

## Overview Report: Regulation of Land-Based Casino Gaming and Horse Racing in Ontario

### A. Scope of Overview Report

1. This overview report describes the provincial regulatory regime for land-based casino gaming and horse racing in Ontario. It focuses on the current legislation and regulations and does not address historical legislation in detail.
2. As in British Columbia, there are federal aspects to the regulation of gaming and horse-racing in Ontario. These are not addressed in this overview report.

### B. Introduction

3. Land-based gaming and horse-racing in Ontario are principally governed by four acts of the provincial legislature and the regulations to those acts. These include:<sup>1</sup>

- a. *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*, S.O. 1996, c. 26, Sched. (“**ACGRPPA**”)
  - i. Ontario Regulation 469/18
  - ii. Ontario Regulation 257/10
  - iii. Ontario Regulation 141/01
- b. *Gaming Control Act, 1992*, S.O. 1992, c. 24 (“**OGCA**”)
  - i. Ontario Regulation 78/12
- c. *Horse Racing Licence Act, 2015*, S.O. 2015, c. 38, Sched. 9 (“**HRLA**”)
  - i. Ontario Regulation 61/16
- d. *Ontario Lottery and Gaming Corporation Act, 1999*, S.O. 1999, c. 12, Sched. L. (“**OLGCA**”)
  - i. Ontario Regulation 265/18

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<sup>1</sup> In addition to these, the *Alcohol and Gaming Commission of Ontario Act, 2019*, S.O. 2019, c. 15, Sched. 1 was enacted in 2019 but has not yet come into force. The Act will come into force and the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*, S.O. 1996, c. 26, Sched will be repealed on a day to be named by proclamation of the Lieutenant Governor of Ontario.

- ii. Ontario Regulation 88/16
- iii. Ontario Regulation 84/12
- iv. Ontario Regulation 81/12
- v. Ontario Regulation 312/06
- vi. Ontario Regulation 199/00
- vii. Ontario Regulation 198/00

4. The *ACGRPPA* establishes the Alcohol and Gaming Commission of Ontario (“**AGCO**”) which is responsible for regulating gaming in Ontario, among other responsibilities. The *OLGCA* establishes the Ontario Lottery and Gaming Corporation (“**OLGC**”), responsible for, among other things, the conduct and management of lottery schemes on behalf of Her Majesty in right of Ontario.

5. The roles and responsibilities of these two organizations are described below, with reference to the legislation and regulations identified above. This is followed by a discussion of policing in Ontario casinos. The overview report concludes with a review of the “modernization” process undertaken by the OLGC, with the support of the AGCO, beginning in 2012 and its impact on the conduct, management, and regulation of gaming in Ontario.

### **C. The Ontario Lottery and Gaming Corporation**

6. The OLGC is an Operational Enterprise Agency<sup>2</sup> responsible for the conduct and management of land-based gaming, digital gaming, the sale of province-wide lottery games, and the delivery of bingo and other electronic gaming products at Charitable

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<sup>2</sup> An Operational Enterprise Agency is a provincial agency that “sells goods or services to the public in a commercial manner (including, but not necessarily, in competition with the private sector)”: Treasury Board Secretariat, “Agencies and Appointments Directive” (November 4, 2019), online: *Ontario* <<https://www.ontario.ca/page/agencies-and-appointments-directive>>.

Gaming Centres in Ontario.<sup>3</sup> The Province of Ontario is OLG's sole shareholder.<sup>4</sup> It currently reports through its Board of Directors to the Ontario Minister of Finance.<sup>5</sup>

7. OLG is established by s. 2(1) of the *OLGCA*. The purposes of the *OLGCA* are set out in s. 0.1 of the Act:

- a. To enhance the economic development of the Province;
- b. To generate revenues for the Province;
- c. To promote responsible gaming with respect to lottery schemes; and
- d. To ensure that anything done for a purpose set out in clause (a), (b) or (c) is also done for the public good and in the best interests of the Province.

8. The Board of the OLG must consist of at least five members, appointed by the Lieutenant Governor in Council.<sup>6</sup> The OLG "is for all its purposes an agent of Her Majesty and all its powers may be exercised only as an agent of Her Majesty."<sup>7</sup>

9. The objects of the OLG are identified in s. 3 of the *OLGCA*:

- a. To develop, undertake, organize, conduct and manage lottery schemes on behalf of Her Majesty in right of Ontario.
- b. To provide for the operation of gaming sites.
- c. To ensure that lottery schemes and gaming sites are conducted, managed and operated in accordance with the *Criminal Code* (Canada), [the *OLGCA*] and the [GCA] and the regulations made under them.

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<sup>3</sup> Ontario Lottery and Gaming Corporation, *OLG 2018-19 Annual Report* online: OLG <[https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19\\_EN.pdf](https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19_EN.pdf)> at 5 and 14.

<sup>4</sup> Ontario Lottery and Gaming Corporation, *OLG 2018-19 Annual Report* online: OLG <[https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19\\_EN.pdf](https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19_EN.pdf)> at 14.

<sup>5</sup> Ontario Lottery and Gaming Corporation, *OLG 2018-19 Annual Report* online: OLG <[https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19\\_EN.pdf](https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19_EN.pdf)> at 14.

<sup>6</sup> Sections 2(2) and 5(1).

<sup>7</sup> Section 2(3).

- d. To provide for the operation of any business that the Corporation considers to be reasonably related to operating a gaming site or lottery scheme, including any business that offers goods and services to persons who play lottery schemes in a gaming site.
- e. If authorized by the Lieutenant Governor in Council, to enter into agreements to develop, undertake, organize, conduct and manage lottery schemes on behalf of, or in conjunction with, the government of one or more provinces of Canada.
- f. To undertake activities with respect to the support of live horse racing in Ontario.
- g. To do such other things as the Lieutenant Governor in Council may by order direct.

10. In its 2018-19 annual report, OLGC indicated that at the time of the report it was responsible for the conduct and management of gaming at three resort casinos - Caesars Windsor, Casino Niagara, and Niagara Fallsview Casino Resort - as well as 23 slots and casino facilities operated by service providers.<sup>8</sup> In addition, OLGC is responsible for the conduct and management of 21 terminal-based lottery and sports games, 78 instant lottery products, 31 charitable gaming centres, and the operation of PlayOLG, OLGC's internet-gaming website, which offers slots, table games, and the sale of select lottery games.<sup>9</sup>

#### **D. The Alcohol and Gaming Commission of Ontario**

11. The AGCO is established by s. 2(1) of the *ACGRPPA*:

There is hereby established a corporation without share capital to be known in English as the Alcohol and Gaming Commission of Ontario and in French as the Commission des alcools et des jeux de l'Ontario.

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<sup>8</sup> Ontario Lottery and Gaming Corporation, *OLG 2018-19 Annual Report* online: OLG <[https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19\\_EN.pdf](https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19_EN.pdf)> at 8.

<sup>9</sup> Ontario Lottery and Gaming Corporation, *OLG 2018-19 Annual Report* online: OLG <[https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19\\_EN.pdf](https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19_EN.pdf)> at 8.

12. The duties of the AGCO are set out in s. 3 of the *ACGRPPA*. Section 3(1) provides that:

In addition to its powers and duties under this Act, the Commission shall be responsible for the administration of the *Liquor Licence Act*, the *Gaming Control Act, 1992*, the *Wine Content and Labelling Act, 2000*, the *Horse Racing Licence Act, 2015*, the *Cannabis Licence Act, 2018* and the regulations made under those Acts.

13. Section 3(3) requires the Commission to “exercise its powers and duties in the public interest and in accordance with the principles of honesty and integrity, and social responsibility.”

14. The relationship between the board of the AGCO and the responsible Minister is addressed in part in s. 3(4), which provides that the board shall:

- a. Inform and advise the Minister with respect to matters that are of an urgent, critical or relevant nature and that are likely to require action by the Commission or the Minister to ensure that the administration of the Acts referred to in subsections (1) and (2) is carried out properly; and
- b. Advise or report to the Minister on any matter that the Minister may refer to the Commission relating to this Act or to the administration of the Acts referred to in subsections (1) and (2).

15. The AGCO identifies its “overarching regulatory objective” with respect to casino gaming as ensuring “that all casino gaming is operated within the law and with honesty and integrity and in the broader public interest.” It lists the following as “key activities” undertaken to fulfill this mandate:<sup>10</sup>

- a. Conducting eligibility assessments and registering operators, suppliers and gaming assistants who work in or supply the casino sector;
- b. Testing, approving and monitoring slot machines and gaming management systems;

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<sup>10</sup> Alcohol and Gaming Commission of Ontario, “What We Do: Lottery and Gaming” online: AGCO <<https://www.agco.ca/what-we-do-lottery-and-gaming>>.

- c. Establishing standards and requirements for the conduct, management and operation of lottery schemes, gaming sites and related businesses;
- d. Inspecting, auditing and monitoring casinos for compliance with the [OGCA] and its regulation, licence/registration requirements and the standards and requirements established by the Registrar of Alcohol, Gaming and Racing;
- e. Approving rules of play or changes to the rules of play for games conducted and managed by the OLGC;
- f. Excluding persons from accessing gaming sites pursuant to the [OGCA]; and
- g. Maintaining OPP Casino Enforcement operations and presence to support a safe and secure environment at all gaming sites.

16. Section 6 of the *ACGRPPA* provides that there “shall be a Registrar for the purposes of” the *ACGRPPA*, the *OGCA*, the *HRLA* and other acts. The Registrar is also the Chief Executive Officer of the AGCO.<sup>11</sup> The AGCO is divided into six divisions: Communications and Corporate Affairs; Corporate Services; Investigation and Enforcement; Legal Services; Operations; and Strategy and Policy.<sup>12</sup>

17. The *ACGRPPA*, *OGCA* and *HRLA* provide for the regulation of gaming in part by assigning powers and duties to the Registrar. The *ACGRPPA* grants the Registrar the authority to impose monetary penalties while the Registrar is assigned significant duties and powers under the *OGCA* and the *HRLA*. These responsibilities are summarized briefly below.

#### ***i. Monetary Penalties under the ACGRPPA***

18. Section 14.1(1) of the *ACGRPPA* grants the board of the AGCO the authority, subject to the approval of the responsible Minister, to establish a schedule of monetary penalties that may be imposed with respect to contraventions of the Acts and regulations,

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<sup>11</sup> Alcohol and Gaming Commission of Ontario, “2018-19 Annual Report : Corporate Structure” online: AGCO <<https://www.agco.ca/general/annual-report-2018-2019/corporate-structure>>.

<sup>12</sup> Alcohol and Gaming Commission of Ontario, “2018-19 Annual Report : Corporate Structure” online: AGCO <<https://www.agco.ca/general/annual-report-2018-2019/corporate-structure>>.

including the *OGCA*, administered by the Commission and prescribed by the regulations made under that Part of the *ACGRPPA*.<sup>13</sup> Section 14(2) authorizes the Registrar to impose the monetary penalties established by the board of the AGCO.

19. The AGCO describes the purpose and function of monetary penalties in the following terms:<sup>14</sup>

Monetary penalties are part of the AGCO's compliance tool kit, and act as a bridge between a simple warning and suspension or revocation of a licence or authorization. Monetary penalties provide the AGCO with an additional compliance tool for working with those it regulates before suspension or revocation may be necessary.

In other words, monetary penalties are designed to promote compliance so that the suspension or revocation of a licence, authorization or registration does not become a necessary measure. In the case of a severe infraction, a monetary penalty may not be imposed even if it is available; instead, the AGCO may immediately pursue suspension or revocation where appropriate.

20. The AGCO Board guidelines require that the Registrar “have regard and give appropriate weight to the following non-exhaustive list of factors” in deciding whether to impose a monetary penalty:<sup>15</sup>

- a. The monetary penalty's potential effectiveness in ensuring future compliance by the licensee, authorization holder, permit holder or registrant;
- b. The discipline history of the licensee, authorization holder, permit holder or registrant, such as prior written warning, conditions or terms, monetary penalties, suspensions, revocations and/or prosecutions;

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<sup>13</sup> See *Monetary Penalties: Prescribed Legislation*, O. Reg. 469/18 (prescribing, among other things, the *OGCA* and Ontario Regulation 78/12 (General)).

<sup>14</sup> Alcohol and Gaming Commission of Ontario, “Monetary Penalties” online: AGCO <<https://www.agco.ca/general/monetary-penalties>>.

<sup>15</sup> Alcohol and Gaming Commission of Ontario, “Monetary Penalties” online: AGCO <<https://www.agco.ca/general/monetary-penalties>>.

- c. The manner in which the contravention was discovered or disclosed;
- d. Whether the contravention involved actual or potential injury or loss to persons, property, or both;
- e. The type, size and location of the licensee, authorization holder, permit holder, registrant or registered business, where relevant;
- f. Any mitigating circumstances, including compliance history; and,
- g. The need for general or specific deterrence.

21. The specific monetary penalties that may be assessed for contraventions of the OGCA and Regulation 78/12 are set out in the *Schedule of Monetary Penalties: Gaming Control Act, 1992 and Regulation 78/12*.<sup>16</sup>

## ***ii. Registrar's Role under the OGCA***

22. The duties and powers of the Registrar under the OGCA include the power to exclude individuals from gaming sites and from participation in lottery schemes, the power to establish standards and requirements for the conduct, management and operation of gaming sites, lottery schemes or related businesses, the duty to maintain a registration system for suppliers and gaming assistants, the power to conduct investigations and appoint investigators, and the power to make certain orders.

### ***a. Registrar's Power to Exclude Individuals***

23. Section 3.6(1) of the OGCA empowers the Registrar to direct that individuals be excluded from a gaming site or from participation in a lottery scheme in the site:

In accordance with the regulations, the Registrar may issue a written direction to the person who conducts and manages a lottery scheme in a gaming site requiring it to refuse access to the site to any individual who

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<sup>16</sup> Alcohol and Gaming Commission of Ontario, "Monetary Penalties", *Schedule of Monetary Penalties: Gaming Control Act, 1992 and Regulation 78/12*, online: AGCO <[https://www.agco.ca/sites/default/files/schedule\\_mon\\_pen\\_gca.pdf](https://www.agco.ca/sites/default/files/schedule_mon_pen_gca.pdf)>.



meets the criteria prescribed by the regulations or to refuse to allow such an individual to play a lottery scheme in the site.

24. The direction must name the individuals to whom access to a gaming site is to be refused<sup>17</sup> and those individuals must be served with a copy of the direction.<sup>18</sup> Once served, it is an offence for any person named in such a direction to enter or remain in a gaming site or to play a lottery scheme conducted or managed on the site.<sup>19</sup>

25. Pursuant to s. 23 of Ontario Regulation 78/12 (“**OGCR**”), under the *OGCA*, the Registrar may exclude an individual if the individual meets any of the following criteria:

- a. The individual has been excluded from gaming sites in another jurisdiction;
- b. The individual has cheated or attempted to cheat at play;
- c. The individual applied for registration or renewal of registration and was denied or the registration was revoked or is suspended;
- d. A court has ordered the individual not to participate in lottery schemes; or
- e. The individual has acted in a way that would adversely affect public confidence or support for lottery schemes and related businesses.

26. Section 24 of the *OGCR* requires that, prior to issuing a direction to exclude an individual, the Registrar must serve notice of the proposed direction on the individual identifying, among other information, the reasons for proposing to refuse access to the individual and that the individual may make written submissions to the Registrar as to why the individual should not be refused access to gaming sites. The Registrar may issue the direction only after considering any submissions provided by the individual.

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<sup>17</sup> Section 3.6(4).

<sup>18</sup> Section 3.6(5).

<sup>19</sup> Section 3.6(6).

*b. Establishing Standards and Requirements*

27. Section 3.8(1) of the *OGCA* authorizes the Registrar to establish standards and requirements related to gaming in regard to certain matters with respect to which standards and requirements have not been prescribed in the regulations:

If the regulations have not prescribed standards and requirements for a matter described in this section, the Registrar may establish in writing standards and requirements for the conduct, management and operation of gaming sites, lottery schemes or businesses related to a gaming site or a lottery scheme or for goods or services related to that conduct, management or operation if the standards and requirements deal with,

- (a) prohibiting or restricting certain persons from entering gaming sites or playing lottery schemes;
- (b) the prevention of unlawful activities;
- (c) the integrity of a lottery scheme;
- (d) surveillance, security and access related to gaming sites or lottery schemes;
- (e) internal controls;
- (f) the protection of assets, including money and money equivalents;
- (g) the protection of players and responsible gambling; and
- (h) the keeping of records, including financial records.

28. The *Registrar's Standards for Gaming* are attached as Appendix A.<sup>20</sup> The *Registrar's Standards for Gaming: Lottery Sector* are attached as Appendix B.<sup>21</sup>

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<sup>20</sup> Alcohol and Gaming Commission of Ontario, *Registrar's Standards for Gaming* (Toronto: Alcohol and Gaming Commission of Ontario, 2020).

<sup>21</sup> Alcohol and Gaming Commission of Ontario, *Registrar's Standards for Gaming: Lottery Sector* (Toronto: Alcohol and Gaming Commission of Ontario, 2017).

29. The current standards embody a new approach to regulating gaming, first introduced in 2013<sup>22</sup> following statutory and regulatory amendments made in 2012.<sup>23</sup> These changes were intended to modernize gaming and allow for the transition to a risk-based approach to the regulation of this sector.<sup>24</sup> The AGCO describes this new approach to regulation as follows:<sup>25</sup>

Moving forward, the Registrar's Standards will replace the prescriptive, rules-based approach taken in the previous regulations. The new standards were drafted at a high level of generality so as to capture the purpose behind the rules. This offers greater flexibility to regulated entities to design their own control environments and determine the most efficient and effective way of fulfilling their regulatory obligations, while at the same time ensuring that the integrity of gaming is preserved. Ultimately, the goal is to strengthen regulatory outcomes in a way that does not unnecessarily burden regulated entities.

Other benefits of a standards-based approach to gaming regulation include:

- Increased efficiencies for gaming operators to respond to changing market conditions.
- Strong proactive compliance culture and monitoring of performance by gaming operators against their own controls.
- A more effective regulatory structure that is geared to the achievement of results or outcomes and regulatory oversight focusing on high impact areas of concern.

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<sup>22</sup> Alcohol and Gaming Commission of Ontario, "Gaming Standards FAQs" online: AGCO <<https://www.agco.ca/lottery-and-gaming/gaming-standards-faqs>>.

<sup>23</sup> Alcohol and Gaming Commission of Ontario, "Standards" online: AGCO <<https://www.agco.ca/standards>>; Alcohol and Gaming Commission of Ontario, "Info Bulletin No. 69 - Changes under the Gaming Control Act, 1992" online: AGCO <<https://www.agco.ca/bulletin/2012/info-bulletin-no69-changes-under-gaming-control-act-1992-0>>.

<sup>24</sup> Alcohol and Gaming Commission of Ontario, "Info Bulletin No. 72 - Registrar's Standards for Gaming" online: AGCO <<https://www.agco.ca/bulletin/2013/info-bulletin-no72-registrars-standards-gaming>>.

<sup>25</sup> Alcohol and Gaming Commission of Ontario, "Standards" online: AGCO <<https://www.agco.ca/standards>>; Alcohol and Gaming Commission of Ontario, "Info Bulletin No. 72 - Registrar's Standards for Gaming" online: AGCO <<https://www.agco.ca/bulletin/2013/info-bulletin-no72-registrars-standards-gaming>>.

*c. Registration*

30. Parts II and III of *OGCA* address registration under the Act and the regulation of registrants. The *OGCA* requires the registration of both “suppliers”<sup>26</sup> and “gaming assistants.”<sup>27</sup> In its 2018-19 annual report, the AGCO indicated that there were 29,829 gaming and lottery registrants.<sup>28</sup>

31. Part II prohibits certain activities related to gaming - including providing or operating a gaming site - by those not registered under the *OGCA*.<sup>29</sup> Those seeking registration must apply to the Registrar, who is permitted under s. 9(1) to make inquiries and conduct investigations “into the character, financial history and competence” of applicants for registration or renewal as necessary to determine whether the applicant meets the requirements of the *OGCA* and regulations. Sections 10 and 11 identify circumstances in which the Registrar is required to refuse an application for Registration. Part III sets out, among other things, the obligations of registrants.<sup>30</sup>

32. Effective September 2011, the AGCO implemented a risk-based approach to registration. The purpose of this approach is two-fold:<sup>31</sup>

- a. To improve overall service delivery to AGCO clients by streamlining the application process and allowing the registration of lower risk applicants to be processed more quickly; and

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<sup>26</sup> Section 4.

