
“Catch the Ace” Progressive Raffle Pilot

INFORMATION BULLETIN No. 078

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The Alcohol and Gaming Commission of Ontario (AGCO) is pleased to announce the launch of a pilot program that will allow eligible charitable organizations to conduct and manage a “Catch the Ace” progressive (accumulating jackpot) raffle lottery scheme under s.207(1)(b) of the *Criminal Code* (Canada). Starting September 01, 2016 eligible charitable organizations will be able to conduct and manage these types of raffle events, pursuant to a licence issued. This pilot is a direct response to consultations with stakeholders and is intended to provide greater flexibility for charities. The Catch the Ace pilot supports our commitment to modernizing the charitable gaming industry.

What is “Catch the Ace”?

A “Catch the Ace” progressive raffle lottery is a multiple-draw game in which participants purchase tickets for a chance to win:

- a) a percentage of the proceeds from the sale of tickets from one draw; and
- b) the draw winner also gets a chance to win a progressive (cumulative) jackpot by selecting a card from a standard deck of 52 playing cards.

How is “Catch the Ace” played?

- The person who holds the winning ticket selected in each draw has the opportunity to select one playing card from the single deck of 52 playing cards. If the Ace of Spades is selected, in addition to winning the prize from the draw, the person will win the progressive jackpot.
- If the card selected is not the Ace of Spades, the selected card is removed from the deck and the progressive prize portion of the ticket sales for that draw is rolled over into the progressive jackpot for the next scheduled draw.
- The licensee conducts the scheduled events until the Ace of Spades has been selected and the progressive jackpot has been awarded.
- Tickets are valid only for the draw for which they are purchased. Once the draw is completed, the non-winning tickets are removed from the draw container. A new series of tickets will be sold for the next draw.

Licensing Authority

Prize boards up to \$50,000.00:

Municipal licensing authorities may issue licences for Catch the Ace events with a prize board up to \$50,000.00. As part of the application process, applicants will submit a proposed draw schedule and sales plan outlining the maximum sales and prizes per draw to ensure the

cumulative prizes do not exceed \$50,000.00 for the licence period. Municipalities may charge up to 3% of prizes for licence fees.

Prize boards over \$50,000.00:

The Registrar of Alcohol, Gaming and Racing may issue licences for Catch the Ace events with a prize board over \$50,000.00. As part of the application process, applicants are required to notify, in writing, the municipality where the event is to be conducted, and provide a copy of the written notification to the AGCO. Applicants must submit a proposed draw schedule along with a safety and security plan describing the control measures that will be put in place as the progressive prize amount grows. Control measures should address issues including (but not limited to) how the applicant will address the potential for increased attendance and traffic at the draw venue, and how the money from ticket sales will be secured.

Terms and Conditions

The following Terms and Conditions are applicable to the Catch the Ace progressive raffle pilot:

Raffle Lottery Licences:

- Lottery Licence Terms and Conditions (Form 4240E) www.agco.on.ca/pdfs/en/terms_cond/4240_g.pdf
- Raffle Licence Terms and Conditions (Form 6004A) www.agco.on.ca/pdfs/en/terms_cond/6004A_g.pdf
- Registrar's Standards: Financial Management and Administration Where Proceeds Are Not Pooled (Form 4244E) www.agco.on.ca/pdfs/en/guides/4244_g.pdf

Charities Operating Under the Bingo Revenue Model:

- Charitable Gaming Events Conducted and Managed in Pooling Bingo Halls Terms and Conditions (Form 4241E) www.agco.on.ca/pdfs/en/terms_cond/4241_g.pdf
- Registrar's Standards: Financial Management and Administration for Bingo Halls Where Proceeds Are Pooled (Form 4242E) www.agco.on.ca/pdfs/en/guides/4242_g.pdf

Other Applicable Law:

Lottery licensees are required to comply with all other applicable laws. In particular, if the facility in which any part of the event is held has a liquor licence, the *Liquor Licence Act* applies.

www.ontario.ca/laws/statute/90119/

Event details

In addition to the obligation to manage and conduct a raffle lottery event, licensees must adhere to the following event details:

- The prize structure must be as follows:
 - 20% of event ticket sales – awarded to the bearer of the winning ticket at each draw
 - 30% of event ticket sales – allocated to the progressive jackpot
 - 50% of event ticket sales – retained by the licensee and from which all allowable expenses will be paid
- Roll tickets or stub tickets may be used.

- A standard deck of playing cards (the 2 through to the Ace of diamonds, hearts, clubs and spades totaling 52 cards) are each placed in identical, opaque envelopes and sealed. Those sealed envelopes will be shuffled, randomly numbered from one (1) to fifty-two (52) and be on public display, in a secure fashion at each draw. As an alternative to using a deck of playing cards, the licensee may use approved gaming supplies from a registered supplier.
- It is not mandatory for the purchaser of the ticket selected at a draw to be in attendance. However:
 - If the licensee is using roll tickets, the licensee is required to include in the Rules of Play the length of time within which the winner must claim the prize before another ticket is drawn.
 - If stub tickets are used, the licensee shall require purchasers to provide their name and contact information and to indicate in a designated area on the stub, the envelope number selected by the purchaser in the event that his or her ticket is drawn. The licensee must also set out a procedure to be followed in the event that the envelope number indicated on the ticket has already been chosen and is no longer available.
- Once sales for a draw have closed, a ticket must be selected as the winning ticket for that draw. The number on the ticket will be announced at the draw and the prize shall be awarded accordingly.
- The licensee must use a container that is large enough to hold all sold tickets or stubs.
- All prizes must be paid by cheque in Canadian funds.
- The Rules of Play must be posted at the location of the draw and be readily available to the public.
- The Ontario Problem Gambling Helpline name and phone number (1-888-230-3505) must appear on the Rules of Play, in all print advertising and on all stub tickets.

