure that case files are centrally located and will hold the staff accountable for following the established procedures.</p>	<p>Our follow-up survey found that DCLB has assigned two CORs – (i) one for customer complaints, ticket validations, and stolen tickets investigations; (ii) another COR for background investigations.  <b>Current Status: Closed.</b></p>
<p>Recommendation 1.3: Quality Control/Case Review documentation – Ensure that all investigative leads are exhausted; work is being properly documented and completed in a timely manner. In addition, all completed investigations are carefully reviewed and meet industry quality control standards.</p>	<p>DCLB will institute periodic case reviews to ensure that all work is being completed in a comprehensive and timely manner and that proper supervisory oversight is improved and maintained.</p>	<p>DCLB has instituted a SOP for Security Investigations which requires another investigator to perform a second departmental review. However, our review of the case files revealed that there was no documentary evidence that a second departmental review is being performed. In addition, the SOPs for Stolen Tickets and Security Background Investigations do not reference any quality control procedures.  <b>Current Status: Remains Open.</b></p>

## FINDINGS

<b>TABLE I – RECOMMENDATIONS REVIEWED</b>		
<b>Intent of Recommendation</b>	<b>DCLB's Response</b>	<b>Current Status of Recommendation</b>
<p>Recommendation 2: Employee Background Case Log/Files - Provide a procedure to ensure that the SD receives written confirmation when employees are separated.</p>	<p>DCLB has instituted a procedure whereby our Human Resources Representative will notify the SD verbally and confirm in writing whenever there is an employee separation.</p>	<p>Our follow-up survey noted that the SD is verbally notified and receives email confirmation from the HR representative (IT &amp; Finance are also notified through email) whenever there is an employee separation so that the SD can process the termination procedures such as deactivating the employee's access badges to the building.</p> <p><b>Current Status: Closed.</b></p>
<p>Recommendation 3: DCLB SD to incorporate the OCFO's Code of Conduct and DCLB's policy on workplace violence into the contract security company's Uniformed Officer Policy and Procedures Manual.</p>	<p>Agreed.</p>	<p>Our follow-up review of the SD file on the contract security company noted that the contract security company has been instructed to incorporate the OCFO's Code of Conduct and DCLB's policy on workplace violence into the contract security company's Uniformed Officer Policy and Procedures Manual wherever they are applicable and that the contract security company staff at the DCLB site was notified of same.</p> <p><b>Current Status: Closed.</b></p>
<p>Recommendation 4: DCLB SD to consider staggering work hours and tours of duty to accommodate the Multi-State Lottery Association (MUSL) requirement without generating uncompensated overtime issues.</p>	<p>DCLB noted that overtime has been re-instated by the DC Government.</p>	<p>Our follow-up survey noted that overtime has been re-instated by the DC Government. In addition, we understand that personnel from other DCLB departments are also cross trained and participate in the MUSL Drawing Observation process.</p> <p><b>Current Status: Closed.</b></p>
<p>Recommendation 5: DCLB SD to address outside training possibilities for its staff members as time and money permit.</p>	<p>Security Staff Individual Development Plans (IDPs) reflect training possibilities each year and are discussed with staff accordingly.</p>	<p>Our follow-up survey noted that plans for staff training are discussed, however, due to budgetary constraints; training opportunities are limited (especially in out-of-town locations.)</p> <p><b>Current Status: Closed.</b></p>

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## FINDINGS

TABLE I – RECOMMENDATIONS REVIEWED		
Intent of Recommendation	DCLB's Response	Current Status of Recommendation
Recommendation 6: Management assesses and reevaluates current supervision and management style and adopt a more proactive supervisory approach.	DCLB finds the Chief's management style to be appropriate for the environment within his purview.	Our follow-up survey noted that although the department's morale has improved from the previous visit, staff continues to express their desire to see more improvement in management's approach of the Security Division's operations.  <b>Current Status: Remains Open.</b>

### RECOMMENDATION:

1. We recommend that the Executive Director, DCLB take action to implement the open recommendations in the previous OIO report and provide the OIO with anticipated completion dates.

### DCLB's RESPONSE:

DCLB concurred with our draft finding and recommendation. As noted in the DCLB response, the Security Division now reports to the Chief Operating Officer. The full text of the DCLB response is included at Exhibit B.

### OIO COMMENTS:

We consider DCLB's action taken to be responsive to the recommendation. The full text of the DCLB response is included at Exhibit B.