<sup>27</sup> Section 5.

<sup>28</sup> Alcohol and Gaming Commission of Ontario, “2018-19 Annual Report: AGCO Licensees and Registrants” online: AGCO <<https://www.agco.ca/general/annual-report-2018-2019/agco-licensees-and-registrants>>.

<sup>29</sup> Sections 4-5.

<sup>30</sup> Sections 21-28.

<sup>31</sup> Alcohol and Gaming Commission of Ontario, “Info Bulletin No. 68 - AGCO Implements Risk-Based Registration to Process Gaming Registrations” online: AGCO <<https://www.agco.ca/bulletin/2011/info-bulletin-no68-agco-implements-risk-based-registration-process-gaming>>.

- b. To target AGCO resources on those applicants who represent a higher level of risk to the integrity of the gaming industry and the broader public interest.

33. The AGCO's risk-based approach employs a two-stage process for determining suitability for registration. The first stage involves an initial risk-assessment meant to establish basic eligibility for registration and determine whether a more in-depth investigation is needed. Lower risk applicants may be approved for registration without the need for additional information or personal interviews. Higher risk applicants may be required to provide more information and/or submit to an interview.<sup>32</sup>

34. The AGCO has identified the following criteria as relevant to risk assessment:<sup>33</sup>

a. For individuals

- i. Honesty and integrity;
- ii. Financial background;
- iii. Compliance with the law;
- iv. Job function; and
- v. Employment History.

b. For businesses

- i. Honesty and integrity;
- ii. Financial responsibility;
- iii. Compliance with the law;
- iv. Registration type; and
- v. Financial gain from registration.

d. *Conduct Investigations and Appoint Investigators*

35. Section 9(1) of the OGCA grants the Registrar the authority to make inquiries and conduct investigations into the "character, financial history and competence" of applicants

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<sup>32</sup> Alcohol and Gaming Commission of Ontario, "Info Bulletin No. 68 - AGCO Implements Risk-Based Registration to Process Gaming Registrations" online: AGCO <<https://www.agco.ca/bulletin/2011/info-bulletin-no68-agco-implements-risk-based-registration-process-gaming>>.

<sup>33</sup> Alcohol and Gaming Commission of Ontario, "Info Bulletin No. 68 - AGCO Implements Risk-Based Registration to Process Gaming Registrations" online: AGCO <<https://www.agco.ca/bulletin/2011/info-bulletin-no68-agco-implements-risk-based-registration-process-gaming>>.

for registration. Pursuant to s. 9(1.1), the Registrar exercises a similar function with respect to prospective OLG board members and senior employees:

The Registrar may make such inquiries and conduct such investigations into the character, financial history and competence of persons proposed to be members of the Board of the Ontario Lottery and Gaming Corporation and such employees of the Corporation as the Registrar determines exercise significant decision-making authority with respect to the conduct, management or operation of lottery schemes.

36. Broader powers of investigation are assigned to the AGCO under Part IV of the OGCA. Under s. 31(1), the Registrar may appoint any person as an investigator “for the purpose of determining whether there is compliance with [the OGCA], the regulations, the terms of a licence or the terms of registration.” Section 31(3) provides that police officers are investigators for the purpose of the OGCA and regulations by virtue of their office.

37. Section 33 grants investigators appointed under the Act limited authority to conduct searches without a warrant. Section 34 addresses the conduct of searches under a warrant.

*e. Power to Make Orders*

38. The OGCA grants the Registrar the authority to make orders of several types. These include “freeze orders” under s. 37, through which the Registrar can require that money or assets be held by a person, or that they be used by a licensee in accordance with the terms of a license. Under s. 39, the Registrar may make an order requiring that a person stop contravening or not contravene the OGCA and the regulations after giving the person advance notice of the order and an opportunity to be heard. Section 40 permits the Registrar to make such an order immediately, without advance notice if, among other conditions, “the Registrar believes it necessary to make an immediate order to protect the public.”

### ***iii. Registrar's Role under the HRLA***

39. The *HRLA* grants the Registrar broad powers to regulate horse racing in Ontario. The Registrar's powers, generally, are set out in s. 2 of the Act:

2. The Registrar has the power, subject to this Act and the regulations,

- (a) to govern, direct, control and regulate horse racing in Ontario in any or all of its forms; and
- (b) to govern, control and regulate the operation of race tracks and off-track betting facilities in Ontario at which any form of horse racing is carried on or televised.

40. Section 3 of the *HRLA* provides examples of matters over which the Registrar has authority with respect to horse racing:

Without in any way restricting the generality of section 2, some examples of matters with respect to horse racing over which the Registrar may exercise power are,

- (a) all forms of licensing;
- (b) the appointment and discharge of race track officials and other persons whose duties relate to the actual running of horse races;
- (c) registration of matters that the Registrar considers appropriate;
- (d) the keeping of books and accounts;
- (e) the assessment of penalties for contravention of the rules of racing, and the enforcement of the penalties;
- (f) imposing conditions on licences that the Registrar considers expedient, and removing such conditions; and
- (g) examinations and standards.

41. Part III of the *HRLA* establishes a licensing scheme for horse racing and assigns the Registrar responsibilities for administration of that scheme. In its 2018-19 Annual Report, the AGCO indicated that there were 13,758 Horse Racing Licensees in Ontario.<sup>34</sup>

42. Section 9 of the *HRLA* prohibits anyone from operating a “race track at which horse racing in any of its forms is carried on unless the person holds a licence.” Section 10 expands the licensing scheme beyond race track operators to require that licences be held by anyone acting in any of the following capacities: owner, trainer, driver, jockey, apprentice jockey, groom, jockey’s agent, jockey’s valet, exercise rider, tradesperson, horsepersons’ association, veterinarian or any other capacity provided for in the regulations.

43. Applications for a licence or the renewal of a licence, must be made to the Registrar,<sup>35</sup> who may make such inquiries and investigations into the “character, financial history and competence of an applicant...that are necessary to determine whether the applicant meets the requirements of [the *HRLA*], the regulations and the rules of racing.”<sup>36</sup> Section 14 of the *HRLA* requires the Registrar to refuse an application for, or renewal of, a licence if:

- a. There are reasonable grounds to believe that, when acting as a licensee, the applicant will not act in accordance with the law, or with integrity, honesty, or in the public interest, having regard to the past conduct of the applicant; or
- b. The applicant is carrying on activities that are, or will be, if the applicant is licensed, in contravention of [the *HRLA*], the regulations, the rules of racing or the conditions of the licence.

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<sup>34</sup> Alcohol and Gaming Commission of Ontario, “2018-19 Annual Report: AGCO Licensees and Registrants” online: AGCO <<https://www.agco.ca/general/annual-report-2018-2019/agco-licensees-and-registrants>>.

<sup>35</sup> Section 11.

<sup>36</sup> Section 12.



44. Part IV of the *HRLA*, among other things, authorizes the Registrar to appoint inspectors and investigators and delineates the powers of both.

### E. Policing in Ontario Casinos

45. The AGCO's Investigation and Enforcement Bureau is comprised of Ontario Provincial Police ("**OPP**") members.<sup>37</sup> The status and organization of the Bureau is described by the AGCO as follows:

The OPP Bureau is assigned to the AGCO and is fully integrated into AGCO operations, to streamline, standardize and improve investigative response. The [Investigation and Enforcement Bureau ("**IEB**") is comprised of the Investigations Branch (IB) and the Intelligence and Investigative Support Branch (IISB). These branches provide investigative expertise and effective information sharing to external law enforcement, regulatory and industry stakeholder agencies to ensure integrity and public safety within AGCO regulated industries.

46. In its 2018/19 Annual Report, the AGCO provided the following data regarding occurrences at casinos and slot machine facilities:<sup>38</sup>

	2017-18	2018-19
Total investigations	8,507	9,424
Total <i>Criminal Code</i> Offences	3,262	2,291
Alleged Cheat-at-Play Incidents	108	179
Cheat-at-play Charges Laid	20	19
Total Non- <i>Criminal Code</i> Related Offences	5,245	7,133

<sup>37</sup> Alcohol and Gaming Commission of Ontario, "2018-19 Annual Report: Operational Performance - IEB" online: AGCO <<https://www.agco.ca/general/annual-report-2018-2019/operational-performance-ieb>>.

<sup>38</sup> Alcohol and Gaming Commission of Ontario, "2018-19 Annual Report: Operational Performance - IEB" online: AGCO <<https://www.agco.ca/general/annual-report-2018-2019/operational-performance-ieb>>.

47. The annual published statistics for the casino enforcement group in the respect of the “Total Investigations” and “Total Criminal Code Offences” do not specify how many of those offences were substantiated, with the exception of “cheat at play” cases.

48. The investigations branch is staffed by OPP officers deployed within Investigative Teams at nine geographical “Hubs” across the province. OPP members are directly assigned to every gaming facility.

49. The role of Investigation Teams at casinos is to investigate gaming-related criminal offences, human trafficking, and all issues related to the honesty and integrity of the gaming industry in Ontario. OPP officers perform the role of first response officers and facilitate police investigations within the boundaries of casino properties along with assisting local police services with investigations falling outside of the IEB. Investigation Teams also conduct criminal and regulatory investigations within all AGCO business lines (liquor licence, lotteries and charitable gaming). Investigation Teams offer investigative support to other sections within the OPP, as well as other police agencies in and outside of Canada.<sup>39</sup>

50. The OPP Equine Drug Unit, under the direction of IEB and the AGCO Regulatory Compliance Branch is a long-established team of OPP officers and civilian investigators who are responsible for ensuring animal welfare and the integrity of the horse racing industry. The Equine Drug Unit is a stand-alone Investigation Team within IB. As a partner in the AGCO, racing investigators use an intelligence-led model to enforce the *Criminal Code*, *Provincial Offences Act*, and Rules of Racing regulations to protect the sport of horse racing from criminal activity. The Equine Drug Unit works collaboratively with law enforcement agencies and horse racing regulators around the world to exchange

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<sup>39</sup> Ontario Provincial Police, “Alcohol, Gaming and Horse Racing” online *Ontario Provincial Police* <<http://www.opp.ca/index.php?id=115&lng=en&entryid=56f05d2e8f94ac4f367b23c6>>.

intelligence on emerging crime trends related to illegal, performance and image enhancing drugs (PEIDs).<sup>40</sup>

51. The IISB is comprised of the Intelligence Unit, Gaming Protection, Internet Gaming, File Intake and Eligibility Investigations.

52. IISB is staffed with OPP uniform and civilian members. The Eligibility Investigations Unit conducts due diligence investigations for all prospective registrants and licensees within all AGCO business lines. The Gaming Protection Unit provides investigative expertise regarding cheat-at-play and anti-money laundering (AML) strategies. The Intelligence Unit consists of both OPP members and AGCO civilian analysts. The Intelligence Unit gathers and disseminates criminal intelligence information throughout Ontario, Canada, and other parts of the world. This information involves a large variety of criminal-related activities. In addition, the OPP, AGCO, and OLGC have entered into an MOU to share intelligence and AML data to support investigative strategies.

## **F. Modernization of Land-Based Gaming in Ontario**

53. In July 2010, the Government of Ontario directed OLGC to work with the Ministry of Finance to increase net provincial revenue through the modernization of commercial and charitable gaming in Ontario, including:<sup>41</sup>

- a. An expansion of charitable gaming to allow bingo halls to deliver electronic games;

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<sup>40</sup> Ontario Provincial Police, "Alcohol, Gaming and Horse Racing" online *Ontario Provincial Police* <<http://www.opp.ca/index.php?id=115&lng=en&entryid=56f05d2e8f94ac4f367b23c6>>.

<sup>41</sup> Ontario Lottery and Gaming Corporation, "Modernizing Lottery and Gaming in Ontario: Strategic Business Review/Advice to Government" (2012) at 1; Office of the Auditor General of Ontario, "Ontario Lottery and Gaming Corporation's Modernization Plan: Special Report" (April 2014) online: *Office of the Auditor General of Ontario* <[http://www.auditor.on.ca/en/content/specialreports/specialreports/OLGC\\_modernizationplan\\_en.pdf](http://www.auditor.on.ca/en/content/specialreports/specialreports/OLGC_modernizationplan_en.pdf)> at 8.

- b. A complete internet gaming platform including peer-to-peer games, selling lottery tickets and a process for private sector vendors to deliver internet gaming, with appropriate oversight; and
- c. A comprehensive strategic review of the lottery distribution network and land-based gaming facilities.

54. In response, OLGC commenced a strategic business review in December 2010.<sup>42</sup> In November 2011, the review was completed and OLGC's modernization plan was submitted to government.<sup>43</sup>

55. In February 2012, the Ministry of Finance submitted to provincial cabinet a report detailing the strategy and reasoning underlying OLGC's modernization plan.<sup>44</sup> The Ministry received approval to work with OLGC to increase net profits, in part through reforms to land-based gaming, including:<sup>45</sup>

- a. Closing three slots at racetrack facilities;
- b. Relocating six slots at racetrack facilities and one OLGC casino;
- c. Introducing five new gaming facilities in underserved communities;

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<sup>42</sup> Ontario Lottery and Gaming Corporation, "Modernizing Lottery and Gaming in Ontario: Strategic Business Review/Advice to Government" (2012) at 1; Office of the Auditor General of Ontario, "Ontario Lottery and Gaming Corporation's Modernization Plan: Special Report" (April 2014) online: *Office of the Auditor General of Ontario* <[http://www.auditor.on.ca/en/content/specialreports/specialreports/OLGC\\_modernizationplan\\_en.pdf](http://www.auditor.on.ca/en/content/specialreports/specialreports/OLGC_modernizationplan_en.pdf)> at 64.

<sup>43</sup> Office of the Auditor General of Ontario, "Ontario Lottery and Gaming Corporation's Modernization Plan: Special Report" (April 2014) online: *Office of the Auditor General of Ontario* <[http://www.auditor.on.ca/en/content/specialreports/specialreports/OLGC\\_modernizationplan\\_en.pdf](http://www.auditor.on.ca/en/content/specialreports/specialreports/OLGC_modernizationplan_en.pdf)> at 64.

<sup>44</sup> Office of the Auditor General of Ontario, "Ontario Lottery and Gaming Corporation's Modernization Plan: Special Report" (April 2014) online: *Office of the Auditor General of Ontario* <[http://www.auditor.on.ca/en/content/specialreports/specialreports/OLGC\\_modernizationplan\\_en.pdf](http://www.auditor.on.ca/en/content/specialreports/specialreports/OLGC_modernizationplan_en.pdf)> at 65.

<sup>45</sup> Office of the Auditor General of Ontario, "Ontario Lottery and Gaming Corporation's Modernization Plan: Special Report" (April 2014) online: *Office of the Auditor General of Ontario* <[http://www.auditor.on.ca/en/content/specialreports/specialreports/OLGC\\_modernizationplan\\_en.pdf](http://www.auditor.on.ca/en/content/specialreports/specialreports/OLGC_modernizationplan_en.pdf)> at 9.

- d. Introducing live table games at remaining slots at racetrack facilities where market demand permits;
- e. Competitively outsourcing the day-to-day operation of gaming facilities that OLGC was operating to private-sector operators and having them fund new capital development and buy existing OLGC capital gaming assets;
- f. Establishing gaming zones for gaming facilities to minimize competition among sites; and
- g. Establishing a consistent fee model for host municipalities of current and new gaming facilities.

56. The OLGC modernization plan, *Modernizing Lottery and Gaming in Ontario* was released publicly in March 2012.<sup>46</sup> *Modernizing Lottery and Gaming in Ontario* is attached as Appendix ‘C’.

57. The report includes three “key recommendations for change:”

- a. Become more customer-focused;
- b. Expand regulated private sector delivery of lottery and gaming; and
- c. Renew OLGC’s role in oversight of lottery and gaming.

58. As part of its efforts to expand private sector delivery of gaming, OLGC sought private sector casino service providers to operate casinos in Ontario that had previously been operated by OLGC directly. The province was divided into eight “gaming bundles” and OLGC issued requests for proposals for each bundle. As of June 2019,<sup>47</sup> each of these bundles had transitioned to private sector casinos operators as follows:

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<sup>46</sup> Ontario Lottery and Gaming Corporation, “Modernizing Lottery and Gaming in Ontario: Strategic Business Review/Advice to Government” (2012); Office of the Auditor General of Ontario, “Ontario Lottery and Gaming Corporation’s Modernization Plan: Special Report” (April 2014) online: *Office of the Auditor General of Ontario* <[http://www.auditor.on.ca/en/content/specialreports/specialreports/OLGC\\_modernizationplan\\_en.pdf](http://www.auditor.on.ca/en/content/specialreports/specialreports/OLGC_modernizationplan_en.pdf)> at 10-11, 66.

<sup>47</sup> Ontario Lottery and Gaming Corporation, *OLG 2018-19 Annual Report* online: *OLG* <[https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19\\_EN.pdf](https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19_EN.pdf)> at 33.

- a. East - Ontario Gaming East LP (Great Canadian Gaming Corporation holds the majority interest in Ontario Gaming East LP).<sup>48</sup>
- b. Southwest - Gateway Casinos & Entertainment Ltd.<sup>49</sup>
- c. North - Gateway Casinos & Entertainment Ltd.<sup>50</sup>
- d. Ottawa - HR Ottawa LP (HR Ottawa LP consists of HR LP Investor Inc. (owned by Hard Rock International) and RCR Investor Inc. (owned by Rideau Carleton Raceway Holdings Limited)).<sup>51</sup>
- e. Greater Toronto Area - Ontario Gaming GTA LP (Ontario Gaming GTA LP consists of Great Canadian Gaming Corporation and Brookfield Business Partners LP ).<sup>52</sup>
- f. West Greater Toronto Area - Ontario Gaming West GTA LP (Ontario Gaming West GTA LP is owned by Great Canadian Gaming Corporation).<sup>53</sup>
- g. Central - Gateway Casinos & Entertainment Ltd.<sup>54</sup>

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<sup>48</sup> Ontario Lottery and Gaming Corporation, “OLG Selects Service Provider for East Gaming Bundle (September 9, 2015) online: OLG <<https://about.olg.ca/olg-selects-service-provider-for-east-gaming-bundle/>>.

<sup>49</sup> Ontario Lottery and Gaming Corporation, “OLG Selects Service Provider for North and Southwest Gaming Bundles” (December 13, 2016) online: OLG <<https://about.olg.ca/olg-selects-service-provider-for-north-and-southwest-gaming-bundles-2/>>.

<sup>50</sup> Ontario Lottery and Gaming Corporation, “OLG Selects Service Provider for North and Southwest Gaming Bundles” (December 13, 2016) online: OLG <<https://about.olg.ca/olg-selects-service-provider-for-north-and-southwest-gaming-bundles-2/>>.

<sup>51</sup> Ontario Lottery and Gaming Corporation, “OLG Selects Service Provider for Ottawa Area Gaming Bundle” (May 15, 2017) online: OLG <<https://about.olg.ca/olg-selects-service-provider-for-ottawa-area-gaming-bundle/>>.

<sup>52</sup> Ontario Lottery and Gaming Corporation, “OLG Selects Service Provider for GTA Gaming Bundle” (August 8, 2017) online: OLG <<https://about.olg.ca/olg-selects-service-provider-for-gta-gaming-bundle/>>.

<sup>53</sup> Ontario Lottery and Gaming Corporation, “OLG Selects Service Provider for West GTA Gaming Bundle” (December 19, 2017) online: OLG <<https://about.olg.ca/olg-selects-service-provider-for-west-gta-gaming-bundle/>>.