Once the Ace of Spades card is selected, the event and licence are concluded. If the licensee wishes to conduct another Catch the Ace event, a new lottery licence must be obtained.

Control Procedures

Tickets:

1. Tickets (serialization) must be unique from draw to draw.
2. There must be no duplicate ticket numbers for all draws under a licence. There must be a documented process in place showing how the licensee will ensure there are no duplicate tickets for all draws.
3. Tickets are only eligible for the draw for which they are purchased. At the conclusion of the draw, all non-winning tickets must be removed from the container. Non-winning tickets may be destroyed after 30 calendar days.
4. Winning tickets must be kept in accordance with the requirements outlined in the Raffle Terms and Conditions.
5. The licensee will keep a record or log of all draws recording the sequence numbers and other characteristics for all tickets in play.

Draw Process:

1. Immediately prior to the draw, the ticket sales for the draw, the draw prize and the current progressive jackpot amount must be announced.
2. In the event that the Ace of Spades is not drawn, the licensee will immediately destroy the card selected by the winner of the draw. The licensee must maintain a log to record the destruction of all cards. The log must include the draw date, complete card details and verification by the bona fide member who destroyed the card, and by another bona fide member in charge of the lottery licence.
3. All draws will be video recorded by the licensee.
4. Participants will be advised in the Rules of Play that all raffle draws will be video recorded in order to ensure raffle integrity.
5. Video recordings must be secured by the licensee and made available to the licensing authority upon request. All video recordings must be maintained for at least 30 calendar days after the draw date, after which they may be deleted or destroyed.
6. The video recording shall be in high definition (minimum resolution - 720p) in a well-lit environment, have an unobstructed view of all raffle activities and show:
 - a. Selection of the winning draw ticket;
 - b. Selection of the envelope by the bearer of the winning draw ticket;
 - c. Reveal of playing card within selected envelope; and
 - d. Destruction of the playing card.

Reporting Requirements

Catch the Ace report (Form 6044), along with all supporting documentation must be submitted to the licensing authority within seven (7) calendar days after every fourth draw.

Evaluation of Pilot

The AGCO will continue to work closely with the stakeholders to evaluate the pilot, and ensure that appropriate safeguards are identified prior to deciding whether to make Catch the Ace permanently available. Important information such as the number of applications/licences issued, financial information including gross sales, jackpot sizes, expenses and any compliance issues will be requested from the municipalities. AGCO will be conducting additional outreach to stakeholders on Catch the Ace events on an as needed basis.

Terms and Conditions Exemptions and Modifications:

The following Lottery Licence Terms and Conditions (form 4240E) do not apply to Catch the Ace events and are modified as follows solely for the purposes of Catch the Ace events:

- Section 3.14 and 3.15: Letter of Credit amount to be determined by the licensing authority.

The following Raffle Licence Terms and Conditions (form 6004A) do not apply to Catch the Ace events and are modified as follows:

- Section 4.3 (a) (vii): total number of tickets printed does not have to appear on the tickets.
- Section 5.2: Catch the Ace raffle tickets must be purchased by cash only. No cheques or credit card payments are permitted.

- Section 7.2 (a) (v): the price of the ticket must be included in all print advertising, but the total number of tickets printed does not.
- Section 8.5 (a) & (b): Ticket sellers are not permitted to be paid a sales commission.
- Section 9.2: Licensees shall keep winning tickets throughout the period of the licence and for reporting requirements. All unsold tickets or counterfoils may be destroyed 30 calendar days after the date of the draw. Winning tickets must be kept in accordance with the requirements outlined in the Terms and Conditions.

The following Bingo Revenue Model Terms and Conditions (form 4241E) do not apply and are modified as follows solely for the purposes of Catch the Ace events:

- Catch the Ace draws are permitted under the licence issued by the Registrar.
- Hall Operators are required to pay for all gaming related supplies including but not limited to raffle tickets, playing cards, card envelopes, raffle ticket draw container.
- Catch the Ace Rules of Play must be submitted to the Registrar for review and must contain an exit strategy.
- Only stub tickets are permitted. Ticket requirements are outlined in section 4.4 of the *Charitable Gaming Events Conducted and Managed in Pooling Bingo Halls* Terms and Conditions.
- Section 4.5 (g): total number of tickets printed does not have to be included on the ticket.
- Catch the Ace tickets can only be sold inside the bingo hall.
- No contributions from the Catch the Ace sales are to be included in the advertising and marketing plan.
- Catch the Ace event details must be included with the Charitable Gaming Monthly Summary report.

Additional information

If you have any questions or require further clarification regarding this Information Bulletin, please contact Rusty Parr at 416-326-1635 or the AGCO's Customer Service Department at 1-800-522-2876 (toll-free in Ontario) or 416-326-8700 (in the Greater Toronto Area).