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## FINDINGS

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<b>FINDING 2: REVIEW OF CURRENT OPERATIONS</b>
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**1. *Security Division Did Not Report Directly to the Executive Office.***

### SYNOPSIS

We noted that the Security Division (SD) Chief did not report directly to the Lottery Executive Office but rather to the Director, Office of Resource Management, who also manages the Licensing Division and the Support Services Division. This organizational structure does not conform to best practices of an organization reporting line for a security unit.

### DISCUSSION

Best practices for a lottery organization reporting line for a security unit is to report directly to the Executive Office<sup>1</sup>. The dominant practice in the lottery industry is for the Chief, SD to report directly to the Executive Office. Through conversations with several state lottery officials the rationales vary from statutory mandates to allowing unfettered access to the Executive Director. A direct reporting structure to the Executive Office allows for immediate notification of unauthorized activities and to provide an immediate channel of information for all security related activities.

The SD Chief does not report directly to the Lottery Executive Office but rather to the Director, Office of Resource Management, who also manages the Licensing Division and the Support Services Division.

**2. *Fire Extinguishers were Missing from storage rooms on the Lottery First Floor***

### SYNOPSIS

During our building physical security walk-through, we noted that fire extinguishers were missing from certain storerooms of the Lottery first floor, while other storerooms had fire extinguishers located therein.

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<sup>1</sup> Our research of the North American Association of State and Provincial Lotteries (NASPL) website revealed that the majority NASPL lotteries security units in the North American Continent report to the executive offices (39 out of 49 members).

## DISCUSSION

Storerooms that store combustible items such as voluminous amounts of paper should have fire extinguishers as noted in some of the Lottery's first floor storerooms.

Fire extinguishers were missing from certain storerooms on the first floor, while other storerooms had fire extinguishers located therein. SD officials advised us that they would communicate the need for additional fire extinguishers to the building owners and ensure that fire extinguishers are installed.

### ***3. Multi-Department Standard Operating Procedures on Agent Retraining regarding Excessive Ticket Cancellations are Needed.***

## SYNOPSIS

When an agent is recommended for retraining because of excessive ticket cancellations, the SD is unable to determine whether the Lottery has completed the retraining. In addition, we received conflicting statements from various departments of the Lottery on how the agent retraining process is conducted and enforced.

## DISCUSSION

We noted conflicting statements and understanding from various departments of the Lottery on how the process of agent retraining should be enforced. Excessive cancellations, if not monitored and managed properly could lead to players' dissatisfaction with the Lottery agents sales services.

The lack of clear standard operating procedures across the departments of the Lottery on how the process of agent retraining should be enforced contributed to the above noted situation. Furthermore, this situation may become more complicated when the Sales Department ceases its agent training activities once the new on line gaming system contract is implemented.

### ***4. Not all Scientific Games Inc. (SGI) Instant Ticket Reconstructions are accounted for by the Claim Center's request for reconstructions.***

## SYNOPSIS

For the period January through June 2010, there were 30 out of 64 (47%) SGI instant tickets (scratch off tickets) reconstructions that were unaccounted for by the Claim Center's reconstruction requests.

## **DISCUSSION**

DCLB's SOP on Instant Ticket Reconstruction requires the Chief of Security to account for all ticket reconstructions by reconciling requests with reports received from SGI. Any discrepancies noted will be investigated and coordinated with the Claim Center Coordinator and/or SGI as needed. Without the proper matching of requests with the actual reconstructions, the reconciliation process is meaningless, and unauthorized reconstructions could take place.

Moreover, not all instant ticket reconstruction requests are forwarded to the Security Division by the Claim Center.

## **RECOMMENDATIONS:**

We recommend the Executive Director, DCLB:

2. Require the SD Chief report directly to the Executive Office. A direct reporting structure to the Executive Office allows for immediate notification of unauthorized activities and provides an immediate channel of information for all security related activities. We understand that effective 10/1/10 the Chief, SD is reporting directly to the Chief Operating Officer, DCLB.
3. Obtain fire extinguishers for certain parts of the building that are exposed to fire hazards. We understand that fire extinguishers were installed in requisite storage facilities on the first floor.
4. Implement multi-departmental Lottery SOPs on agent retraining due to excessive ticket cancellations so that there is a clear understanding by all parties concerned on how the enforcement process should take place in dealing with agents' excessive cancellations.
5. Perform reconciliations of instant ticket reconstruction requests. The Claim Center should be required to forward the instant ticket reconstruction requests to the SD on a timely basis, so that a proper reconciliation process can be performed for all instant ticket reconstructions.