<sup>54</sup> Ontario Lottery and Gaming Corporation, “OLG Selects Service Provider for Central Gaming Bundle” (March 15, 2018) online: OLG <<https://about.olg.ca/olg-selects-service-provider-for-central-gaming-bundle/>>.

h. Niagara - Mohegan Gaming & Entertainment.<sup>55</sup>

59. In January 2020, OLG announced plans to include an additional “Windsor Gaming Bundle”, consisting of the Windsor casino, to the modernization procurement process.<sup>56</sup>

60. In its 2018-19 annual report, OLG reported that the process of modernizing land-based gaming was nearly complete. As of June 11, 2019, all gaming sites with the exception of Caesars Windsor “had transitioned to a new operating and services model.”<sup>57</sup> The report credited the modernization strategy for delivering significant financial returns<sup>58</sup> and attributed to the strategy the investment of “significant private sector capital” including:<sup>59</sup>

- a. New land-based casinos built and opened in Belleville and Peterborough;
- b. Three new gaming facilities under construction in Chatham, North Bay and Pickering;
- c. Construction of a new 5,000-seat entertainment centre in Niagara Falls;
- d. Capital improvement and expansions at a number of gaming sites including the introduction of live table games at racetrack locations - Flamboro, Hanover, Mohawk, Rideau Carleton and Woodbine.

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<sup>55</sup> Ontario Lottery and Gaming Corporation, “OLG Selects Service Provider for Niagara Gaming Bundle” (September 10, 2018) online: OLG <<https://about.olg.ca/olg-selects-service-provider-for-niagara-gaming-bundle/>>.

<sup>56</sup> Ontario Lottery and Gaming Corporation, “OLG to Include Windsor Casino in Modernization” (January 7, 2020) online: OLG <<https://about.olg.ca/olg-to-include-windsor-casino-in-modernization/>>.

<sup>57</sup> Ontario Lottery and Gaming Corporation, *OLG 2018-19 Annual Report* online: OLG <[https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19\\_EN.pdf](https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19_EN.pdf)> at 33.

<sup>58</sup> Ontario Lottery and Gaming Corporation, *OLG 2018-19 Annual Report* online: OLG <[https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19\\_EN.pdf](https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19_EN.pdf)> at 29.

<sup>59</sup> Ontario Lottery and Gaming Corporation, *OLG 2018-19 Annual Report* online: OLG <[https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19\\_EN.pdf](https://about.olg.ca/wp-content/uploads/2019/10/OLG-Annual-Report-2018-19_EN.pdf)> at 9.

61. The AGCO describes itself as playing a “key role” in OLGC’s modernization process.<sup>60</sup>

[T]he AGCO conducts comprehensive due diligence and eligibility assessments to ensure that all operators meet standards of honesty and integrity and to ensure that all casino gaming will be operated within the law. The AGCO also undertakes a number of key activities during the transition process. For example, the AGCO works with the Casino Operator and OLG to monitor transition activities, assess the sites’ readiness, and ensure casino operations comply with all gaming-related legislation and the Registrar’s Standards for Gaming. Once transitioned, many private sector Casino Operators are choosing to build new casinos or expand and relocate existing ones in their respective bundles. Numerous expansions and new builds have taken place over the past year, many with plans to build hotels and live entertainment venues, as well as expand gaming facilities to include ‘live’ table games. The AGCO enhances the operators’ understanding and compliance to AGCO/OPP regulatory requirements by providing them with a *Building, Expanding and Relocating Casinos* guide, and participates in activities such as pre-opening compliance inspections and ‘mock’ casino exercises.

62. The AGCO also describes itself as having undergone a modernization process of its own in parallel with that of the OLGC:<sup>61</sup>

The AGCO also embarked on a path to modernize its approach to regulating, which complements the OLG’s plan to modernize the lottery and gaming sectors in Ontario. The AGCO has been taking a modern and progressive approach to regulation, based on risk, the achievement of outcomes and providing a degree of business flexibility and efficiencies for the lottery and gaming industries. These efforts support and align with key government objectives for enhanced efficiency in the delivery of public services and reducing regulatory burden and increasing consumer choice.

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<sup>60</sup> Alcohol and Gaming Commission of Ontario, “2018-19 Annual Report: Government Initiatives and Priorities” online: AGCO <<https://www.agco.ca/general/annual-report-2018-2019/4-olg-gaming-modernization>>; see also Alcohol and Gaming Commission of Ontario, “Business Plan April 1, 2019 to March 31, 2019” (December 19, 2018) online: AGCO <[https://www.agco.ca/sites/default/files/business\\_plan\\_2019-2022\\_en.pdf](https://www.agco.ca/sites/default/files/business_plan_2019-2022_en.pdf)>.

<sup>61</sup> Alcohol and Gaming Commission of Ontario, “2018-19 Annual Report: Government Initiatives and Priorities” online: AGCO <<https://www.agco.ca/general/annual-report-2018-2019/4-olg-gaming-modernization>>.



In addition, the AGCO's outcomes-based approach to regulation has resulted in significant cost avoidance annually for the AGCO, as well as cost savings, avoidance or additional revenue for Casino Operators.

## **Appendix A:**

Alcohol and Gaming Commission of Ontario, *Registrar's Standards for Gaming*  
(Toronto: Alcohol and Gaming Commission of Ontario, 2019)

# AGCO

Alcohol and Gaming  
Commission of Ontario



Commission of Inquiry into Money Laundering in British Columbia



## REGISTRAR'S STANDARDS FOR GAMING

OCTOBER 2019

Appendix A



AGCO

Alcohol and Gaming  
Commission of Ontario

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# Introduction

## THE REGISTRAR'S STANDARDS FOR GAMING – COMPOSITION

This document includes only the Registrar's Standards for Gaming, applicable to Casinos, cGaming and iGaming. This document should be considered separate from the *Registrar's Standards for Gaming: Lottery Sector* as that document includes only Standards applicable to the Lottery Sector.

The December 2014 version of the *Registrar's Standards for Gaming* have been amended, including the addition of new Standards. This iteration of the Registrar's Standards for Gaming, therefore, supersedes all previously issued versions.

The "Common Standards and Requirements" covered in sections 1 through 6 apply across all applicable gaming sectors and are divided into the six (6) identified risk themes, under which theme-specific Standard and Requirements are provided. The six (6) identified risk themes which make up the "Common Standards and Requirements" include:

1. Entity
2. Responsible Gambling
3. Prohibiting Access to Designated Groups
4. Ensuring Game Integrity and Player Awareness
5. Public Safety and Protection of Assets
6. Minimizing Unlawful Activity Related to Gaming.

Additional sector-specific Standards and Requirements apply to iGaming, cGaming and Casinos are included in sections that follow the Common Standards and Requirements.

## REQUIREMENTS

For certain Standards, further and more explicit direction is provided through one or more specific "Requirements". These Requirements establish the minimum obligations a registrant must achieve to fulfill the corresponding Standard.



## GUIDANCE

Included as part of a number of the Standards and Requirements is a corresponding section which provides regulatory guidance specific to the given standard or requirement. Guidance serves to provide registrants with greater clarity as to the purpose or intent behind a given Standard or Requirement. If, in the future additional guidance is necessary, the AGCO plans to work in collaboration with industry and other key stakeholders, when necessary, to facilitate compliance, ease of application and to ensure a consistent and shared understanding as to the meaning and intent of the Standards and Requirements.

## THE STANDARDS-BASED APPROACH

Under the *Gaming Control Act, 1992* (GCA) and Regulation 78/12, the Registrar is authorized to establish risk-based standards to regulate Ontario's gaming sector. The objective of a standards-based regulatory model is to shift the focus from requiring registrants to comply with a specific set of rules or processes, which tend to be prescriptive in nature, towards the broader regulatory outcomes or objectives they are expected to achieve. These regulatory outcomes are reflected in the "Standards" established herein.

In most cases, these Standards are drafted at a high level of generality, with the aim being to capture the purpose behind the rule. This offers greater flexibility for regulated entities to determine the most efficient and effective way of meeting the outcomes required, which in turn helps reduce regulatory burden and support market innovation. Further, the flexibility inherent in a Standards-Based model allows the Alcohol and Gaming Commission of Ontario (AGCO) to focus its resources on key risks and to deliver a modernized approach to gaming regulation in a rapidly evolving industry.

The Standards were developed based on a comprehensive risk assessment conducted in consultation with key stakeholders, including the Ontario Lottery and Gaming Corporation (OLG), and social responsibility groups. The resulting risk themes are outlined in the next section and the risk inventory is attached as Appendix A. Going forward, risk assessments will be conducted periodically to ensure that the Standards continue to be relevant, and that the highest standards of integrity for gaming in Ontario are maintained.

## REGISTRAR'S AUTHORITY

OLG, Operators, gaming-related suppliers and gaming assistants are required to comply with the GCA and Regulation 78/12. Specifically, Sections 3.8 and 3.9 of the GCA require registrants, employees and other persons retained by OLG to comply with the Standards and Requirements established by the Registrar. The GCA provides the Registrar with the authority to establish Standards and Requirements for the conduct, management and operation of gaming sites, lottery schemes or businesses related to a gaming site or a lottery scheme or for related goods or services.

## INTRODUCTION

### TO WHOM THE STANDARDS APPLY

Standards and Requirements established by the Registrar will apply to OLG and to all Operators in Ontario. Additionally, certain Standards and Requirements also apply to registered gaming-related suppliers and gaming assistants.

Specifically, the Standards and Requirements concerning registrants other than OLG and Operators are included below.

- Gaming-Related Suppliers:
  - » 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.9, 1.10, 1.11, 1.12, 1.14, 1.15, 1.16, 1.17, 1.18, 1.22, 1.24, 1.25, 1.26, 1.27, 1.28, 1.29, 1.30, 1.31, 1.32, 1.33, 1.34, 1.35, 1.37, 1.38, 1.39, 1.41, 1.42, 1.43, 1.44, 1.45, 1.46.
  - » 2.4, 2.8, 2.11.
  - » 4.2, 4.3, 4.5, 4.6, 4.7, 4.8, 4.10, 4.11, 4.13, 4.18.
  - » 5.2, 5.8.
- Registered Gaming-Related Suppliers for iGaming:
  - » 1.13, 1.19, 1.20, 1.21, 1.23, 1.24, 1.34, 1.36, 1.40, 1.42.
  - » 2.9, 2.10, 2.12, 2.13.
  - » 3.3.
  - » 4.1, 4.4, 4.10, 4.13.
  - » 5.3, 5.6, 5.7.
  - » 9.4, 9.5, 9.6, 9.7, 9.8, 9.9, 9.10, 9.21, 9.22, 9.23, 9.24, 9.25, 9.26, 9.28, 9.29, 9.30, 9.31, 9.32, 9.33, 9.34, 9.35, 9.36, 9.37, 9.38, 9.39, 9.40, 9.41, 9.42, 9.43, 9.44, 9.45, 9.46.
  - » 10.4, 10.5, 10.6, 10.7, 10.8, 10.9, 10.10, 10.11, 10.12, 10.13, 10.14, 10.15, 10.16, 10.17, 10.19, 10.20, 10.21, 10.22, 10.23, 10.24, 10.25, 10.26, 10.27, 10.28, 10.29, 10.30, 10.31, 10.32, 10.33, 10.34.
  - » 12.1, 12.4, 12.5.
- Registered Non-Gaming-Related Suppliers and Trade Unions:
  - » 1.1, 1.46.
- Registered gaming assistants:
  - » 1.4, 1.6, 1.46.

The Registrar may direct any registered supplier or registered gaming assistant to comply with any additional Standards and Requirements, as considered necessary to enhance and preserve the integrity of and public confidence in gaming in Ontario. The Registrar may also propose additional terms of registration specific to an Operator or other registrant to give effect to the purposes of the GCA.

These Standards and Requirements will not apply to lottery schemes conducted and managed by charitable organizations in accordance with section 207(1)(b) of the Criminal Code (Canada) or to suppliers, gaming assistants or other persons engaged in such lottery schemes. Existing standards, policies and terms and conditions will continue to apply to such lottery schemes, until such time as the Registrar determines.

## REGISTRAR'S EXPECTATIONS

An Operator's control environment and operating principles form an integral part of the standards-based framework. This section includes information from the Registrar to help guide Operators in the development and implementation of their control environment, as well as to establish key operating principles from a forward looking industry perspective.

### CONTROL ENVIRONMENT

1. Operators will have appropriate and effective control activities in place to meet the Standards and Requirements.
2. Operators will develop control activities based on the regulatory risks identified by the AGCO, taking into account how these risks apply or could manifest at their particular gaming site. The AGCO recognizes that control environments will vary across gaming sites based on their specific risk profile and the context in which they carry on business (e.g. urban casino versus rural bingo hall).
3. Operators will use control activities that can be audited or periodically reviewed for compliance with the Standards and Requirements, and will use systems-based solutions where appropriate.
4. In developing their control environment, Operators will consider the Standards and Requirements in their entirety, as one control activity may be used to mitigate the risks associated with multiple Standards and Requirements.
5. Operators shall develop an implementation and compliance plan for review by the Registrar prior to transitioning to a standards-based framework. An Operator's plan must cover at a minimum the following elements: its process for developing control activities, including any industry standards or good practices it utilizes as part of its compliance framework; its corporate governance structure; the roles and activities of its internal and external auditors; and the timing for each phase of implementation and anticipated full implementation date.

### UTILIZE ESTABLISHED EFFECTIVE PRACTICES

6. Operators are encouraged to adopt industry standards, good practices and governance frameworks established by relevant standards-setting and standards-administering institutes and bodies to support an efficient and effective compliance framework. Similarly, Operators

## INTRODUCTION

are encouraged to obtain certifications and accreditation, over time, to support continuous improvement of their operations and to contribute a degree of independent validation to their control environment and its design effectiveness.

### OVERSIGHT AND AUDIT

7. An Operator's control activities must be reviewed by an independent oversight function for compliance with the Standards and Requirements. Independent oversight practices may vary by Operator depending on a number of factors, including the size, structure and complexity of the Operator's organization. Whatever the case, the Registrar expects that there will be an appropriate role for both internal and external auditors in assessing the ongoing effectiveness and efficiency of internal controls.
8. In addition to reviewing controls for compliance with the Standards and Requirements, audits should also take into account whether controls are consistent with appropriate and relevant industry standards, good practices and governance frameworks.
9. Operators, gaming-related suppliers, and other registrants will facilitate any investigation conducted under the *Gaming Control Act, 1992*, and will grant appropriate access to AGCO OPP Casino Enforcement Unit and any individual with a certificate of appointment from the Registrar.

### STANDARDS INTERPRETATION PROTOCOL

The Standards Interpretation Protocol has been established by the AGCO in order to provide registrants and entities participating in the OLG's Modernization Initiative with a single point of contact for standards-related inquiries and to provide timely, consistent and well-reasoned responses to those inquiries. A dedicated email account has been established (Standards.Coordinator@agco.ca) for the receipt of inquiries.

# Definitions

Words and phrases in these Standards and Requirements shall have the same meaning as in the GCA and Regulation 78/12, unless indicated otherwise.

1. **AGCO** means the Alcohol and Gaming Commission of Ontario
2. **Authenticator** is the means or mechanism by which an individual is identified and verified by the system.
3. **Auto-wagering** is a game feature whereby the player can elect to bet during a game without having to manually activate the betting feature each time a bet is made.
4. **A Bet** is an amount risked in a wager.
5. **Board** refers to either the entire Board of Directors of an Operator or gaming-related supplier (as the case may be) or a committee of the Board that has been delegated a particular element of Board oversight (e.g. audit, compliance, etc.) For purposes of clarity, “Board” does not include the OLG Board unless the gaming site is operated by OLG.
6. **Casino** is a type of gaming site in which lottery schemes conducted and managed by OLG are played in a physical premises that is not a cGaming site.
7. **cGaming** or **cGaming site** is a type of gaming site maintained for the purpose of offering lottery schemes conducted and managed by OLG, a portion of whose profits are shared with eligible charitable organizations.
8. **Controls or control activities** are the individual policies, procedures, business processes, monitoring systems, structures, accountabilities, tools and instruments, etc., that comprise the control environment management establishes to address the regulatory risks identified by the AGCO and achieve the regulatory objectives reflected in the Standards and Requirements.
9. **A Deactivated account** is a player account which has been made no longer available to the player for log on and use.
10. **A Dormant account** is a player account which has been temporarily frozen due to inactivity and made unavailable for player log on and use.
11. **A Dual authorization access system** is an approach to granting access whereby two or more authorized individuals must operate in concert in order to authorize an individual to obtain access to a sensitive area.
12. **Eligible individuals** are those persons who are not prohibited from accessing gaming sites or playing lottery schemes under Standards 3.1 or 3.2.
13. **FINTRAC** means the Financial Transactions and Reports Analysis Centre of Canada.

## DEFINITIONS

14. **Free-to-play games** refer to games, typically offered for promotional purposes, that provide players the option to play without paying or betting.
15. **Gaming-related supplier** means a person who manufactures, provides, installs, tests, maintains or repairs gaming equipment or who provides consulting or similar services directly related to the playing of a lottery scheme or the operation of a gaming site.
16. **Gaming site** means a premises or an electronic channel maintained for the purpose of playing or operating a lottery scheme.
17. **Gaming supplies** refers to gaming equipment that could influence or is integral to the conduct, management or operation of a lottery scheme.
18. **Gaming system** includes hardware, software, applications and all associated components of gaming supplies and the technology environment.
19. **GCA** means the *Gaming Control Act, 1992*.
20. **iGaming** refers to lottery schemes conducted and managed by OLG that are played or operated through the internet, but does not include Lotto Advance.
21. **Independent oversight function** has the meaning ascribed to it in Standard 1.2.
22. **Live Table Games** refers to a game which requires a “live” dealer, where the dealer may have a potential impact on the outcome of the game.
23. **Lottery scheme** has the same meaning as in subsection 207(4) of the Criminal Code (Canada).
24. **Manual controls** are non-system, human-performed control activities.
25. **A Metamorphic game** is a game where features or prizes are triggered by the cumulative result of a series of plays.
26. **OLG** means the Ontario Lottery and Gaming Corporation. For purposes of these Standards and Requirements, OLG is also an Operator.
27. **Operator** means a person who operates a gaming site, and includes OLG.
28. **Peer-to-peer games** are a type of lottery scheme where players gamble against each other rather than against the house.
29. **Randomness or Chance** is observed unpredictability and absence of a pattern in a set of events that have definite probabilities of occurrence.
30. **Registrar** means the Registrar of Alcohol and Gaming under the *Alcohol and Gaming Regulation and Public Protection Act, 1996*.
31. **Self-excluded persons** are individuals who participate in a process established by OLG to exclude themselves voluntarily from gaming sites.
32. **Sensitive inventories** are assets that require strict access controls to ensure gaming integrity and protection of assets, and include at a minimum cash and cash equivalents, cash boxes, controller chips, keys that enable access to sensitive areas of a gaming machine or premises or items that affect the outcome of a game including but not limited to cards, dice, roulette and bingo balls, tiles and bingo paper.

- 33. **Single player games** are any games which are not considered to be peer-to-peer games.
- 34. **System accounts** are all accounts that are used to manage the system.
- 35. **A Two factor access system** is an approach to authentication that requires the use and verification of two of the following authentication factors in order for an individual to gain access to a sensitive area: something they have (e.g. a key or card); something they know (e.g. a password or combination); or a biometric indicator (e.g. fingerprint).

# Common Standards and Requirements

## 1. ENTITY LEVEL

### MANAGEMENT INTEGRITY

- 1.1 **There shall be a commitment to character, integrity and high ethical values demonstrated through attitude and actions.**

**Requirements** – At a minimum:

1. Matters identified in management letters from internal and external auditors and matters identified by the Registrar shall be responded to in a timely manner.
2. All applicable laws and regulations shall be adhered to.
3. Operators and gaming-related suppliers shall create and abide by a code of conduct which addresses at a minimum conflicts of interest and transparency in dealings with the Registrar. The code of conduct must be regularly reviewed by the organization's senior management.

