

ILLINOIS LOTTERY

Economic Development and Infrastructure/Executive Agency

FY14 Headcount: 182

<http://www.illinoislottery.com/en-us/home.html>

Summary of Agency Operations

The Department of the Lottery, in conjunction with its private manager, develops, conducts and markets a variety of terminal-based and instant (scratch-off) lottery games; and licenses and regulates lottery ticket outlets. The department will be conducting and marketing internet lottery games. These activities generate revenue for education, capital projects, specialty causes such as veterans' assistance and breast cancer research, and provide entertainment for the residents of the State of Illinois. The Department of the Lottery was within the Illinois Department of Revenue (IDOR) until September 2011.

Internal Hiring

Agency positions subject to restrictions based on criminal history

Information in the Illinois Department of Revenue (IDOR) report will include the Illinois Lottery and the Illinois Liquor Control Commission (ILCC). This is due to the fact that until September of 2011, the Illinois Lottery was part of the IDOR. They have since separated from IDOR. However the ILCC is still part of IDOR.

Due to the confidential and sensitive nature of tax records and because disclosure of tax information is prohibited, IDOR must investigate all criminal records for new employees, contractual persons, or persons from other state of Illinois agencies requesting an identification badge authorizing admittance to Illinois Department of Revenue facilities. All persons requesting an Illinois Lottery Retailers License are also required to submit to a criminal background check, see 20 ILCS 1605/10.1.

20 ILCS 1605/10.5

The Department shall be under the supervision and direction of a Superintendent, who shall be a person qualified by training and experience to perform the duties required by this Act. The Superintendent shall be appointed by the Governor, by and with the advice and consent of the Senate. The term of office of the Superintendent shall expire on the third Monday of January in odd numbered years provided that he or she shall hold office until a successor is appointed and qualified. The annual salary of the Superintendent is \$142,000.

b. The Superintendent shall devote his or her entire time and attention to the duties of the office and shall not be engaged in any other profession or occupation. The Superintendent shall receive such salary as shall be provided by law.

The Superintendent shall:

3) Have a good reputation, particularly as a person of honesty, independence, and integrity.

Restriction Type: Mandatory

Restriction Duration: Not mentioned in the above listed statute

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This agency is subject to personnel or non-personnel code.

Personnel code agency

Statutory Restrictions Applicable to Internal Hiring:

N/A

Year restriction was adopted

N/A

Background Check Procedures:

(1) Self-disclosure on application

Yes, All employees, contractual persons or persons from other state agencies who are seeking identification badge authorizing admittance into IDOR facilities will have a criminal background check completed before they are hired and or given identifications badges, see IDR-147 attached. Additionally, all persons requesting an Illinois Lottery Retailers License are also required to submit to a criminal background check, see 20 ILCS 1605/10.1.

(2) Background check review procedure

Once the background check has been completed, one of the following possibilities would exist.

1. The background check is clear and no further action is required.
2. The applicant failed to include a conviction, including any guilty pleas where the individual received some sort of alternative sentencing, including court supervision. If this occurs the application would be falsified, meaning the application would initially be denied. A letter would be sent to the applicant advising them and giving them the opportunity to contact the Internal Affairs Office of IDOR and request to have the matter reviewed. In many cases the conviction is old and or of a minor nature and the applicant simply forgot to include it, or didn't believe the conviction was on their record. If the applicant requests the matter be reviewed, a committee made up of the Chief of the Internal Affairs Division, the EEO Officer, an Assistant General Counsel and a member of the Shared Services Unit, will meet and make a determination if the application will go forward or be denied.
3. The background check revealed a conviction giving concern as to the applicant's viability. Some examples would include identity theft, gambling, fraud, deceptive practice or any violent crimes. As in the situation above, the application would be reviewed and a decision rendered as to the viability of the applicant. Various factors are weighed, such as the time elapsed between the application and when the conviction took place.

It should also be noted that in addition to the criminal background checks completed on all applicants, a tax check is completed as well. If and when an application reveals a tax issue, the applicant is sent a letter indicating same and if the applicant corrects the problem the application will be approved.

Exemption, waiver, or review mechanisms

N/A

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Total number of people who underwent a background check

The following statistics are based on all applications received and processed between July of 2009 and January 2012.

Total Applications received/processed = 9768 (5155 were Lottery Retailer Applications or renewals, 4613 were all other applications).

Total Applications Cleared/Approved = 8400 (5108 were Lottery Retailer Applications or Renewals, 3292 were all other applications).

Total number of Applicants denied = 1368 (includes 875 for tax related issues)

Total number of Applications reviewed = 493.

AGENCY occupational licensing restrictions based on criminal history:

20 ILCS 1605/10 (Licensing of agents to sell lottery tickets or shares)

The following are ineligible for any license under this Act:

- a. any person who has been convicted of a felony;
- d. Any person who is not of good character and reputation in the community in which he resides;
- e. Any person who has been found guilty of any fraud or misrepresentation in any connection;

Restriction Type: Mandatory

Restriction Duration: Not mentioned in the above listed statute

Administrative Code: Title 11, Subtitle C, Chapter II, Part 1770, Section 1770.20. Selection of Lottery Sales Agents; License Application and Fee; On-line Status

The Superintendent shall give careful consideration to the following factors in selecting as licensed sales agents those persons that one may expect to provide a high level of sales volume of Lottery products, proper security for the Lottery equipment, tickets and money, and a good public image for the State's Lottery products:

2. The criminal history and tax status of the applicant as disclosed in the application or in records of the State;

8. The character of the applicant and his or her reputation for honesty and integrity in the community;

Restriction Type: Discretionary

Restriction Duration: Not mentioned in the above listed administrative code

20 ILCS 1605/10.1 (Persons ineligible for licenses)

The following are ineligible for any license under this Act:

- a. any person who has been convicted of a felony;
- d. Any person who is not of good character and reputation in the community in which he resides;
- e. Any person who has been found guilty of any fraud or misrepresentation in any connection;

Restriction Type: Mandatory

Restriction Duration: Not mentioned in the above listed statute

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20 ILCS 1605/10.1a (Failure to satisfy tax Act requirements)

In addition to other grounds specified in this Act, the Department shall refuse to issue and shall suspend the license of any lottery sales agency who fails to file a return, or to pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of tax, penalty or interest, as required by any tax Act administered by the Department of Revenue, until such time as the requirements of any such tax Act are satisfied, unless the agency is contesting, in accordance with the procedures established by the appropriate revenue Act, its liability for the tax or the amount of tax. The Department shall affirmatively verify the tax status of every sales agency before issuing or renewing a license. For purposes of this Section, a sales agency shall not be considered delinquent in the payment of a tax if the agency (a) has entered into an agreement with the Department of Revenue for the payment of all such taxes that are due and (b) is in compliance with the agreement.

Restriction Type: Mandatory

Restriction Duration: Not mentioned in the above listed statute

Administrative Code: Title 11, Subtitle C, Chapter II, Part 1770, Section 1770.40. License Revocation without Prior Notice

a. Pursuant to Section 10.1 of the Act, the Superintendent must act to assure that no person whom the Act declares to be ineligible for a license is granted a license, and that no licensed sales agent who becomes ineligible under the Act is allowed to remain as a licensed sales agent. The Superintendent may revoke or suspend a license without notice or prior hearing, upon determining any of the following:

3. That the licensed sales agent has been found guilty of fraud, deceit, misrepresentation or other conduct prejudicial to public confidence in the Lottery, including misrepresentation or failure to disclose a material fact on its application for the sale of lottery tickets;

Restriction Type: Discretionary

Restriction Duration: Not mentioned in the above listed administrative code

Administrative Code: Title 86, Chapter I, Part 430, Section 430.160. Restrictions and Limitations on the Conducting of Bingo

f. Miscellaneous Provisions

6. No licensee under the Act, while a bingo session is being conducted, shall knowingly permit the entry into any part of the premises by any person who has been convicted of a felony or a violation of Article 28 of the Criminal Code of 1961 [720 ILCS 5/Art. 28]. [230 ILCS 25/4]

Restriction Type: Mandatory

Restriction Duration: Not mentioned in the above listed administrative code

Employment Contracting

Contracting restrictions based on criminal history:

20 ILCS 1605/8.1 (Contracts; competitive negotiation)

Contracts for State Lottery tickets or shares or for other State Lottery game related services shall be obtained through the utilization of competitive negotiation procedures whenever practicable.

Restriction Type: Mandatory

Restriction Duration: Not mentioned in the above listed statute

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30 ILCS 500/50-10 (Felons)

Unless otherwise provided, no person or business convicted of a felony shall do business with the State of Illinois or any State agency, or enter into a subcontract, from the date of conviction until 5 years after the date of completion of the sentence for that felony, unless no person held responsible by a prosecutorial office for the facts upon which the conviction was based continues to have any involvement with the business.

Restriction Type: Mandatory

Restriction Duration: From the date of conviction until 5 years after the date of completion of the sentence for that felony, unless no person held responsible by a prosecutorial office for the facts upon which the conviction was based continues to have any involvement with the business.

Administrative Code Title 44, Subtitle A, Chapter I, Part 1, Sub part P, Section 1.5010. Felons

Unless otherwise provided, no person or business convicted of a felony shall do business with the State of Illinois or any State agency, or enter into a subcontract, from the date of conviction until 5 years after the date of completion of the sentence for that felony, unless no person held responsible by a prosecutorial office for the facts upon which the conviction was based continues to have any involvement with the business. [30 ILCS 500/50-10]

Restriction Type: Mandatory

Restriction Duration: From the date of conviction until 5 years after the date of completion of the sentence for that felony, unless no person held responsible by a prosecutorial office for the facts upon which the conviction was based continues to have any involvement with the business. [30 ILCS 500/50-10]

30 ILCS 500/50-10.5 (Prohibited bidders and contractors)

a. Unless otherwise provided, no business shall bid or enter into a contract or subcontract under this Code if the business or any officer, director, partner, or other managerial agent of the business has been convicted of a felony under the Sarbanes-Oxley Act of 2002 or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953 for a period of 5 years from the date of conviction.

d. A natural person who is convicted of a felony referenced in subsection (a) remains subject to Section 50-10.

Restriction Type: Mandatory

Restriction Duration: For a period of 5 years from the date of conviction

Summary of Employment Restrictions from Agency Report:

The information above may cover sections relating to the Illinois Department of Revenue (IDOR), the Illinois Lottery and the Illinois Liquor Control Commission (ILCC), since until September of 2011, the Illinois Lottery was part of the IDOR. The ILCC is still part of IDOR. Many statutory restrictions relating to cigarette licenses and taxes are found under the IDOR.