## **MANAGEMENT RESPONSE AND OIO COMMENTS**

As noted in the DCLB response, management has generally concurred with OIO's recommendations and has implemented or plans to implement corrective actions detailed in the attached document below. We find DCLB's corrective actions to be responsive to our recommendations. The full text of the DCLB response is included at Exhibit B.

**EXHIBIT A: SUMMARY OF POTENTIAL BENEFITS RESULTING FROM SURVEY OF CURRENT OPERATIONS**

<b>Recommendations</b>	<b>Description of Benefits</b>	<b>Type of Benefit</b>	<b>Agency Reported Estimated Completion Date</b>	<b>Status<sup>2</sup></b>
1	Ensures that steps are taken to implement recommendations from previous OIO report: 1, 1.1, 1.3, and 6	Compliance and Internal Control	Fourth Quarter of FY 2011	OPEN (PRIOR REPORT)
2	Improve Organizational Structure	Compliance and Internal Control	10/1/10	CLOSED
3	Improve Building Physical Security	Physical Security	8/9/10	CLOSED
4	Improve Accountability & Uniformity on Excessive Cancellations	Compliance and Internal Control	January 30, 2011	OPEN
5	Improve Accountability on Instant Ticket Reconstructions	Compliance and Internal Control	Second Quarter of FY 2011	OPEN

<sup>2</sup> This column provides the status of a recommendation as of the report date. For final reports, "Open" means management, and the OIO agree on the action to be taken, but action is not complete. "Closed" means management has advised that the action necessary to correct the condition is complete. If a completion date was not provided, the date of management's response is used. "Unresolved" means that management has agreed to neither take the recommended action nor proposed satisfactory alternative actions to correct the condition.



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**EXHIBIT B: AGENCY RESPONSE ON THE FOLLOW - UP SURVEY  
OF THE SECURITY DIVISIONS OPERATIONS**

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GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DC LOTTERY & CHARITABLE GAMES CONTROL BOARD



**TO:** William J. DiVello, Executive Director  
Office of Integrity and Oversight  
Office of the Chief Financial Officer

**FROM:** *BR*  
Buddy Roogow  
Executive Director

**DATE:** December 21, 2010

**SUBJECT:** Draft Report on the Follow-Up Survey of the Security Divisions  
Operations at the District of Columbia Lottery & Charitable Games  
Control Board (DCLB) (Report No. OIO-10-01-02-IT)

**Introduction**

This memo is in response to your Draft Report on the Follow-Up Survey of the Security Divisions Operations at the District of Columbia Lottery & Charitable Games Control Board (DCLB) dated December 1, 2010. On December 24, 2008, your office issued a report entitled "Report of Annual Operational Review of the District of Columbia Lottery and Charitable Games Board." The report contained six recommendations of which the Lottery implemented four. In this current report, there are an additional four recommendations.

Following are responses to OIO's findings and recommendations.

**OIO Findings:**

Our follow-up survey found that DCLB implemented an electronic case management system in November 2009 and issued a revised SOP for Security Investigations in December 2009. However, we noted that the system does not handle all types of

investigations—e.g., case logs are still done manually, stolen ticket and background investigation cases are tracked and accounted for separately. We understand that with the implementation of the new on-line gaming system, the SD will receive the stolen ticket notification, perform the investigation and transition the ticket in question to stolen status without the vendor's assistance.

DCLB has instituted a SOP for security investigations which requires another investigator to perform a second departmental review. However, our review of the case files revealed that there was no documentary evidence that a second departmental review is being performed. In addition, the SOPs for Stolen Tickets and Security Background Investigations do not reference any quality control procedures.

- *OIO Recommendation: 1) Provide written standard operating procedure (SOP) in dealing with Comprehensive Case Management, Tracking and Review.*  
  
*2) Universal Tracking and Logs – develop and implement an automated case system that would provide a more streamlined process, coupled with the capability of generating reports and a universal log to capture all of the relevant information.*  
  
*3) Quality Control/Case Review documentation—ensure that all investigative leads are exhausted; work is being properly documented and completed in a timely manner. In addition, all completed investigations are carefully reviewed and meet industry quality control standards.*

**DCLB Response:**

**1) The IT Department developed and supported Case Management System does not presently handle all types of cases. Moreover, the system is incapable of providing security with sequential case numbers, as these numbers are assigned agency-wide by the system. This is the reason that DCLB must assign our own case numbers in addition to using the system assigned numbers. There is currently no automated system in place to handle background investigation cases. However, DCLB is able to process stolen ticket cases (SOP attached) and print reports to document the incidents in the new Intralot BOS System.**