**Guidance:** *Management in the context of this Standard refers to executives and senior-level management who have the day-to-day responsibility of managing the business of the organization.*

### SOUND CONTROL ENVIRONMENT

- 1.2 **Formal control activities shall be submitted to the Registrar which have been assessed by an independent oversight function acceptable to the Registrar for alignment with the Standards and Requirements and authorized by the appropriate level of management.**

**Requirements** – At a minimum:

1. A process shall be in place to periodically review control activities for effectiveness in fulfilling the Standards and Requirements and to document, remedy and adjust the controls where deficiencies or gaps are found.
2. Substantial changes to the control environment shall be communicated to the Registrar in a timely manner.



3. Control activities must be available to the AGCO (or its designate) for regulatory assurance purposes.

**Guidance:** *Guidance: Independent oversight may be exercised by an internal audit body and/or external auditor, as considered appropriate by the Operator or gaming-related supplier and as acceptable to the Registrar. The Registrar recognizes that oversight practices may vary by Operator / gaming-related supplier depending on their size, ownership structure, scope and complexity of operations, corporate strategy and risk profile. Whatever the case, the independent oversight function should be responsible for auditing the organization's compliance management framework, identifying, managing and reporting on risks the organization is or might be exposed to and exercising oversight that is independent from operational management. It should also have direct and unrestricted access to the Board.*

**Additional Guidance for Gaming-Related Suppliers:** *In the application of the entity level Standards and Requirements, it is recognized that some gaming-related suppliers, particularly suppliers of gaming equipment, operate in jurisdictions in addition to Ontario and may be limited in their ability to design and implement control activities based solely on the Standards and Requirements. The intent is that these Standards and Requirements apply to gaming-related suppliers in respect of their conduct in Ontario. At a minimum, the entity level Standards and Requirements seek assurance that gaming-related suppliers, including suppliers operating in multiple jurisdictions, will have acceptable control activities and that periodic review for gaps in control activities is carried out and that the suppliers ensure that the control activities are followed where such control activities affect the respective supplier's conduct in Ontario.*

- 1.3 **Operators and gaming-related suppliers shall comply with their control activities and shall have in place measures to monitor compliance and to address failures to comply.**
- 1.4 **Employees shall comply with the control activities established by their employer to achieve the Standards and Requirements.**
- 1.5 **Operators and gaming-related suppliers are accountable for compliance with control activities by employees and those providing goods and services to operators and gaming-related suppliers, and shall have in place measures to monitor compliance and to address failures to comply.**
- 1.6 **Employees shall inform their employer if control activities are ineffective in achieving compliance with the Standards and Requirements.**
- 1.7 **Management overrides of the control activities shall be clearly documented and communicated to the Registrar.**

**Requirements** – At a minimum:

1. Approval from at least two senior-level managers is required in order to override any

## COMMON STANDARDS AND REQUIREMENTS

control activity, and in each instance the override shall be reported to the Board or other governance structure where a Board does not exist.

**Guidance:** *The intent of this Standard is to allow senior-level management to override controls on a one-off basis in necessary circumstances and to ensure that appropriate documentation is maintained for auditing purposes. This Standard is not intended to address permanent changes to the control environment.*

- 1.8 **Operators must establish, implement and maintain controls to support preparation of financial reports which comply with all applicable accounting standards, rules and good practices.**

## ORGANIZATIONAL STRUCTURE AND CAPABILITIES

- 1.9 **Employees must have the competence, skills, experience and training required to execute control activities that are relevant to their responsibilities.**

**Requirements** – At a minimum:

1. Employees involved in performing control activities must be trained and have knowledge of the organization's control environment, the regulatory risks that the controls are designed to mitigate and the regulatory objectives reflected in the Standards and Requirements.

- 1.10 **Organizational structures shall be designed to promote a sound control environment and proper segregation of duties to ensure that the possibility for collusion or unauthorized or illegal activities is minimized.**

**Requirements** – At a minimum:

1. Employees shall be given the appropriate and documented authority and responsibility to carry out their job functions, subject to supervision.
2. The adequacy of segregation of duties as they relate to player protection, game integrity and protection of assets shall be regularly reviewed by the organization's internal audit group or other independent oversight function acceptable to the Registrar.
3. Operators must provide the Registrar with an organizational chart showing key reporting lines and relationships and shall ensure that it remains up to date

- 1.11 **Management clearly understands its accountability and authority for the control environment.**

**Requirements** – At a minimum:

1. Management shall have been trained and have knowledge of the organization's control

environment, the regulatory risks that the controls are designed to mitigate and the regulatory objectives reflected in the Standards and Requirements.

- 1.12 **Information, including logs, related to compliance with the law, the Standards and Requirements and/or adherence with control activities shall be retained for a minimum of three (3) years, unless otherwise stated.**
- 1.13 **All surveillance recordings shall be retained for a minimum period as specified by the Registrar.**

## **OVERSIGHT**

- 1.14 **Compliance with the Standards and Requirements shall be documented in an organized manner to ensure that the information is capable of being reviewed and audited by an independent oversight function.**

**Requirements** – At a minimum:

- 1. Documentation shall be reviewed and analyzed to ensure compliance with the Standards and Requirements, and approved by management.
- 2. Internal and external auditors shall be granted access to all relevant systems, documentation (including control activities) and resources for the purpose of conducting an audit.
- 3. Where directed, Operators and gaming-related suppliers shall retain an independent auditor acceptable to the Registrar to carry out audits required by the Registrar and provide copies of the audit reports to the Registrar.

**Guidance:** *The intent of this Requirement is to allow the Registrar to direct third party audits where he considers necessary for regulatory assurance purposes. Although the auditor would be retained by the Operator or gaming-related supplier in these circumstances, it would report directly to the Registrar.*

- 4. In reviewing control activities for compliance with the Standards and Requirements, internal and external auditors shall take into account the Registrar's expectations, as articulated herein.

- 1.15 **Primary accountability for compliance resides with the Board, or other governance structure, where a Board does not exist, and there shall be evidence that the Board, or other governance structure, has carried out its responsibility in this respect.**

**Requirements** – At a minimum:

- 1. A compliance oversight function shall be established that is independent of the activities it oversees.

## COMMON STANDARDS AND REQUIREMENTS

**Guidance:** *Overall responsibility for compliance monitoring should ideally rest with a chief compliance officer or if such person does not exist, a member of senior management.*

2. An internal audit function shall be established that regularly audits the organization's control environment and compliance management framework and exercises oversight that is independent from operational management. The internal audit function shall have the authority to independently review any aspect of the operations.

**Guidance:** *Where this is not feasible given the organization's size or structure, audits should be carried out by another independent oversight function.*

3. The compliance oversight function and internal audit or other independent oversight function shall have direct and unrestricted access to the Board, or other governance structure, and shall report on all important issues regarding compliance on a regular basis or as necessary.
4. The Board, or other governance structure, shall establish a committee or committees to oversee the organization's compliance and audit oversight functions, with appropriate terms of reference addressing composition and accountabilities.
5. Members of the Board, or other governance structure, and of any committees established to oversee the organization's compliance and audit oversight functions shall understand the business's operations, initiatives and major transactions, and shall have the skills, training, experience and independence to carry out their fiduciary responsibilities.

- 1.16 **There shall be an independent "whistleblowing" process to allow employees to anonymously report deficiencies or gaps in the control environment as well as incidents of possible non-compliance with the controls, Standards and Requirements, or the law.**

**Requirements** – At a minimum, Operators shall:

1. Issues raised through the "whistleblowing" process must be addressed and communicated to the Board in a timely manner.

- 1.17 **Registrants shall engage with the Registrar in a transparent way.**

**Requirements** – At a minimum, Operators shall:

1. Provide reports regarding any incident or matter that may affect the integrity or public confidence in gaming, including any actions taken to prevent similar incidents from occurring in the future, in accordance with the established notification matrix.
2. Provide reports regarding any incident of non-compliance with the law, Standards and Requirements or control activities, including any actions taken to correct the cause of non-compliance, in accordance with the established notification matrix.
3. Provide periodic reports demonstrating the performance over time of compliance with control activities.

4. Make available any data, information and documents requested by the Registrar.
5. Provide reports regarding any public complaints related to compliance with the Standards and Requirements, including any actions taken to resolve the complaints, in accordance with the established notification matrix.

## **INFORMATION TECHNOLOGY**

- 1.18 **A recognized industry standard framework shall be used to manage the information technology (IT) control environment to support compliance with the Standards and Requirements.**

## **SECURITY MANAGEMENT**

- 1.19 **Users shall be granted access to the gaming system based on business need.**

**Requirements** – At a minimum:

1. Access privileges are granted, modified and revoked based on employment status and job requirements and all activities associated with these actions are logged.
2. Access privileges are independently reviewed and confirmed on a periodic basis.

- 1.20 **Access to gaming information systems shall be monitored, logged and shall be traceable to a specific individual.**

**Requirements** – At a minimum:

1. All accounts for business users shall be uniquely assigned to an individual.
2. All system accounts (or other accounts with equivalent privileges) shall be restricted to staff that provide IT support, and mechanisms shall be in place to secure and monitor use of those accounts.

- 1.21 **Processes shall be in place to ensure that only authorized individuals are permitted to open system accounts.**

- 1.22 **Industry accepted components, both hardware and software, shall be used where possible.**

- 1.23 **Any connection or interface between the gaming system and any other system, whether internal or external third party, shall be monitored, hardened and regularly assessed to ensure the integrity and security of the gaming system.**

- 1.24 **Mechanisms shall be in place to ensure the reliability, integrity and availability of the gaming system.**

- 1.25 **There shall be a suitably secure physical environment in place to prevent unauthorized access to the gaming system and to ensure the protection of assets.**

## COMMON STANDARDS AND REQUIREMENTS

- 1.26 **Gaming systems, infrastructure, data, activity logs and all other related components shall be protected from threats, vulnerabilities, attacks or breaches.**

**Requirements** – At a minimum:

1. All users shall be authenticated.
2. All components shall be hardened in accordance with industry and technology good practices prior to going live and prior to any changes.
3. The appropriateness and effectiveness of steps taken to harden technology components shall be regularly assessed.
4. Patches to correct any security risks shall be updated regularly

- 1.27 **Security activities shall be logged in an auditable manner, monitored, promptly analyzed and a report prepared and escalated as appropriate.**

**Requirements** – At a minimum:

1. Attempts to attack, breach or access gaming system components in an unauthorized manner shall be responded to in a timely and appropriate manner.
2. Intrusion attempts shall be actively detected and where possible prevented from causing disruption or outage of the gaming system.
3. There shall be adequate logging to capture and monitor any attempts to attack, breach or access in an unauthorized manner any components of the gaming system. There shall be an appropriate escalation procedure.

- 1.28 **Independent assessments shall be regularly performed by a qualified individual to verify the adequacy of gaming system security and all of its related components.**

- 1.29 **Operators and gaming-related suppliers shall stay current on security trends, issues and solutions.**

## CHANGE MANAGEMENT

- 1.30 **A system development lifecycle that considers security and processing integrity shall be in place for gaming system technology developed in-house.**
- 1.31 **Due diligence must be performed on all acquired gaming system technology to ensure security and processing integrity requirements are met.**
- 1.32 **A testing strategy to address changes in technology shall be in place to ensure that deployed gaming systems operate as intended.**
- 1.33 **All gaming system changes shall be appropriately, consistently and clearly documented, reviewed, tested and approved.**

**Requirements – At a minimum:**

1. All gaming system technology components are installed and maintained in accordance with the appropriate change management procedures.
2. Requests for changes and maintenance of the gaming system are standardized and are subject to change management procedures.
3. Emergency changes are approved, tested, documented, and monitored.
4. Change management procedures shall account for segregation of duties between development and production.
5. Only dedicated and specific accounts may be used to make changes.

1.34 **The gaming system shall be able to detect unauthorized changes.**

**DATA GOVERNANCE**

1.35 **Data governance shall be in place to address data processing integrity and protection of sensitive data.**

1.36 **Sensitive data, including player information and data relevant to determining game outcomes, shall be secured and protected from unauthorized access or use at all times.**

**Requirements – At a minimum:**

1. The gaming system shall ensure that data is appropriately backed up in a manner that allows it to be completely and accurately restored.
2. Data backups shall be stored off-site in a secure location and in accordance with applicable policies and laws.

1.37 **Player information shall be securely protected and its usage controlled by OLG.**

**Requirements – At a minimum:**

1. Data collection and protection requirements for player personal information shall meet those set out in the Freedom of Information and Protection of Privacy Act.
2. Player information shall only be used for OLG's business unless there is prior approval from OLG.

1.38 **All gaming systems critical to the outcome of the lottery scheme shall reside in Ontario, unless the lottery scheme is conducted in conjunction with the government of another province.**

1.39 **Communication of sensitive game data shall be protected for integrity.**

1.40 **Procedures shall be established and documented for IT operations and incident**

## COMMON STANDARDS AND REQUIREMENTS

**management, including managing, monitoring and responding to security and processing integrity events.**

**Requirements** – At a minimum:

1. Proactive monitoring and detection of errors in the gaming system and related components shall be in place. Action shall be immediately taken to correct incidents of non-compliance with the Standards and Requirements or control activities.
2. There shall be time synchronization of the gaming system environment and related components.
3. Event data shall be retained to provide chronological information and logs to enable the reconstruction, review and examination of the time sequences of processing.

### 1.41 **Gaming applications on all portable devices shall be appropriately secured.**

**Guidance:** *This Standard is not intended to capture players using their own portable devices such as their smartphones, but rather employees or players using portable devices to access the Operator's gaming system.*

## THIRD PARTY MANAGEMENT

### 1.42 **Operators and gaming-related suppliers shall only contract with reputable suppliers.**

### 1.43 **Service levels for management of suppliers shall be established.**

**Requirements** – At a minimum:

1. Service levels must be documented and enforceable.
2. Corrective action is taken to address non-compliance with established service levels.

### 1.44 **Operators and gaming-related suppliers shall provide the Registrar with a list of suppliers that provide them with goods or services in relation to lottery schemes and shall ensure that this list is kept up to date.**

## COMPLIANCE WITH TECHNICAL STANDARDS

### 1.45 **Operators and gaming-related suppliers shall comply with applicable technical standards issued by the Registrar.**

## COMPLIANCE WITH OLG POLICIES AND PROCEDURES

### 1.46 **All registrants and non-gaming-related suppliers who are exempt from registration will comply with all applicable OLG policies and procedures to the extent that they are consistent with these Standards and Requirements.**



## **2. RESPONSIBLE GAMBLING**

### **2.1 Advertising and marketing materials and communications shall not target underage or self-excluded persons to participate in lottery schemes and shall not include underage individuals.**

**Requirements** – At a minimum, materials and communications shall not:

1. Be based on themes, or use language, intended to appeal primarily to minors.
2. Appear on billboards or other outdoor displays that are directly adjacent to schools or other primarily youth-oriented locations.
3. Contain cartoon figures, symbols, role models, and/or celebrity/entertainer endorsers whose primary appeal is to minors.
4. Use individuals who are, or appear to be, minors to promote gambling.
5. Appear in media and venues directed primarily to minors, or where most of the audience is reasonably expected to be minors.

### **2.2 Advertising and marketing materials and communications shall not be misleading.**

**Requirements** – At a minimum, materials and communications shall not:

1. Imply that playing a lottery scheme is required in order to fulfill family or social obligations or solve personal problems.
2. Promote playing a lottery scheme as an alternative to employment, as a financial investment, or as a requirement for financial security
3. Contain endorsements by well-known personalities that suggest that playing lottery schemes has contributed to their success.
4. Encourage play as a means of recovering past gambling or other financial losses.
5. Be designed so as to make false promises or present winning as the probable outcome.
6. Imply that chances of winning increase:
  - a. The longer one plays;
  - b. The more one spends; or
  - c. Suggest that skill can influence the outcome (for games where skill is not a factor).

### **2.3 Information about the risks of gambling and where to obtain additional information or assistance shall be made readily available to all patrons.**

**Requirements** – At a minimum:

1. Responsible gambling materials and information about obtaining help, including Ontario's Problem Gambling Help Line, shall be available, visible and accessible to all patrons.

## COMMON STANDARDS AND REQUIREMENTS

2. Information about setting betting limits, if applicable, shall be made available to all patrons.
3. Information about self-exclusion programs shall be available, visible and accessible to all patrons.
4. Advertising and marketing materials shall, where effective, contain a responsible gambling message.
5. All information related to responsible gambling shall be regularly and periodically reviewed and updated to ensure that it is accurate, up to date and in line with industry good practice.

### 2.4 **Patrons shall be provided with meaningful and accurate information to enable them to make informed choices.**

**Requirements** – At a minimum:

1. Meaningful and accurate information on the rules of play shall be clearly stated and made available to patrons.
2. Meaningful and accurate information on the odds of winning, payout odds or returns to patrons shall be clearly stated and made available to patrons.
3. For games that include progressive awards, Operators shall provide notice to patrons of the disposition of accumulated progressive prizes prior to a progressive game being converted or removed.

### 2.5 **Support shall be provided to persons showing signs of potentially problematic gambling behavior.**

**Requirements** – At a minimum:

1. All employees who interact with players shall receive training in a Registrar-approved program designed to identify and respond appropriately to players who may be showing signs of problem gambling.
2. Players shall be provided with easily accessible contact information of at least one organization dedicated to treating and assisting problem gamblers.
3. OLG shall develop and enforce responsible gambling policies, procedures and training, ensure they are available, kept up to date and relevant, and that the Operator complies with them.
4. Responsible gambling policies shall be reviewed periodically for effectiveness.

### 2.6 **OLG shall provide a common voluntary self-exclusion program.**

**Requirements** – At a minimum:

1. At the time of signing up for self-exclusion, individuals shall have the option to be excluded from any or all gaming sectors (e.g. Casino, cGaming).

2. Despite requirement 1, if a player self-excludes from a Casino, the player is not eligible to gamble on OLG's iGaming site for the duration of the self-exclusion period.
3. Individuals shall have the option to sign up for the self-exclusion program at gaming sites or at an off-site location.
4. Self-exclusions shall have a clearly defined term length.
5. Operators shall take active steps to identify, and if required, remove self-excluded persons from the gaming site when they are found to be in breach of their self-exclusion agreement.

**Guidance:** *OLG's self-exclusion program may be executed in each of the gaming sectors using different processes and technologies to reflect the distinct operational circumstances of that sector.*

**2.7 Individuals who have decided to voluntarily self-exclude shall be removed from mailing lists and shall not receive incentives or promotions for any products and services during the period of self-exclusion.**

**2.8 Game designs and features shall be clear and shall not mislead the player.**

**Requirements** – At a minimum:

1. Where a game simulates a physical device, the theoretical probabilities and visual representation of the game shall correspond to the features and actions of the physical device, unless otherwise disclosed to the player.
2. Game design shall not give the player the perception that speed of play or skill affects the outcome of the game when it does not.
3. After the selection of game outcome, the game shall not make a variable secondary decision which affects the result shown to the player. If the outcome is chosen that the game will lose then the game shall not substitute a particular type of loss to show to the player (i.e. near miss).
4. Where the game requires a pre-determined pattern (for example, hidden prizes on a map), the locations of the winning spots shall not change during play, except as provided for in the rules of play.
5. Games shall not display amounts or symbols that are unachievable.
6. Games shall not contain intentionally programmed subliminal messaging.
7. Where games involve reels:
  - a. For single line games, jackpot symbols shall not appear in their entirety more than 12 times on average, adjacent to the pay-line, for every time they appear on the pay-line;
  - b. For multi-line games, jackpot symbols shall not appear in their entirety more than 12 times, on average, not on any pay-line, for every time they appear on any pay-line.

## COMMON STANDARDS AND REQUIREMENTS

8. Free-to-play games shall not misrepresent or mislead players as to the likelihood of winning or prize distribution of similar games played for money.
9. The denomination of each credit shall be clearly displayed on game screens.
- 2.9 **Free-to-play games shall provide the same responsible gambling and player protection information as games played for money.**
- 2.10 **Removed, July 2019.**
- 2.11 **Games shall not encourage players to chase their losses, or increase the amount they have decided to gamble, or continue to gamble after they have indicated that they want to stop.**
- 2.12 **Players shall have the means to track the passage of time.**
- 2.13 **Games that are located in gaming sites that are not age-restricted shall not appeal primarily to, nor be associated with, underage individuals.**

### **3. PROHIBITING ACCESS TO DESIGNATED GROUPS**

#### **3.1 Only eligible individuals are permitted access to a gaming site.**

**Requirements – At a minimum:**

1. A policy on eligibility of access to the gaming site, play and payment of prizes shall be established, implemented and made public.
2. The following individuals shall not be permitted access to the gaming site:
  - a. An individual under 19 years of age where the gaming site is a Casino, except in the course of employment;
  - b. An individual under 19 years of age where the gaming site is an iGaming site, except where the individual is at least 18 years of age and is accessing the gaming site solely for the purpose of purchasing a lottery ticket, or in the course of employment;
  - c. An individual under 18 years of age where the gaming site is a cGaming site, except in the course of employment;
  - d. Individuals who appear to be intoxicated if the site is a physical premises;
  - e. Every individual who advises the Operator or OLG that the individual is participating in a self-exclusion process established by OLG that applies to the site, unless the individual is accessing the gaming site in the course of their employment;
  - f. An individual who is known by the Operator to have been restricted from accessing the gaming site or playing a lottery scheme as a condition of a court order;
  - g. Individuals who the Operator or OLG have reason to believe have been excluded from the site under subsection 3.6(1) of the GCA

#### **3.2 Only eligible individuals are permitted to play a lottery scheme.**

**Requirements – At a minimum:**

1. The following individuals shall not be permitted to play lottery schemes
  - a. An individual under 19 years of age where the gaming site is a Casino
  - b. An individual under 19 years of age where the gaming site is an iGaming site, except where the individual is at least 18 years of age and is accessing the gaming site solely for the purpose of purchasing a lottery ticket;
  - c. An individual under 18 years of age where the gaming site is a cGaming site;
  - d. Individuals who appear to be intoxicated if the site is a physical premises;
  - e. Every individual who advises the Operator or OLG that the individual is participating in a self-exclusion process established by OLG that applies to the site;

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- f. An individual who is known by the Operator to have been restricted from accessing the gaming site or playing a lottery scheme as a condition of a court order;
  - g. Individuals who the Operator or OLG have reason to believe have been excluded from the site under subsection 3.6(1) of the GCA;
  - h. Officers, members of the board of directors or partners of the Operator;
  - i. Registered gaming assistants of an Operator or OLG employed at any gaming site operated by the Operator or OLG;
  - j. Executives or staff of a trade union who represent or negotiate on behalf of employees employed at the site;
  - k. Employees of registered suppliers who maintain or repair gaming equipment at the site;
  - l. Members or employees of the AGCO;
  - m. Officers, members of the board of directors, or employees of OLG, unless they are within the description set out in subsection 22(6) of Ontario Regulation 78/12 (ie. they are registered as category 2 gaming assistants or otherwise not required to be registered by the AGCO).
2. Individuals described in paragraphs 1. a. to c. and e. to m. shall not be permitted to win prizes in accordance with the policy on prize payment.

**Note:** *This Standard does not preclude the AGCO from participating in games for regulatory assurance purposes.*

**3.3 Lottery schemes shall be provided only within Ontario, unless the lottery scheme is conducted in conjunction with the government of another province.**

## **4. ENSURING GAME INTEGRITY AND PLAYER AWARENESS**

- 4.1 All gaming activities and financial transactions shall be conducted fairly and honestly, and must be independently verifiable.**

**Requirements** – At a minimum:

1. Continuous independent monitoring and recording of lottery schemes and cash (and cash equivalent) handling must be in place to support the verification of:
  - a. Adherence to required rules of play by players and employees;
  - b. Confirmation of outcomes of lottery schemes;
  - c. Prize payment to the proper person;
  - d. Accuracy of financial transactions.
2. Continuous logs shall be maintained for critical gaming systems including to track financial accounting and game state history.
3. Periodic performance reports must be completed for employees involved in the delivery of lottery schemes with respect to adherence to required procedures. Reports shall be completed more frequently for employees with higher rates of non-adherence.

- 4.2 Rules of play, including any subsequent modifications, shall be submitted to the Registrar for approval.**

**Requirements** – At a minimum, the rules of play shall contain:

1. Odds of winning, payout odds or returns to players.
2. A description of how the game is played.
3. Circumstances in which a game can be declared void.

- 4.3 Lottery schemes must be conducted in accordance with the approved rules of play.**

**Requirements** – At a minimum:

1. All bets shall be accepted, processed and settled in accordance with the approved rules of play.
2. Adequate supervision of the lottery scheme is in place to ensure adherence to required procedures.
3. Devices that compromise or affect the integrity of lottery schemes shall not be permitted.

- 4.4 Removed, April 2017.**

- 4.5 All gaming systems and gaming supplies, including any subsequent modifications, shall be submitted to the Registrar for assessment and approval, at the expense of the supplier, prior to being provided to any gaming site.**

## COMMON STANDARDS AND REQUIREMENTS

**Requirements:**

1. Removed, July 2019.

- 4.6 **Gaming systems and gaming supplies shall be provided, installed, configured, maintained, repaired, and operated in a way that ensures the integrity, safety and security of the approved gaming supplies and systems, and in accordance with the Registrar's approval.**

**Requirements – At a minimum:**

1. Only gaming systems and gaming supplies approved by the Registrar shall be used at a gaming site.
2. The Registrar shall be immediately notified where there is any problem with the integrity or security of the gaming system or gaming supplies.
3. Monitoring and testing shall be performed throughout the life of the gaming system and gaming supplies to ensure they are operating as approved.
4. In the event of any suspected integrity or security problem with a gaming system or gaming supply, the current state of the gaming system and gaming supply, and any supportive evidence shall be preserved until investigators (OPP or AGCO) have provided direction.
5. The Operator shall ensure that any AGCO serialized seal(s) is not tampered with or removed, except by AGCO investigators.

- 4.7 **Production, testing and development systems shall be logically separated.**

- 4.8 **Game outcomes shall be recoverable, where technically possible, so that player bets can be settled appropriately**

- 4.9 **Where game outcomes are not recoverable, the Operator shall have clearly defined policies in respect of treating the player fairly when resolving the player's transactions.**

- 4.10 **Mechanisms shall be in place to allow a game to be recreated up to and including the last communicated state to the player.**

**Requirements – At a minimum:**

1. Selected electronic game elements and game outcomes shall be logged before they are displayed to the player.
2. Information shall be captured that is needed to continue a partially complete game within a reasonable period of time.

- 4.11 **A player's bet and the outcome of the game shall be clearly displayed and easy to understand.**



- 4.12 **Patron complaints and any inquiries related to game integrity must be recorded and addressed in a timely and appropriate manner.**
- 4.13 **Games shall pay out accurately, completely and within a reasonable time of winning, subject to checks and verifications.**
- 4.14 **Operators shall have mechanisms in place to appropriately deter, prevent and detect collusion and cheating.**
- 4.15 **All relevant activities related to the detection of collusion and cheating shall be logged.**
- 4.16 **Players must be able to easily and readily report activities related to collusion and cheating.**

## COMMON STANDARDS AND REQUIREMENTS

## 5. PUBLIC SAFETY AND PROTECTION OF ASSETS

- 5.1 **Operators shall have available for review by the AGCO floor plans and documentation showing that the premises complies with all applicable laws including:**

- a. **Zoning by-laws respecting the use of the premises**
- b. ***Building Code Act, 1992***
- c. ***Fire Protection and Prevention Act, 1997* (including emergency evacuation plans)**
- d. ***Health Protection and Promotion Act, 1997***
- e. ***Liquor Licence Act***

**Requirements** – At a minimum:

- 1. Floor plans shall identify the sensitivity level of each area of the premises including:
  - a. Areas within the premises at which lottery schemes are offered, showing the current inventory and location of games;
  - b. Financial control areas;
  - c. Areas containing sensitive inventories.
- 2. Floor plans or other documentation shall identify areas where a dual authorization access system or two factor access system is appropriate, given the sensitivity level of the area.
- 3. Floor plans or other documentation shall include the maximum capacity approved for the gaming site.

- 5.2 **Only authorized individuals shall be permitted access to sensitive areas.**

**Requirements** – At a minimum, Operators shall:

- 1. Adopt a dual authorization access system or two factor access system for those sensitive areas of the premises or sensitive parts of gaming supplies identified by the Operator.

**Guidance:** *There may be various levels of sensitivity in a gaming site. Dual authorization access will be appropriate for the highest risk areas, such as playing card vaults and cash count rooms, where strict controls are necessary to secure the gaming site and/or safeguard gaming integrity or assets. Two factor access, on the other hand, may be appropriate for other types of sensitive areas or equipment. Each gaming site is unique and should define its sensitive areas as it deems appropriate. The Registrar, however, retains the authority to direct an Operator to adopt a certain form of access authorization for a certain area or equipment, as deemed necessary. .*

- 5.3 **Individuals suspected of, or engaged in, creating a disturbance that could be harmful to the individual, to the public or to gaming-related assets shall be removed from the premises, and the occurrence shall be reported in accordance with the established notification matrix.**

5.4 **A policy and process shall be in place to provide individuals with security escorts to and from vehicles, where it is requested.**

5.5 **Areas under the control of the Operator shall be monitored for the presence of unattended children. All occurrences of unattended children shall be addressed and reported in accordance with the established notification matrix.**

5.6 **There shall be site emergency procedures to protect the public from personal harm and limit the damage to or loss of gaming-related assets**

**Requirements** – At a minimum:

1. Employees or persons retained by the Operator shall be competent in implementing site emergency procedures. .

5.7 **Security and surveillance shall be in place to protect the public and gaming-related assets and to record transactions.**

**Requirements** – At a minimum:

1. Floor plans must show surveillance equipment positioning for each area including:
  - a. location(s) of the lottery schemes (including the camera coverage for each);
  - b. areas containing cash or cash equivalents such as cages, count rooms, armoured car pickups and deliveries;
  - c. areas containing sensitive inventories;
  - d. all entrances and exits (points of egress).

**Guidance:** *The intent of Requirement 1(d) is to ensure that all points of access, which directly or indirectly lead to the gaming floor or sensitive areas at a minimum have camera coverage or an alarm, which is actively monitored for unauthorized access.*

2. Surveillance plans must include activities that address the following:
  - a. camera coverage and control systems for all lottery schemes;
  - b. secure movement of cash, cash equivalents and sensitive inventories within the gaming site;
  - c. interventions related to persons suspected of conducting illegal activities at the gaming site.
3. Any interruption of monitoring activities shall be immediately reported in accordance with the established notification matrix.
4. Continuous independent monitoring must be provided even if the premises is closed to the public.
5. Video/digital recordings shall be made and retained for a minimum period as specified by the Registrar.

## COMMON STANDARDS AND REQUIREMENTS

- 6. The handling of sensitive inventories shall be conducted securely at all times, to prevent loss or misuse.
- 5.8 **There shall be timely and accurate maintenance of gaming-related financial transactions, accounting information and data.**
- 5.9 **Lottery schemes shall be played only within designated areas of the premises.**

## 6. MINIMIZING UNLAWFUL ACTIVITY RELATED TO GAMING

### 6.1 **Mechanisms shall be in place to reasonably identify and prevent unlawful activities at the gaming site.**

**Requirements** – At a minimum, the Operator shall:

1. Conduct periodic risk assessments to determine the potential for unlawful activities, including money laundering, fraud, theft and cheat at play.
2. Ensure that all relevant individuals involved in the operation, supervision or monitoring of the gaming site shall remain current in the identification of techniques or methods that may be used for the commission of crimes at the gaming site.
3. Appropriately monitor player and employee transactions and analyze suspicious transactions for possible unlawful activity.
4. Report suspicious behaviour, cheating at play and unlawful activities in accordance with the established notification matrix.

### 6.2 **Anti-money laundering policies and procedures to support obligations under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* shall be implemented and enforced.**

**Requirements** – At a minimum:

1. Copies of all reports filed with the FINTRAC and supporting records shall be made available to the Registrar in accordance with the established notification matrix.
2. Removed, July 2019.

# iGaming - Additional Standards and Requirements

The following additional Standards and Requirements apply to iGaming.

## 7. PLAYER ACCOUNT MANAGEMENT (iGAMING)

### REGISTRATION AND ACCOUNT CREATION

- 7.1 **Relevant player information shall be collected and saved upon registration and shall be demonstrated to be complete, accurate and validated before a player account is created for the player.**

**Requirements – At a minimum, the following information shall be gathered upon registration:**

1. Name.
2. Date of birth.
3. Address.
4. Method of identification for subsequent log on.
5. Player contact information.
6. Information required by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and to be filed with FINTRAC.

- 7.2 **Before a player account is created, players shall affirm that all player information provided upon registration is complete and accurate.**

- 7.3 **Only eligible individuals are permitted to create a player account and gamble.**

**Note:** *This Standard does not preclude the AGCO and OLG from being granted access to accounts for purposes of testing and/or monitoring.*

### PLAYER ACCOUNT MAINTENANCE AND TRANSACTIONS

- 7.4 **Player information shall be kept complete and accurate.**

- 7.5 **Prior to participating in game play, players must affirm that they are fit for play.**
- 7.6 **Only eligible individuals who hold a valid player account are permitted to log on to their account and gamble.**

*Note: This does not preclude the AGCO and OLG from being granted access to accounts for purposes of testing and/or monitoring.*

- 7.7 **All player accounts shall be uniquely identifiable.**
- 7.8 **Players may have only one player account with an Operator.**
- 7.9 **The list of prohibited and excluded individuals may change from time to time. Player information shall be re-verified at the time of change and at regular intervals thereafter.**

*Guidance: The intent is to ensure that each time the list of individuals who are prohibited from accessing gaming sites or playing lottery schemes under Standards 3.1 and 3.2 changes, all registered player information is checked to ensure that all registered players are still eligible to play and, if they are not eligible, they are prohibited from gambling.*

- 7.10 **There shall be an auditable trail of events that is logged and available relating to account creation and activation and account changes.**

**Requirements** – At a minimum, an auditable trail of events shall be available for the following:

1. Information relating to player identification and verification.
2. Information related to any contractual agreements entered into between the OLG and the player.

- 7.11 **Players shall acknowledge and accept the terms of the contract between the player and OLG prior to account creation and shall acknowledge and accept any subsequent changes to the terms of the contract when the player logs onto their account.**
- 7.12 **All players shall be authenticated prior to accessing their player account and being permitted to gamble.**
- 7.13 **All player account transactions shall be recorded and logged in an accurate and complete manner.**
- 7.14 **Player account information shall be made readily available to the player.**
- 7.15 **All player account transactions shall be made readily available and clear to the player.**

**Requirements** – At a minimum, the gaming system shall give the player access to the following player account transactions:

1. Deposit/withdrawal history, and current balance.

## iGAMING - ADDITIONAL STANDARDS AND REQUIREMENTS

2. Log in time, last log in time and last log out time.
3. Gaming event and transaction history.
4. Method and source of funds used for transactions.
5. Total monies wagered for session and/or period of time.
6. Total monies won or lost for session and/or period of time.
7. Account balance at start and end of session.

**Guidance:** *Player account transactions under this Standard would not include logs of game play activity (e.g. log for each hand played).*

- 7.16 **All player account transactions shall be uniquely identifiable and traceable to a unique individual player account.**

## DEACTIVATION AND DORMANT ACCOUNTS

- 7.17 **Reasonable efforts shall be made to inform players of player funds remaining in dormant accounts.**
- 7.18 **Players may elect to deactivate their player account at any time and, once the election is made, the account is deactivated.**
- 7.19 **There shall be an auditable trail of events logged and available regarding account deactivation.**
- 7.20 **Where necessary, a player account may be deactivated by the Operator.**
- 7.21 **A player account shall be deactivated if requested by the Registrar.**
- 7.22 **If player information is removed, OLG shall ensure that it is archived in accordance with records retention schedules.**
- 7.23 **Where an account becomes dormant, the player shall be able to recover the balance of their account owing to them.**
- 7.24 **Where an account is deactivated, by a player or another authorized individual, the player shall be able to recover the balance of their account owing to them.**



## 8. FUNDS MANAGEMENT (iGAMING)

### DEPOSITS

- 8.1 **A player may be permitted to deposit funds into his/her player account only after the appropriate verifications and authorization.**

**Requirements** – At a minimum, deposits shall be verified and authorized to ensure the following:

1. Deposits made are appropriately authorized by a financial services provider.

### WITHDRAWALS

- 8.2 **Players are permitted to withdraw funds from their player account only after the appropriate verifications and authorization.**

**Requirements** – At a minimum:

1. Withdrawals shall be verified and authorized to ensure the following, before a withdrawal is permitted:
  - a. The withdrawal is being made by a holder of the account;
  - b. The withdrawal is being transferred to an account of which the player is a legal holder;
  - c. Where winnings are equal to \$10,000 or more, additional verification shall take place to ensure that the player is eligible to receive the winnings.

- 8.3 **Players are permitted to withdraw funds from their player account in an accurate and complete fashion and within a reasonable timeframe.**

### FUNDS MAINTENANCE AND TRANSACTIONS

- 8.4 **Player funds shall be clearly and appropriately managed.**
- 8.5 **All player funds deposited shall be held in an OLG account.**
- 8.6 **Operators shall not extend credit or lend money to players or refer players to credit providers or imply or infer that a player should seek additional credit to play games.**
- 8.7 **A player shall never have a negative funds balance.**

## iGAMING - ADDITIONAL STANDARDS AND REQUIREMENTS

- 8.8 **Players shall be provided with a clear and accurate representation of their funds account balance that is easily accessible and readily available at all times.**

**Requirements** – At a minimum:

1. The player balance shall be displayed in Canadian dollars.

- 8.9 **Players shall be provided with unambiguous information about all player account fees prior to making a withdrawal or deposit.**
- 8.10 **Players shall be informed clearly and specifically of all rules and restrictions regarding deposits and withdrawals and access to funds in connection with deposits and withdrawals.**
- 8.11 **Funds shall not be transferred between player accounts without the Registrar's approval.**
- 8.12 **Adjustments to player accounts shall be made accurately and only by authorized individuals.**
- 8.13 **Adjustments to player accounts shall be recorded and logged in an accurate and complete manner.**
- 8.14 **Players shall be provided with accurate, clear and specific reasons for any adjustments made to their accounts.**

## 9. SECURITY (iGAMING)

### ARCHITECTURE AND INFRASTRUCTURE

- 9.1 **The gaming system architecture and all its related components shall demonstrate security in depth.**
- 9.2 **All gaming systems and devices shall validate inputs before inputs are processed.**
- 9.3 **The gaming system shall only display the minimum information about the gaming system to unauthorized users and during system malfunctions.**

*Guidance: The intent is to ensure that the gaming system does not display unnecessary information to unauthorized individuals that may be used to compromise the gaming system or privacy of information.*

- 9.4 **All remote access methods shall be appropriately secured and managed.**
- 9.5 **Use of wireless communication shall be secured and only used where appropriate.**

*Guidance: The intent is to ensure that wireless communication is not present in areas where it could be potentially harmful (e.g. data centres).*

- 9.6 **All components shall be hardened as defined by industry and technology good practices prior to going live and as part of any changes.**

**Requirements** – At a minimum:

- 1. All default or standard configuration parameters shall be removed from all components where a security risk is presented.
- 2. The appropriateness and effectiveness of steps taken to harden technology components shall be regularly assessed and, if appropriate, changes must be made to improve the hardening.