**2) The new Intralot BOS System does not include provisions for the security department to enhance its current case management system. We were informed by the IT Department that they are exploring options that would expand Security's capabilities in this area, outside of the BOSS System. Given the new on-line gaming system priority, further discussion on this issue was tabled. We will dialogue with ITD to see if this can be implemented once discussions resume regarding this matter. Due to additional equipment roll-out geared toward generating revenue, SD doesn't anticipate being able to work with ITD on this matter until the 4<sup>th</sup> quarter of FY '11.**

3) The SD's Investigative SOP has been revised and all cases in the system are subject to multiple reviews before being closed. By including ALL cases processed in the review, it ensures that 100% compliance with the SOP is achieved. Stolen Ticket incidents are now being entered into the Intralot BOS System and printed documentation is available from the system regarding each incident. At the request of Tony Thé, a checklist was implemented for both Case Files and Background Investigation files as a means to ensure consistency and completeness of each file. The Stolen Ticket SOP has been revised to reflect these changes (attached). The Background Investigation SOP will be revised to reflect all changes (to be completed by January 31, 2011).

OIO Findings:

Our follow-up survey noted that although the department's morale has improved from the previous visit, staff continues to express their desire to see more improvement in management's approach of the Security Division's operations.

- *OIO Recommendation: Management assesses and reevaluates current supervision and management style and adopts a more proactive supervisory approach.*

DCLB Response:

DCLB previously responded that it finds the Chief's management style to be appropriate for the environment within his purview. The Lottery reiterates its stance. However, the SD is now reporting to the Chief Operating Officer who is very much involved in SD's operations.

ADDITIONAL RECOMMENDATIONS IN CURRENT REPORT

- *OIO Recommendation: Security Division did not report directly to the Executive Office.*

DCLB Response:

As noted in your report, the Security Division now reports to the Chief Operating Officer.

- *OIO Recommendation: Fire Extinguishers were missing from storage rooms on the Lottery first floor.*

**DCLB Response:**

As noted in your report, fire extinguishers were installed in the requisite storage facilities on the first floor.

- *OIO Recommendation: Implement multi-departmental Lottery SOPs on agent retraining due to excessive ticket cancellations so that there is a clear understanding by all parties concerned on how the enforcement process should take place in dealing with agents' excessive cancellations.*

**DCLB Response:**

The Security Department will take full responsibility for the retraining of agents due to excessive cancellations as part of its expanded role in working with the Sales Department. A revised SOP is being prepared to document the necessary changes and will be ready by January 30, 2011.

- *OIO Recommendation: Perform reconciliations of instant ticket reconstruction requests. The Claim Center should be required to forward the instant ticket reconstruction requests to the SD on a timely basis so that a proper reconciliation process can be performed for all instant ticket reconstructions.*

**DCLB Response:**

DCLB agrees. DCLB receives Ticket Reconstruction Reports from Sci-Games each month and conducts a reconciliation of Claim Center submissions at that time. DCLB will reinforce to the Claim Center its requirement to submit reconstruction requests to SD in a timely manner. An SOP will be developed by the end of the second quarter FY '11 and adhered to by both departments.

If you have any questions, please do not hesitate to contact me.

**TITLE:** Stolen Ticket Processing  
**Original Issue Date:** November 26, 2010  
**Number of Pages:**  
**SOP Authors:** Kerry Scott

**Revision Dates:**

**STAFFING:** Security Investigators

**Approval:** \_\_\_\_\_

**PURPOSE:** To establish procedures for instant tickets that need to be placed on Stolen Status in the new Intralot **BOS** System.

**NOTIFICATION PROCEDURES:**

Upon notification that tickets need to be placed on stolen status, Security will perform the following procedures:

**STOLEN TICKET PROCESSING PROCEDURES:**

1. Log into the BOS System and click onto **IGMS**.
2. Once into **IGMS**, click onto **INVENTORY CONTROL**.
3. Scroll down to **PACK MANAGEMENT** and follow the procedures listed below:
  - Enter the game number. This will bring up all of the games in the system. Select the applicable game from the list.
  - Enter the pack range and click on retrieve.
  - Select the items to be placed on stolen status and click on update.
  - This page can be printed for documentation or go to Reports and click on Instant Management Reports. Scroll down to Stolen/Missing Tickets.
  - Enter the game number and click select.
  - Print the information as needed.

**DOCUMENTATION FOR STOLEN TICKET FILES:**

- Assemble all notification documents and place together with document or documents retrieved from the **BOS System**.
- Staple and file in the Stolen Ticket File.