- 9.7 **Access shall be appropriately restricted to ensure that the domain name server records are kept secure from malicious and unauthorized changes.**

### DATA AND INFORMATION MANAGEMENT

- 9.8 **All private encryption keys shall be stored on secure and redundant media that are only accessible by authorized management personnel.**
- 9.9 **Encryption keys must be appropriately rotated at regular intervals.**
- 9.10 **The gaming system architecture shall limit the loss of data and session information.**

## iGAMING - ADDITIONAL STANDARDS AND REQUIREMENTS

**SYSTEM ACCOUNT MANAGEMENT**

- 9.11 **The gaming system shall be able to change, block, deactivate or remove system accounts in a timely manner upon termination, change of role or responsibility, suspension or unauthorized usage of an account.**
  - 9.12 **A secure authenticator that meets industry good practices shall be used to identify a user and his or her account to ensure that only authorized individuals are permitted to access their system account on the gaming system.**
- Requirements – At a minimum:**
- 1. The gaming system shall automatically lock out accounts should identification and authorization requirements not be met after a defined number of attempts.
- 9.13 **The gaming system shall ensure that all access to the system is fully attributable to, and logged against, a unique user identification.**
  - 9.14 **Only the minimum access rights shall be granted to each system account on the gaming system and access rights shall be clearly documented.**
  - 9.15 **All temporary and guest accounts shall be disabled immediately after the purpose for which the account was established is no longer required.**
  - 9.16 **System accounts and system access rights for the gaming system shall be regularly reviewed and updated.**
  - 9.17 **A log of account owners shall be kept and regularly reviewed and updated.**
  - 9.18 **A mechanism shall be in place to ensure that the assignment of administrator accounts is approved by the Operator's management and that usage is monitored for appropriateness.**
  - 9.19 **Inappropriate use of system accounts on the gaming system shall be logged, reviewed and responded to within a reasonable period of time.**
  - 9.20 **Inappropriate use of administrator accounts shall be reported to the Registrar in a timely manner.**

## SOFTWARE

**Note:** The following Standards apply to the following types of software: 1) Commercial off the shelf software, 2) Modified commercial off-the-shelf software, 3) Proprietary developed software, and 4) OLG specific developed software.

- 9.21 **Software used for the gaming system shall be developed using industry good practices.**
- 9.22 **Software development methodologies used shall be clearly documented, regularly updated and stored in an accessible, secure and robust manner.**
- 9.23 **An appropriate system shall be in place to manage the software development and ongoing software management lifecycle.**
- 9.24 **All software development roles shall be segregated during and after release of code to a production environment.**
- 9.25 **The Operator shall establish an appropriate audit trail of authority and management review of code for software.**
- 9.26 **Controls shall be in place to ensure software is appropriately secured and access is appropriately restricted throughout development.**
- 9.27 **The Operator's authorized management staff shall review and approve software documentation to ensure that it is appropriately and clearly documented.**
- 9.28 **Source code and compiled code shall be securely stored.**

**Guidance:** *Compiled code could be digitally signed or hashed (including each time there is a change) in a manner that allows for external verification.*

- 9.29 **The promotion or movement of code from testing through other environments to production shall be accompanied by the appropriate documentation and approvals.**
- 9.30 **All promotion of code from development to production shall only be performed by production support staff and not by development staff.**
- 9.31 **Appropriate testing environments shall be in place to allow for thorough testing of any code before it is put into production.**
- 9.32 **Access to production environments shall be restricted from development personnel.**

**Note:** *This does not preclude granting of temporary supervised access for conducting technical investigations that may only be performed on the production environment.*

- 9.33 **Development code shall not be present in the production environment.**

## iGAMING - ADDITIONAL STANDARDS AND REQUIREMENTS

- 9.34 **A mechanism shall be built into the gaming system to verify the integrity of the software that is deployed to production, including before changes are implemented, as well as on an ongoing basis.**
- 9.35 **Appropriate release and configuration management systems shall be in place to support software development.**
- 9.36 **All code developed by a third party shall be tested to ensure it meets industry good practices and that it performs to meet its purpose prior to being added to the testing environment and prior to integration testing.**
- 9.37 **All code developed by a third party shall pass integration testing before it is added to production.**
- 9.38 **Mechanisms shall be in place to ensure that bugs are identified and addressed prior to, and during, production.**
- 9.39 **Quality assurance processes, including testing, shall take place during development and prior to the release of any code.**
- 9.40 **All components, where appropriate, shall be tested for the purposes for which they will be used.**

**CHANGE MANAGEMENT**

- 9.41 **Post implementation reviews shall be performed to ensure that changes have been correctly implemented and the outcomes shall be reviewed and approved.**
- 9.42 **All change related documentation and information shall be captured, stored and managed in a secure and robust manner.**
- 9.43 **The implementation of software related updates, patches or upgrades shall be regularly monitored, documented, reviewed, tested and managed with appropriate management oversight and approval.**
- 9.44 **A mechanism shall be in place to regularly monitor, document, review, test and approve upgrades, patches or updates to all gaming-related hardware components as they become end of life, obsolete, shown to have weaknesses or vulnerabilities, are out-dated or have undergone other maintenance.**
- 9.45 **Appropriate release and configuration management processes with support systems shall be in place to support both software and hardware related changes.**
- 9.46 **Only dedicated and specific accounts may be used to make changes.**

## 10. GAME PLAY AND MANAGEMENT (iGAMING)

### DISPLAY AND GAME INFORMATION

- 10.1 **The player shall be provided with accurate information to enable the player to make informed choices.**

**Requirements** – At a minimum:

1. For each game, the theoretical payout shall be provided:
  - a. For games that include progressive awards, limited time awards, metamorphic elements or game-within-a-game awards, the variable contribution of such awards to the theoretical payout percentage shall be clearly disclosed;
  - b. For games which have different theoretical payout percentages for different betting options, the lowest theoretical payout percentage of all betting options shall be disclosed, as a minimum;
  - c. For games that have skill and/or strategy components, the theoretical payout percentage shall be calculated using a disclosed, generally known and/or publicly available strategy. If there is no such standard/published strategy, the theoretical payout percentage shall be calculated using a blind strategy (random choice).
2. Games with elements of skill or strategy shall either disclose the optimal strategy or provide other information to the player that is sufficient to derive the optimal strategy.
3. For any top award that has a probability of less than 1 in 17 million to win, the probability shall be disclosed to the player.
4. For any other award that has a probability of less than 1 in 34 million to win, the probability shall be disclosed to the player.

- 10.2 **Information shall be displayed for a length of time that is sufficient for the player to understand their bet and the result of the game.**

### SPEED AND INTERRUPTION

- 10.3 **Where speed of interaction has an effect on the player's chances of winning, the Operator shall take reasonable steps to ensure the player is not unfairly disadvantaged due to gaming system related performance issues.**
- 10.4 **Service interruptions shall be responded to and dealt with in a way that does not disadvantage players.**

**Requirements** – At a minimum, the gaming system shall:

1. Inform players that the speed of connection or processor may have, or appear to have, an effect on the game;

## iGAMING - ADDITIONAL STANDARDS AND REQUIREMENTS

2. Recover from failures that cause interruptions to the game in a timely fashion;
  3. Where appropriate, void bets;
  4. Retain sufficient information to be able to restore events to their pre-failure state, if possible;
  5. Return bets to players where a game cannot be continued after a service interruption.
- 10.5 **For all single player games, a mechanism shall be in place to require a player to complete an incomplete game before a player is allowed to participate in any other games, where possible.**

**PEER-TO-PEER GAMES**

- 10.6 **For all peer-to-peer games, the player shall be made aware of possible communication loss and the impact to the player in such an event.**
- 10.7 **Operators shall ensure that no programs are used to participate in peer-to-peer games with players (e.g. robots).**
- 10.8 **Mechanisms shall be in place to detect and prevent situations where players in peer-to-peer games may be using software/programs (e.g. robot play) to create an unfair advantage during game play.**

**Requirements – At a minimum:**

1. OLG shall require the player to enter into an agreement which clearly states that using software or programs to play games on a player's behalf is prohibited.
- 10.9 **A mechanism shall be in place to allow players to report suspected use of robots.**
- 10.10 **A mechanism shall be in place to ensure that a player cannot play against himself/herself.**
- 10.11 **Players shall not be unjustly treated or unfairly disadvantaged by the actions of other players.**
- 10.12 **Where players are unjustly treated or unfairly disadvantaged by the actions of other players, a mechanism shall be in place to detect, log and respond appropriately to this behaviour.**

**DETERMINATION OF GAME OUTCOMES**

- 10.13 **All possible game outcomes (winning and losing outcomes) shall be available in each play, unless clearly explained in the rules of play.**



- 10.14 **The probability of game outcomes in virtual games shall be the same as in the associated live game (e.g. card games), unless the differences are set out in the rules of play and communicated to players.**
- 10.15 **The probability of achieving any specific game outcome shall be constant and independent of game history, player or any other factor.**

**Guidance:** *The intent is to ensure that where the outcome of a game should be truly random (i.e. dice games, slot games), the outcome is not dependent or based upon any game history or other factors. This Standard is not meant to prohibit games which are based on cumulative play i.e. metamorphic games.*

- 10.16 **Bets shall be committed before the selection of game elements and associated game outcomes. Any wager received after the selection of game elements or associated game outcomes associated with the wager shall be voided and returned to the player.**

## **RANDOMNESS OF GAME OUTCOMES**

- 10.17 **A mechanism shall be in place to randomly select game elements used to determine game outcomes.**
- 10.18 **The mechanism used to select game elements and their associated game outcomes shall be impervious to outside influences: including electro-magnetic interference; devices within or external to the gaming system; characteristics of the communications channel between the gaming system and the end player device; players; and the Operator.**
- 10.19 **Mechanical and electrical devices used to select game elements and their associated game outcomes shall meet the following:**
- a. Components shall be constructed of materials that will not degrade or impact the randomness of the selection before their scheduled replacement lifecycle;
  - b. The devices shall be capable of being monitored and inspected to ensure the integrity of the device and randomness of the generated outcomes.
- 10.20 **The selected game elements and their associated game outcomes shall not be influenced, affected or controlled by the amount wagered, or by the style or method of play unless the conditions of play are changed and are clearly disclosed to the player.**
- 10.21 **The selected game elements and their associated game outcomes shall not be altered, discarded or otherwise manipulated through a secondary decision by the game program.**
- 10.22 **There shall be a mechanism in place to ensure that the randomness of selected game elements is not impacted by load on the gaming system.**
- 10.23 **Selected game elements shall not be supplied to more than one player, unless required by the rules of play.**

## iGAMING - ADDITIONAL STANDARDS AND REQUIREMENTS

- 10.24 **Initial values and conditions shall be selected and used to seed the random selection process in a way that ensures the randomness of the resulting game outcomes, and avoids any correlation of selected game elements with elements selected by any other instances of the mechanism.**
- 10.25 **Re-initialization of initial values shall be kept to a minimum. Initial values shall be reinitialized, if corrupted.**
- 10.26 **Where the random selection process is interrupted, the next selection shall be a function of the selection produced immediately prior to the interruption, where possible.**
- 10.27 **Any failure of the mechanism used to select game elements shall be quickly identified and responded to in an appropriate and timely manner in order to minimize the effect on players.**
- 10.28 **Where there is a failure of the mechanism used to select game elements, games that rely upon that mechanism shall be made unavailable until the failure has been rectified.**

**AUTOMATED FUNCTIONALITY**

- 10.29 **A mechanism shall be in place to ensure that the player retains control of betting where auto-wagering functionality is provided.**

**Requirements** – At a minimum, the auto-wagering functionality shall:

1. Enable the player to choose the bet, and either the number of auto-wagering bets or the total amount to be bet.
2. Enable the player to stop the auto-wagering regardless of how many auto-wagering bets were initially chosen or how many remain.
3. Not override any of the display requirements, e.g. the result of each bet shall be displayed for a reasonable length of time before the next bet commences.
4. Enable the player to limit the dollar amount gambled and/or length of play.
5. Provide reasonable limits to the length of time auto-wagering can continue.

**GAME MANAGEMENT**

- 10.30 **Where applicable, game interface changes made by the player shall be appropriately limited by the gaming system to ensure that information and representation of the game remains fair and accurate and in accordance with the rules of play.**
- 10.31 **Rules of play shall not be changed during a game session unless the player is made aware of the change and no bets have been placed by the player.**

- 10.32 **Where games have been changed, players shall be notified of the changes and the impact on the rules of play before the game is played.**
- 10.33 **All game sessions shall be appropriately secured and checked for authenticity.**
- 10.34 **There shall be a player inactivity time-out that automatically logs the player out or ends the player's session after a specified period of inactivity.**

## DOWNLOADABLE GAME CONTENT

- 10.35 **All downloadable games shall be set up and provided to the player in a secure manner with all relevant information provided to the player.**

**Requirements** – At a minimum, downloadable games shall include:

1. Separate and distinct rules of play.
2. Separate and distinct security parameters.

- 10.36 **All critical functions, including the generation of the outcome of any game, shall be generated by the gaming system, independently of the end player device.**

**Guidance:** *The intent is for the Operator to maintain control (i.e. security, integrity) of all critical game functions.*

## COLLUSION AND CHEATING

- 10.37 **Mechanisms shall be in place in order to facilitate investigation of collusion and cheating and, if necessary, deactivation of player accounts or player sessions in a timely fashion when detected.**

## 11. RESPONSIBLE GAMBLING (iGAMING)

- 11.1 **All lottery schemes shall be entered into willingly by the player.**

**Guidance:** *The intent is to ensure that the player is not forced into game play simply by selecting the game.*

- 11.2 **Players shall be provided with an easy and obvious way to set gaming limits (financial or time based) upon registration and at any time after registration.**

## iGAMING - ADDITIONAL STANDARDS AND REQUIREMENTS

**Requirements – At a minimum:**

1. Players shall be provided with the option to set loss and deposit limits during registration.

- 11.3 **Where a gaming limit has been previously established by a player, a request to relax or eliminate that limit shall only be implemented after a cooling-off period.**

**Requirements – At a minimum:**

1. The cooling-off period shall be 24 hours.

- 11.4 **Where a gaming limit has been previously established by a player, it may not be relaxed by an Operator acting unilaterally, without instructions from the player.**

- 11.5 **Gaming limits, however imposed, shall be enforced by the gaming system.**

**Requirements – At a minimum:**

1. Players shall be clearly notified that the game or gaming session has come to an end due to a gaming limit.

- 11.6 **The registration page and pages within the player account shall prominently display a responsible gambling statement.**

- 11.7 **A mechanism shall be in place to monitor and detect game and account transactions which may indicate signs of problem gambling.**

- 11.8 **Removed, July 2019.**

- 11.9 **There shall be reasonable and appropriate breaks in play.**

## 12. OTHER OPERATOR STANDARDS (iGAMING)

**GENERAL**

- 12.1 **Employees shall receive training appropriate to their role and be competent in carrying out their duties.**
- 12.2 **The contract between the player and OLG shall clearly state that all applicable laws must be complied with.**
- 12.3 **Relevant information about the AGCO shall be displayed and easily accessible to the player.**

## INCIDENT MANAGEMENT

### 12.4 The Registrar shall be notified about incidents in accordance with the established notification matrix.

**Guidance:** *The intent is only to inform the Registrar of incidents which are of a regulatory concern. These may include:*

1. *Incidents related to gaming system integrity*
2. *Incidents related to security*
3. *Incidents related to accounting improprieties*
4. *Incidents related to cheat at play*

## LOGGING MANAGEMENT AND REPORTING

### 12.5 There shall be appropriate, accurate and complete records of transaction and game state and play information kept and made available for the purposes of:

1. Ensuring timely investigations can be performed by the Registrar.
2. Capturing information needed to continue a partially complete game within a reasonably defined time.
3. Resolving disputes in a fair and timely manner.
4. Ensuring player complaints can be resolved.
5. Tracking all relevant player information (including funds information).
6. Tracking all relevant individual gaming sessions and game play information.
7. Tracking all relevant information related to events (including significant events).
8. Tracking of game enabling, disabling and configuration changes.

**Guidance:** *There should be an adequate amount of storage, capacity and retention of logged information.*

*The appropriate capacity, design and monitoring of the logging facilities should be in place to ensure that logging is not interrupted for a technical reason that could have been prevented.*

*The following are EXAMPLES ONLY of what should be recorded and logged.*

*Recorded and logged information should include the following:*

*Information that could be used in investigations*

## iGAMING - ADDITIONAL STANDARDS AND REQUIREMENTS

- a. *Amending player balances*
- b. *Changing game rules or pay-tables*
- c. *Changing administrator or root level access*

*Player Account Information*

- a. *Player identity details (including player identity verification results)*
- b. *Account details and current balance*
- c. *Changes to account details, such as change of address, change of credit card, or change of name*
- d. *Any self-imposed player protection limitations*
- e. *Any self-imposed player protection exclusions*
- f. *Details of any previous accounts, including reasons for deactivation*
- g. *Deposit/withdrawal history*
- h. *Game play history (e.g. games played, amounts bet, amounts won, progressive jackpots won, etc.)*

*Gaming Session and Game Play Information*

- a. *Unique player ID*
- b. *Unique game identifier*
- c. *Game session start and end time*
- d. *Player account balance at start of game*
- e. *Amount wagered*
- f. *Contributions to progressive jackpot pools (if any)*
- g. *Current game status (i.e. in progress / complete)*
- h. *Game result/outcome*
- i. *Progressive jackpot wins (if any)*
- j. *Game end time*
- k. *Amount won*
- l. *Player account balance at end of game*

*Event Information*

- a. *Player registration or player account creation and deactivation*
- b. *Changes to player registration (e.g. address) or account details (e.g. balance, player configurable parameters)*
- c. *Changes made to game parameters*
- d. *Changes made to jackpot parameters*
- e. *New jackpot created*
- f. *Jackpot retired*
- g. *Large wins*
- h. *Jackpot wins*
- i. *Any large transfer of funds*
- j. *Loss of communication with a player device*
- k. *Player exclusion (including exclusion, requests to lift exclusion, and actual lifting of exclusion)*

*Significant Event Information*

- a. *Changes made to game parameters*
- b. *Changes made to progressive jackpot parameters*
- c. *New progressive jackpots created*
- d. *Progressive jackpot shutdowns*

**Note:** *The above are examples only and are not to be considered a complete list.*

- 12.6 **There shall be a mechanism in place to ensure that if logging is interrupted, compensating manual controls are used, where reasonable.**
- 12.7 **The gaming system shall be capable of providing unfettered custom and on- demand reports to the Registrar.**

**Guidance:** *The intent is to ensure that the Registrar can receive information in the appropriate format when necessary.*

*The following are EXAMPLES ONLY of the types of reports that may be generated:*

- a. *A list of all currently (or previously) active player accounts*
- b. *A list of all currently (or previously) dormant player accounts*
- c. *A list of all accounts for which the player has currently (or previously) imposed a player protection self-exclusion*
- d. *A list of all accounts for which the player has currently (or previously) been excluded from the site (i.e. involuntary exclusion)*
- e. *A list of all accounts for which the player's funds have currently (or previously) been inactive for a period of time exceeding 90 days*
- f. *A list of all accounts for which one or more of the player's deposits and/or withdrawals have exceeded a configurable limit (i.e. large deposits/withdrawals). The limit shall be configurable for single transactions, as well as aggregate transactions over a defined time period.*
- g. *A list of all accounts for which one or more of the player's wins have exceeded a configurable limit (i.e. large wins). The limit shall be configurable for single wins, as well as aggregate wins over a defined time period.*
- h. *A list of all currently active gaming sessions*
- i. *A list of all games hosted by the website, including approved game/paytable versions*

**Note:** *The above are examples only and are not to be considered a complete list.*

- 12.8 **Information regarding specific game elements (such as a player's hand or cards) shall not be accessible to give advantage to any player during games, unless by the player themselves.**
- 12.9 **The Operator shall ensure that investigators (OPP or Registrar) are able to monitor and participate in games.**

## iGAMING - ADDITIONAL STANDARDS AND REQUIREMENTS

**COMPLAINTS AND HELP MANAGEMENT**

- 12.10 **A mechanism shall be in place to allow players to contact the Operator in a timely fashion with issues or complaints relating to their player account, funds management, game play or any matter related to compliance with the Standards and Requirements. The Registrar shall be notified of any such issues or complaints, in accordance with the established notification matrix.**
- 12.11 **A 'help' function shall be made readily available and easily accessible to players to provide gaming-related assistance.**



# cGaming – Additional Standards and Requirements

The following additional Standards and Requirements apply to cGaming sites.

## RESPONSIBLE GAMBLING (cGaming)

Following Standard 2.13, the additional Standard applies:

2.14 **Credit shall not be extended or lent to patrons to gamble.**

## ENSURING GAME INTEGRITY AND PLAYER AWARENESS (cGaming)

Following Standard 4.16, the additional Standard applies:

4.17 **Removed, July 2019.**

# Casinos - Additional Standards and Requirements

The following additional Standards and Requirements apply to Casinos.

## RESPONSIBLE GAMBLING (CASINOS)

Following Standard 2.4, the additional Requirement applies:

4. **For live table games, game specific minimum and maximum wagers shall be clearly posted and visible to patrons playing the game.**

Following Standard 2.14, the additional Standard and Requirements apply:

- 2.15 **Operators shall ensure that credit services provided to patrons are carried out in a responsible manner.**

**Requirements** – At a minimum:

1. Operators shall not extend credit to individuals who display problem gambling behavior.
2. If a player requests a credit limit increase, the Operator shall not increase the player's credit limit until at least 24 hours have passed since the request.

## ENSURING GAME INTEGRITY AND PLAYER AWARENESS (CASINOS)

Following Standard 4.5, the additional Requirement applies:

2. Chips and tokens which meet the following specifications are deemed to be approved for play in Ontario:
  - a. Designed and manufactured to minimize the possibility of counterfeiting in accordance with industry good practice;
  - b. Bear the manufacturer's name or a distinctive logo or other mark identifying the manufacturer;
  - c. Bear the name of the issuer; and

- d. Except in the case of non-value chips used exclusively for the playing of roulette, indicate the value of the chip or token.
- e. Tokens must possess attributes that distinguish them from other tokens and coins (e.g. alloy composition, security marks, patterns) to permit acceptance of only valid coins by coin acceptors.

**Guidance:** *Non-electronic or non-electromagnetic gaming supplies used in operation with table games in accordance with the Rules of Play (e.g. dice, cards) do not require additional assessment or approval by the Registrar, and can be made available for play.*

- 3. Playing cards used for gaming are imprinted with an identifier unique to the gaming site.

Following Standard 4.17, the additional Standard applies:

- 4.18 **Live table game (non-electronic) layouts must at a minimum display the following information in a manner identifiable through surveillance recording:**
  - a. Unique Property Identifier
  - b. Specific Game Name (Game Type)
  - c. Wagering Positions
  - d. Bonus Pay tables
  - e. Unique Game Options

**Guidance:** *This Standard is not intended to capture gaming layouts that are displayed electronically via a terminal, display, etc.*

*Unique Game Options was intended to capture any options unique to the game which is important for understanding how the outcome of the game will be determined. As an example, in Blackjack an indication of whether the Dealer stands on all point totals of seventeen (17) or hits on soft seventeen (17).*

## **PUBLIC SAFETY AND PROTECTION OF ASSETS (CASINOS)**

Following Standard 5.7, the additional Requirement applies:

- 7. The AGCO OPP Casino Enforcement Unit, a unit of the OPP Bureau assigned to the AGCO, must be provided with independent monitoring equipment with override capability within the Casino Enforcement Unit work area.

# APPENDIX

## REGULATORY RISKS

RISK THEME	REGULATORY RISK
Entity Level	<ul style="list-style-type: none"> <li>• Lack of appreciation and understanding of critical elements of a risk based control environment</li> <li>• Lack of defined Board mandate and independent oversight of management</li> <li>• No mechanism for reporting wrong doing</li> <li>• Inadequately documented management policies and procedures to define and align accountability skills and competence</li> <li>• Lack of understanding about expected ethical behavior</li> <li>• Lack of transparency in decision making</li> <li>• Individual knowingly fails to comply</li> </ul>
Responsible Gambling	<ul style="list-style-type: none"> <li>• Inappropriate advertising practices targets minors</li> <li>• Advertising is false and misleadingly deceptive to attract the public</li> <li>• Advertising deemed to promote excessive play</li> <li>• Players allowed to play excessively</li> <li>• Responsible gaming controls not designed into environment and product</li> <li>• Players are unaware of risks to problem gambling and options to self-control</li> </ul>
Prohibiting Access to Designated Groups	<ul style="list-style-type: none"> <li>• Individuals prohibited from games of chance have access</li> <li>• Selling product outside jurisdiction</li> </ul>

RISK THEME	REGULATORY RISK
Ensuring Game Integrity and Player Awareness	<ul style="list-style-type: none"> <li>• Inability to regulate all components</li> <li>• Related parties winning at a higher relative percentage than the public</li> <li>• Players have insufficient information to make an informed choice</li> <li>• Game and system design lack integrity</li> <li>• Game procedures are not followed</li> <li>• Game and systems fail</li> </ul>
Public Safety and Protection of Assets	<ul style="list-style-type: none"> <li>• People are not safe</li> <li>• Assets and customer information are not safe-guarded</li> <li>• Unauthorized individuals have access to prohibited areas</li> </ul>
Minimizing Unlawful Activity Related to Gaming	<ul style="list-style-type: none"> <li>• Gaming used as a vehicle for money laundering</li> <li>• Gaming used as a vehicle for fraud or theft</li> <li>• Internal theft is occurring</li> <li>• Cheat at play materializes within the gaming environment</li> </ul>

## **Appendix B:**

Alcohol and Gaming Commission of Ontario, *Registrar's Standards for Gaming: Lottery Sector* (Toronto: Alcohol and Gaming Commission of Ontario, 2017)



## REGISTRAR'S STANDARDS FOR GAMING: LOTTERY SECTOR

APRIL 2017



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# Introduction

## THE REGISTRAR'S STANDARDS FOR LOTTERY – COMPOSITION

This document includes only the Registrar of Alcohol and Gaming's (Registrar) Standards for Lottery. Due to the distinct nature of the Lottery sector with respect to other gaming sectors in Ontario, a number of Standards previously included in the Registrar's Standards for Gaming have been excluded or modified, and a number of new Standards have been added (Please note: Where a Standard from the Registrar's Standards for Gaming has been excluded from the Standards for Lottery, it is referenced as "Not applicable to lottery sector"). The document, therefore, should be considered separate from the Registrar's Standards for Gaming, which applies to Casinos, iGaming and cGaming.

The document is divided into two (2) general sections: Definitions and the Registrar's Standards for Lottery. The Registrar's Standards for Lottery are divided into the six identified Risk Themes, under which theme-specific Standard and Requirements are provided. The Themes include:

- Risk Theme 1: Entity
- Risk Theme 2: Responsible Gambling
- Risk Theme 3: Prohibiting Access to Designated Groups
- Risk Theme 4: Ensuring Game Integrity and Player Awareness
- Risk Theme 5: Public Safety and Protection of Assets
- Risk Theme 6: Minimizing Unlawful Activity Related to Gaming.

## REQUIREMENTS

For certain Standards, further and more explicit direction is provided through one or more specific "Requirements." These Requirements establish the minimum obligations a registrant must achieve to fulfill the corresponding Standard.

## GUIDANCE

Included as part of a number of the Standards and Requirements is a corresponding section which provides regulatory guidance specific to the given standard or requirement. Guidance serves to provide registrants with greater clarity as to the purpose or intent behind a given Standard or Requirement.

If, in the future additional guidance is necessary, the AGCO plans to work in collaboration with industry

## INTRODUCTION

and other key stakeholders, when necessary, to facilitate compliance, ease of application and to ensure a consistent and shared understanding as to the meaning and intent of the Standards and Requirements.

## THE STANDARDS-BASED APPROACH

Under the *Gaming Control Act, 1992* (GCA) and Regulation 78/12, the Registrar is authorized to establish risk-based standards to regulate Ontario's gaming sector. The objective of a standards-based regulatory model is to shift the focus from requiring registrants to comply with a specific set of rules or processes, which tend to be prescriptive in nature, towards the broader regulatory outcomes or objectives they are expected to achieve. These regulatory outcomes are reflected in the "Standards" established herein.

In most cases, these Standards are drafted at a high level of generality, with the aim being to capture the purpose behind the rule. This offers greater flexibility for regulated entities to determine the most efficient and effective way of meeting the outcomes required, which in turn helps reduce regulatory burden and support market innovation. Further, the flexibility inherent in a Standards-Based model allows the Alcohol and Gaming Commission of Ontario (AGCO) to focus its resources on key risks and to deliver a modernized approach to gaming regulation in a rapidly evolving industry.

The Standards were developed based on a comprehensive risk assessment conducted in consultation with key stakeholders, including the Ontario Lottery and Gaming Corporation (OLG), and social responsibility groups. The resulting risk themes are outlined in the next section and the risk inventory is attached as Appendix A. Going forward, risk assessments will be conducted periodically to ensure that the Standards continue to be relevant, and that the highest standards of integrity for gaming in Ontario are maintained.

## REGISTRAR'S AUTHORITY

OLG, Operators, gaming-related suppliers, sellers and gaming assistants are required to comply with the GCA and Regulation 78/12. Specifically, Sections 3.8 and 3.9 of the GCA require registrants, employees and other persons retained by OLG to comply with the Standards and Requirements established by the Registrar. The GCA provides the Registrar with the authority to establish Standards and Requirements for the conduct, management and operation of lottery schemes or businesses related to a lottery scheme or for related goods or services.

## TO WHOM THE STANDARDS APPLY

Standards and Requirements established by the Registrar will apply to OLG and to all Operators of lottery schemes conducted in Ontario. Additionally, certain Standards and Requirements also apply to gaming-related suppliers, sellers and gaming assistants.

Specifically, the Standards and Requirements concerning registrants other than OLG and Operators are included below.

- Gaming-Related Suppliers:
  - » 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.9, 1.10, 1.11, 1.12, 1.13, 1.14, 1.15, 1.16, 1.17, 1.18, 1.19, 1.20, 1.21, 1.22, 1.23, 1.24, 1.25, 1.26, 1.27, 1.28, 1.29, 1.30, 1.31, 1.32, 1.33, 1.34, 1.35, 1.36, 1.37, 1.38, 1.39, 1.40, 1.41, 1.42, 1.43, 1.44, 1.45, 1.46
  - » 2.4, 2.8, 2.11
  - » 4.1, 4.4, 4.5, 4.6, 4.7, 4.8, 4.11, 4.14, 4.15, 4.16, 4.22
  - » 5.2, 5.7, 5.8, 5.10
  - » 6.1
- Sellers:
  - » 1.1, 1.17, 1.46, 1.48
  - » 2.3, 2.4, 2.5, 2.6, 2.10, 2.14
  - » 3.2, 3.3
  - » 4.1, 4.3, 4.4, 4.11, 4.13, 4.16, 4.23, 4.24
  - » 5.11
  - » 6.1
- Gaming Assistant:
  - » 1.1, 1.17, 1.46, 1.48
  - » 2.3, 2.4, 2.5, 2.6, 2.10, 2.14
  - » 3.2, 3.3
  - » 4.2, 4.3, 4.4, 4.11, 4.13, 4.16, 4.23, 4.24
  - » 5.11
  - » 6.1

The Registrar may direct any registered gaming-related suppliers, sellers and gaming assistants to comply with any additional Standards and Requirements as considered necessary to enhance and preserve the integrity of and public confidence in gaming in Ontario. The Registrar may also propose additional terms of registration specific to an Operator or other registrant to give effect to the purposes of the GCA.

## INTRODUCTION

These Standards and Requirements will not apply to lottery schemes conducted and managed by charitable organizations in accordance with section 207(1)(b) of the Criminal Code (Canada) or to suppliers, gaming assistants or other persons engaged in such lottery schemes. Existing standards, policies and terms and conditions will continue to apply to such lottery schemes, until such time as the Registrar determines.

## REGISTRAR'S EXPECTATIONS

An Operator's control environment and operating principles form an integral part of the standards-based framework. This section includes information from the Registrar to help guide Operators in the development and implementation of their control environment, as well as to establish key operating principles from a forward looking industry perspective.

### CONTROL ENVIRONMENT

1. Operators will have appropriate and effective control activities in place to meet the Standards and Requirements.
2. Operators will develop control activities based on the regulatory risks identified by the AGCO, taking into account how these risks apply or could manifest in the lottery sector.
3. Operators will use control activities that can be audited or periodically reviewed for compliance with the Standards and Requirements, and will use systems-based solutions where appropriate.
4. In developing their control environment, Operators will consider the Standards and Requirements in their entirety, as one control activity may be used to mitigate the risks associated with multiple Standards and Requirements.
5. Operators shall develop an implementation and compliance plan for review by the Registrar prior to transitioning to a standards-based framework. An Operator's plan must cover at a minimum the following elements: its process for developing control activities, including any industry standards or good practices it utilizes as part of its compliance framework; its corporate governance structure; the roles and activities of its internal and external auditors; and the timing for each phase of implementation and anticipated full implementation date.
6. Operators shall develop and ensure an appropriate control environment that allow for Sellers to comply with these Standards and Requirements. Sellers and Gaming Assistants shall adhere to the controls established and implemented by Operators as required.

### UTILIZE ESTABLISHED EFFECTIVE PRACTICES

7. Operators are encouraged to adopt industry standards, good practices and governance frameworks established by relevant standards-setting and standards-administering institutes and bodies to support an efficient and effective compliance framework. Similarly, Operators are encouraged to obtain certifications and accreditation, over time, to support continuous

improvement of their operations and to contribute a degree of independent validation to their control environment and its design effectiveness.

## OVERSIGHT AND AUDIT

8. An Operator's control activities must be reviewed by an independent oversight function for compliance with the Standards and Requirements. Independent oversight practices may vary by Operator depending on a number of factors, including the size, structure and complexity of the Operator's organization. Whatever the case, the Registrar expects that there will be an appropriate role for both internal and external auditors in assessing the ongoing effectiveness and efficiency of internal controls.
9. In addition to reviewing controls for compliance with the Standards and Requirements, audits should also take into account whether controls are consistent with appropriate and relevant industry standards, good practices and governance frameworks.

## STANDARDS INTERPRETATION PROTOCOL

The Standards Interpretation Protocol has been established by the AGCO in order to provide registrants and entities participating in the OLG's Modernization Initiative with a single point of contact for standards-related inquiries and to provide timely, consistent and well-reasoned responses to those inquiries. A dedicated email account has been established (Standards.Coordinator@agco.ca) for the receipt of inquiries.





# Definitions

Words and phrases in these Standards and Requirements shall have the same meaning as in the GCA and Regulation 78/12, unless indicated otherwise.

1. **AGCO** means the Alcohol and Gaming Commission of Ontario.
2. A **Bet** is an amount risked in a wager.
3. **Board** refers to either the entire Board of Directors of an Operator or gaming-related supplier (as the case may be) or a committee of the Board that has been delegated a particular element of Board oversight (e.g. audit, compliance, etc.). For purposes of clarity, “Board” does not include the OLG Board unless the gaming site is operated by OLG.
4. **Controls** or **control activities** are the individual policies, procedures, business processes, monitoring systems, structures, accountabilities, tools and instruments, etc., that comprise the control environment management establishes to address the regulatory risks identified by the AGCO and achieve the regulatory objectives reflected in the Standards and Requirements.
5. **Draw-based games** means any lottery offering where the outcomes are determined by matching a combination of numbers, words, or other symbols, to another combination randomly generated at a predetermined draw time after the purchase of the lottery ticket.
6. **Eligible individuals** are those persons who are not prohibited from accessing gaming sites or playing lottery schemes under Standards 3.1 or 3.2.
7. **Free-to-play games** refer to games, typically offered for promotional purposes, that provide players the option to play without paying or betting.
8. **Gaming-related supplier** means a person who manufactures, provides, installs, tests, maintains or repairs gaming equipment or who provides consulting or similar services directly related to the playing of a lottery scheme or the operation of a gaming site.
9. **Gaming site** means a premises or an electronic channel maintained for the purpose of playing or operating a lottery scheme.
10. **Gaming supplies** refers to gaming equipment that could influence or is integral to the conduct, management or operation of a lottery scheme.
11. **Gaming system** includes hardware, software, applications and all associated components of gaming supplies and the technology environment.
12. **GCA** means the Gaming Control Act, 1992.
13. **Independent oversight function** has the meaning ascribed to it in Standard 1.2.
14. **Instant games** means any lottery offering where the outcomes are determined by matching a combination of symbols found on the ticket, generated according to an algorithm, to a predetermined combination of symbols.

## DEFINITIONS

15. **Lottery draw** means a random selection of lottery outcomes by means of a random number generator, either physical or electronic.
16. **Lottery scheme** has the same meaning as in subsection 207(4) of the Criminal Code (Canada).
17. **Lottery ticket** means a chance to participate in a lottery scheme.
18. **Manual controls** are non-system, human-performed control activities.
19. **OLG** means the Ontario Lottery and Gaming Corporation. For purposes of these Standards and Requirements, OLG is also an Operator.
20. **Operator** means a person who operates a gaming site, and includes OLG.
21. **Randomness** or **Chance** is observed unpredictability and absence of a pattern in a set of events that have definite probabilities of occurrence.
22. **Registrar** means the Registrar of Alcohol and Gaming under the Alcohol and Gaming Regulation and Public Protection Act, 1996.
23. **Self-excluded persons** are individuals who participate in a process established by OLG to exclude themselves voluntarily from gaming sites.
24. A **Seller** is a person who sells a lottery ticket. Note: Seller is a category of registrant at the AGCO.
25. **Sensitive inventories** are assets that require appropriate access controls to ensure gaming integrity and protection of assets, and include at a minimum cash and cash equivalents, cash boxes, controller chips, activated instant lottery tickets, keys that enable access to sensitive areas of a gaming machine or premises or items that affect the outcome of a game including but not limited to cards, dice, roulette and bingo balls, tiles, bingo paper, and draw balls.
26. **Sports games** means any lottery offering where individuals bet on a set of two or more preselected outcomes from real-world events and receive a ticket representing such preselected outcomes.
27. **System accounts** are all accounts that are used to manage the system.

# Registrar's Standards for Lottery

## 1. ENTITY LEVEL

### MANAGEMENT INTEGRITY

- 1.1 **There shall be a commitment to character, integrity and high ethical values demonstrated through attitude and actions.**

**Requirements** – At a minimum:

1. Matters identified in management letters from internal and external auditors and matters identified by the Registrar shall be responded to in a timely manner.
2. All applicable laws and regulations shall be adhered to.
3. Operators and gaming-related suppliers shall create and abide by a code of conduct which addresses at a minimum conflicts of interest and transparency in dealings with the Registrar. The code of conduct must be regularly reviewed by the organization's senior management.

### SOUND CONTROL ENVIRONMENT

- 1.2 **Formal control activities shall be submitted to the Registrar which have been assessed by an independent oversight function acceptable to the Registrar for alignment with the Standards and Requirements and authorized by the appropriate level of management.**

**Requirements** – At a minimum:

1. A process shall be in place to periodically review control activities for effectiveness in fulfilling the Standards and Requirements and to document, remedy and adjust the controls where deficiencies or gaps are found.
2. Substantial changes to the control environment shall be communicated to the Registrar in a timely manner.
3. Control activities must be available to the AGCO (or its designate) for regulatory assurance purposes.

## REGISTRAR'S STANDARDS FOR LOTTERY

- 1.3 **Operators and gaming-related suppliers shall comply with their control activities and shall have in place measures to monitor compliance and to address failures to comply.**
- 1.4 **Employees shall comply with the control activities established by their employer to achieve the Standards and Requirements.**
- 1.5 **Operators and gaming-related suppliers are accountable for compliance with control activities by employees and those providing goods and service to operators and gaming-related suppliers, and should have in place measures to monitor compliance and to address failures to comply.**
- 1.6 **Employees shall inform their employer if control activities are ineffective in achieving compliance with the Standards and Requirements.**
- 1.7 **Management overrides of the control activities shall be clearly documented and communicated to the Registrar.**

**Requirements** – At a minimum:

- 1. Approval from at least two senior-level managers is required in order to override any control activity, and in each instance the override shall be reported to the Board or other governance structure where a Board does not exist.

**Guidance:** *The intent of this Standard is to allow senior-level management to override controls on a one-off basis in necessary circumstances and to ensure that appropriate documentation is maintained for auditing purposes. This Standard is not intended to address permanent changes to the control environment.*

- 1.8 **Operators must establish, implement and maintain controls to support preparation of financial reports which comply with all applicable accounting standards and rules and good practices.**
- 1.9 **Employees must have the competence, skills, experience and training required to execute control activities that are relevant to their responsibilities.**

**Requirements** – At a minimum:

- 1. Employees involved in performing control activities must be trained and have knowledge of the organization's control environment, the regulatory risks that the controls are designed to mitigate and the regulatory objectives reflected in the Standards and Requirements.
- 1.10 **Organizational structures shall be designed to promote a sound control environment and proper segregation of duties to ensure that the possibility for collusion or unauthorized or illegal activities is minimized.**

**Requirements** – At a minimum:

1. Employees shall be given the appropriate and documented authority and responsibility to carry out their job functions, subject to supervision.
2. The adequacy of segregation of duties as they relate to player protection, game integrity and protection of assets shall be regularly reviewed by the organization's internal audit group or other independent oversight function acceptable to the Registrar.
3. Operators must provide the Registrar with an organizational chart showing key reporting lines and relationships and shall ensure that it remains up to date.

**1.11 Management clearly understands its accountability and authority for the control environment.**

**Requirements** – At a minimum:

1. Management shall have been trained and have knowledge of the organization's control environment, the regulatory risks that the controls are designed to mitigate and the regulatory objectives reflected in the Standards and Requirements.

**1.12 Information, including logs, related to compliance with the law, the Standards and Requirements and/or adherence with control activities shall be retained for a minimum of three (3) years, unless otherwise stated.**

**1.13 All surveillance recordings shall be retained for a minimum period as specified by the Registrar.**

## OVERSIGHT

**1.14 Compliance with the Standards and Requirements shall be documented in an organized manner to ensure that the information is capable of being reviewed and audited by an independent oversight function.**

**Requirements** – At a minimum:

1. Documentation shall be reviewed and analyzed to ensure compliance with the Standards and Requirements, and approved by management.
2. Internal and external auditors shall be granted access to all relevant systems, documentation (including control activities) and resources for the purpose of conducting an audit.
3. Where directed, Operators and gaming-related suppliers shall retain an independent auditor acceptable to the Registrar to carry out audits required by the Registrar and provide copies of the audit reports to the Registrar.
4. In reviewing control activities for compliance with the Standards and Requirements, internal and external auditors shall take into account the Registrar's expectations, as

## REGISTRAR'S STANDARDS FOR LOTTERY

articulated herein.

- 1.15 **Primary accountability for compliance resides with the Board, or other governance structure, where a Board does not exist, and there shall be evidence that the Board, or other governance structure, has carried out its responsibility in this respect.**

**Requirements** – At a minimum:

1. A compliance oversight function shall be established that is independent of the activities it oversees.
2. An internal audit function shall be established that regularly audits the organization's control environment and compliance management framework and exercises oversight that is independent from operational management. The internal audit function shall have the authority to independently review any aspect of the operations.
3. The compliance oversight function and internal audit or other independent oversight function shall have direct and unrestricted access to the Board, or other governance structure, and shall report on all important issues regarding compliance on a regular basis or as necessary.
4. The Board, or other governance structure, shall establish a committee or committees to oversee the organization's compliance and audit oversight functions, with appropriate terms of reference addressing composition and accountabilities.
5. Members of the Board, or other governance structure, and of any committees established to oversee the organization's compliance and audit oversight functions shall understand the business's operations, initiatives and major transactions, and shall have the skills, training, experience and independence to carry out their fiduciary responsibilities.

- 1.16 **There shall be an independent "whistleblowing" process to allow employees to anonymously report deficiencies or gaps in the control environment as well as incidents of possible non-compliance with the controls, Standards and Requirements, or the law.**

**Requirements** – At a minimum:

1. Issues raised through the "whistleblowing" process must be addressed and communicated to the Board in a timely manner.

- 1.17 **Registrants shall engage with the Registrar in a transparent way.**

**Requirements** – At a minimum, Operators shall:

1. Provide reports regarding any incident or matter that may affect the integrity or public confidence in gaming, including any actions taken to prevent similar incidents from occurring in the future, in accordance with the established notification matrix.
2. Provide reports regarding any incident of non-compliance with the law, Standards and Requirements or control activities, including any actions taken to correct the cause of non-

compliance, in accordance with the established notification matrix.

3. Provide periodic reports demonstrating the performance over time of compliance with control activities.
4. Make available any data, information and documents requested by the Registrar.
5. Provide reports regarding any public complaints related to compliance with the Standards and Requirements, including any actions taken to resolve the complaints, in accordance with the established notification matrix.

## INFORMATION TECHNOLOGY

1.18 **A recognized industry standard framework shall be used to manage the information technology (IT) control environment to support compliance with the Standards and Requirements.**

1.19 **Users shall be granted access to the gaming system based on business need.**

**Requirements** – At a minimum:

1. Access privileges are granted, modified and revoked based on employment status and job requirements and all activities associated with these actions are logged.
2. Access privileges are independently reviewed and confirmed on a periodic basis.

1.20 **Access to gaming information systems shall be monitored, logged and shall be traceable to a specific individual.**

**Requirements** – At a minimum:

1. All accounts for business users shall be uniquely assigned to an individual.
2. All system accounts (or other accounts with equivalent privileges) shall be restricted to staff that provide IT support, and mechanisms shall be in place to secure and monitor use of those accounts.

1.21 **Processes shall be in place to ensure that only authorized individuals are permitted to open system accounts.**

1.22 **Industry accepted components, both hardware and software, shall be used where possible.**

1.23 **Any connection or interface between the gaming system and any other system, whether internal or external third party, shall be monitored, hardened and regularly assessed to ensure the integrity and security of the gaming system.**

## REGISTRAR'S STANDARDS FOR LOTTERY

- 1.24 **Mechanisms shall be in place to ensure the reliability, integrity and availability of the gaming system.**
- 1.25 **There shall be a suitably secure physical environment in place to prevent unauthorized access to the gaming system and to ensure the protection of assets.**
- 1.26 **Gaming systems, infrastructure, data, activity logs and all other related components shall be protected from threats, vulnerabilities, attacks or breaches.**

**Requirements – At a minimum:**

- 1. All users shall be authenticated.
  - 2. All components shall be hardened in accordance with industry and technology good practices prior to going live and prior to any changes.
  - 3. The appropriateness and effectiveness of steps taken to harden technology components shall be regularly assessed.
  - 4. Patches to correct any security risks shall be updated regularly.
- 1.27 **Security activities shall be logged in an auditable manner, monitored, promptly analyzed and a report prepared and escalated as appropriate.**

**Requirements – At a minimum:**

- 1. Attempts to attack breach or access gaming system components in an unauthorized manner shall be responded to in a timely and appropriate manner.
  - 2. Intrusion attempts shall be actively detected and where possible prevented from causing disruption or outage of the gaming system.
  - 3. There shall be adequate logging to capture and monitor any attempts to attack, breach or access in an unauthorized manner any components of the gaming system. There shall be an appropriate escalation procedure.
- 1.28 **Independent assessments shall be regularly performed by a qualified individual to verify the adequacy of gaming system security and all of its related components.**
  - 1.29 **Operators and gaming-related suppliers shall stay current on security trends, issues and solutions.**

**CHANGE MANAGEMENT**

- 1.30 **A system development lifecycle that considers security and processing integrity shall be in place for gaming system technology developed in-house.**
- 1.31 **Due diligence must be performed on all acquired gaming system technology to ensure**



**security and processing integrity requirements are met.**

1.32 **A testing strategy to address changes in technology shall be in place to ensure that deployed gaming systems operate as intended.**

1.33 **All gaming system changes shall be appropriately, consistently and clearly documented, reviewed, tested and approved.**

**Requirements** – At a minimum:

1. All gaming system technology components are installed and maintained in accordance with the appropriate change management procedures.
2. Requests for changes and maintenance of the gaming system are standardized and are subject to change management procedures.
3. Emergency changes are approved, tested, documented, and monitored.
4. Change management procedures shall account for segregation of duties between development and production.
5. Only dedicated and specific accounts may be used to make changes.

1.34 **The gaming system shall be able to detect unauthorized changes.**

## **DATA GOVERNANCE**

1.35 **Data governance shall be in place to address data processing integrity and protection of sensitive data.**

1.36 **Sensitive data, including player information and data relevant to determining game outcomes, shall be secured and protected from unauthorized access or use at all times.**

**Requirements** – At a minimum:

1. The gaming system shall ensure that data is appropriately backed up in a manner that allows it to be completely and accurately restored.
2. Data backups shall be stored off-site in a secure location and in accordance with applicable policies and laws.

1.37 **Player information shall be securely protected and its usage controlled by OLG.**

**Requirements** – At a minimum:

1. Data collection and protection requirements for player personal information shall meet those set out in the *Freedom of Information and Protection of Privacy Act*.
2. Player information shall only be used for OLG's business unless there is prior approval from

## REGISTRAR'S STANDARDS FOR LOTTERY

OLG.

- 1.38 **All gaming systems critical to the outcome of the lottery scheme shall reside in Ontario, unless the lottery scheme is conducted in conjunction with the government of another province.**

**Lottery-Specific Guidance:** *The intent of this Standard is to capture the systems used for draw-based and sports games; it is not intended to capture the printing of instant game tickets outside of Ontario.*

- 1.39 **Communication of sensitive game data shall be protected for integrity.**
- 1.40 **Procedures shall be established and documented for IT operations and incident management, including managing, monitoring, and responding to security and processing integrity events.**

**Requirements** – At a minimum:

1. Proactive monitoring and detection of errors in the gaming system and related components shall be in place. Action shall be immediately taken to correct incidents of non-compliance with the Standards and Requirements or control activities.
2. There shall be time synchronization of the gaming system environment and related components.
3. Event data shall be retained to provide chronological information and logs to enable the reconstruction, review and examination of the time sequences of processing.

- 1.41 **Gaming applications on all portable devices shall be appropriately secured.**

**Guidance:** *This Standard is not intended to capture players using their own portable devices such as their smartphones, but rather employees or players using portable devices to access the Operator's gaming system.*

- 1.42 **Operators and gaming-related suppliers shall only contract with reputable suppliers.**
- 1.43 **Service levels for management of suppliers shall be established.**

**Requirements** – At a minimum:

1. Service levels must be documented and enforceable.
2. Corrective action is taken to address non-compliance with established service levels.

- 1.44 **Operators and gaming-related suppliers shall provide the Registrar with a list of suppliers that provide them with goods or services in relation to lottery schemes and shall ensure that this list is kept up to date.**

## COMPLIANCE WITH TECHNICAL STANDARDS

- 1.45 **Operators and gaming-related suppliers shall comply with applicable technical standards issued by the Registrar.**

## POLICIES AND PROCEDURES

- 1.46 **All registrants and non-gaming-related suppliers who are exempt from registration will comply with all applicable OLG policies and procedures to the extent that they are consistent with these Standards and Requirements.**
- 1.47 **The Operator shall develop policies and procedures regarding Sellers and Sellers' employees' roles and responsibilities to achieve the desired outcomes set out in the Standards that apply to Sellers:**
- 1.1, 1.17, 1.46, 1.48
  - 2.3, 2.4, 2.5, 2.6, 2.10, 2.14
  - 3.2, 3.3
  - 4.1, 4.3, 4.4, 4.11, 4.13, 4.16, 4.23, 4.24
  - 5.11
  - 6.1
- 1.48 **Sellers and Sellers' employees shall comply with the Operator's policies and procedures and the Seller's contract with the Operator.**

## REGISTRAR'S STANDARDS FOR LOTTERY

**2. RESPONSIBLE GAMBLING****2.1 Advertising and marketing materials and communications shall not target underage or self-excluded persons to participate in lottery schemes.**

**Requirements** – At a minimum, materials and communications shall not:

1. Be based on themes, or use language, intended to appeal primarily to minors.
2. Appear on billboards or other outdoor displays that are directly adjacent to schools or other primarily youth-oriented locations.
3. Contain cartoon figures, symbols, role models, and/or celebrity/entertainer endorsers whose primary appeal is to minors.
4. Use individuals who are, or appear to be, minors to promote gambling.
5. Appear in media and venues directed primarily to minors, or where most of the audience is reasonably expected to be minors.
6. Persons depicted as lottery purchasers or players in lottery advertising should not be, nor appear to be, minors.

**2.2 Advertising and marketing materials and communications shall not be misleading.**

**Requirements** – At a minimum, materials and communications shall not:

1. Imply that playing a lottery scheme is required in order to fulfil family or social obligations or solve personal problems.
2. Promote playing a lottery scheme as an alternative to employment, as a financial investment, or as a requirement for financial security.
3. Contain endorsements by well-known personalities that suggest that playing lottery schemes has contributed to their success.
4. Encourage play as a means of recovering past gambling or other financial losses.
5. Be designed so as to make false promises or present winning as the probable outcome.
6. Imply that chances of winning increase:
  - a. The longer one plays;
  - b. The more one spends; or
  - c. Suggest that skill can influence the outcome (for games where skill is not a factor).

**2.3 Information about the risks of gambling and where to obtain additional information or assistance shall be made readily available.**

**Requirements** – At a minimum:

1. Responsible gambling materials and information about obtaining help, including Ontario's Problem Gambling Help Line, shall be available, visible and accessible.
2. Information about setting betting limits, if applicable, shall be made available.
3. Information about self-exclusion programs shall be available, visible and accessible.
4. Advertising and marketing materials shall, where effective, contain a responsible gambling message.
5. All information related to responsible gambling shall be regularly and periodically reviewed and updated to ensure that it is accurate, up to date and in line with industry good practice.

**2.4 Meaningful and accurate information shall be available to enable individuals to make informed choices.**

**Requirements** – At a minimum:

1. Meaningful and accurate information on the rules of play shall be clearly stated and made available.
2. Meaningful and accurate information on the odds of winning, payout odds or returns shall be clearly stated and made available.

**2.5 Support shall be provided to persons showing signs of potentially problematic gambling behavior.**

**Requirements** – At a minimum:

1. All Operator employees who interact with players as well as Sellers and Sellers' registered gaming assistants shall receive training in a Registrar-approved program, appropriate for their level of responsibility, designed to identify and respond appropriately to individuals who may be showing signs of problem gambling.
2. Individuals shall be provided with easily accessible contact information of at least one organization dedicated to treating and assisting problem gamblers.
3. OLG shall develop and enforce responsible gambling policies, procedures and training, ensure they are available, kept up to date and relevant, and that the Operator complies with them.
4. Responsible gambling policies shall be reviewed periodically for effectiveness.

## REGISTRAR'S STANDARDS FOR LOTTERY

**2.6 OLG shall provide a common voluntary self-exclusion program.****Requirements** – At a minimum:

1. At the time of signing up for self-exclusion, individuals shall have the option to be excluded from Casino, cGaming, iGaming and applicable online lottery channels.
2. Despite requirement 1, if a player self-excludes from a Casino, the player is not eligible to gamble on OLG's iGaming site for the duration of the self-exclusion period.
3. Individuals shall have the option to sign up for the self-exclusion program at gaming sites or at an off-site location.
4. Self-exclusions shall have a term of at least six months.
5. Operators shall take active steps to identify, and if required, remove self-excluded persons when they are found to be in breach of their self-exclusion agreement.

**Guidance:** *OLG's self-exclusion program may be executed in each of the gaming sectors using different processes and technologies to reflect the distinct operational circumstances of that sector, however, the long term expectation is that OLG will be able to identify, track and prohibit access to self-excluded persons in and between the various gaming sectors.*

**Lottery-Specific Guidance:** *At this time, given the operational realities of the lottery sector, the intent of this Standard is not to require OLG to provide a self-exclusion program for lottery products purchased and sold anonymously at a Sellers' physical site, unlike an online lottery channel. The existing self-exclusion programs at other gaming sites (Casinos, cGaming or iGaming) would prevent self-excluded individuals from accessing lottery products at those sites.*

**2.7 Individuals who have decided to voluntarily self-exclude shall be removed from mailing lists and shall not receive incentives or promotions for any products and services during the period of self-exclusion.****2.8 Game designs and features shall be clear and shall not mislead the player.****Requirements** – At a minimum:

1. Where a game simulates a physical device, the theoretical probabilities and visual representation of the game shall correspond to the features and actions of the physical device, unless otherwise disclosed to the player.
2. Game design shall not give the player the perception that speed of play or skill affects the outcome of the game when it does not.
3. After the selection of game outcome, the game shall not make a variable secondary decision which affects the result shown to the player. If the outcome is chosen that the game will lose then the game shall not substitute a particular type of loss to show to the player (i.e. near miss).

4. Where the game requires a pre-determined pattern (for example, hidden prizes on a map), the locations of the winning spots shall not change during play, except as provided for in the rules of play.
  5. Games shall not display amounts or symbols that are unachievable.
  6. Games shall not contain intentionally programmed subliminal messaging.
  7. Where games involve reels:
    - a. For single line games, jackpot symbols shall not appear in their entirety more than 12 times on average, adjacent to the pay-line, for every time they appear on the pay-line;
    - b. For multi-line games, jackpot symbols shall not appear in their entirety more than 12 times, on average, not on any pay-line, for every time they appear on any pay-line.
  8. Free-to-play games shall not misrepresent or mislead players as to the likelihood of winning or prize distribution of similar games played for money.
  9. The denomination of each credit shall be clearly displayed on game screens.
- 2.9 **Free-to-play games shall provide the same responsible gambling and player protection information as games played for money.**
- 2.10 **Only eligible individuals are permitted to play free-to-play games.**
- 2.11 **Games shall not encourage players to chase their losses, or increase the amount they have decided to gamble, or continue to gamble after they have indicated that they want to stop.**
- 2.12 **Not applicable to lottery sector.**
- 2.13 **Games shall not appeal primarily to underage individuals.**
- 2.14 **Credit shall not be extended or lent to individuals to gamble.**

**Guidance:** *This standard does not prohibit the use of credit cards for the purchase of lottery tickets.*

## REGISTRAR'S STANDARDS FOR LOTTERY

**3. PROHIBITING ACCESS TO DESIGNATED GROUPS****3.1 Not applicable to lottery sector****3.2 Only eligible individuals are permitted to play a lottery scheme.****Lottery-Specific Requirements** – At a minimum:

1. No person who is authorized to sell lottery tickets, and no person acting on such a person's behalf, shall sell a lottery ticket to an individual under 18 years of age.
2. A Seller shall not sell a lottery ticket to any of the following individuals:
  - a) Individuals who appear to be intoxicated.
  - b) Officers, directors or partners of the Seller.
  - c) Registered gaming assistants of the Seller employed at the gaming site where the Seller sells lottery tickets.
  - d) Executives or staff of a trade union who represent or negotiate on behalf of employees employed at the gaming site where the seller sells lottery tickets.
  - e) Employees of registered suppliers who maintain or repair gaming equipment at the gaming site where the Seller sells lottery tickets.
  - f) Members or employees of the AGCO.
3. An Operator of a gaming site and, if the OLG operates a gaming site, the OLG shall not permit the following individuals to play a lottery scheme in the site:
  - a) Individuals who appear to be intoxicated if the site is physical premises.
  - b) An individual who the Operator or the OLG has reason to believe has been excluded from the site under subsection 3.6 (1) of the GCA.
  - c) Every individual who advises the Operator or the OLG that the individual is participating in a self-exclusion process established by the OLG that applies to the site.
  - d) Officers, directors or partners of the Operator.
  - e) Registered gaming assistants of an Operator or the OLG employed at any gaming site operated by the Operator or the OLG.
  - f) Executives or staff of a trade union who represent or negotiate on behalf of employees employed at the site.
  - g) Employees of registered suppliers who maintain or repair gaming equipment at the site.
  - h) Members or employees of the Commission.



- i) Officers, directors or employees of the OLG.

**Guidance:** *Despite requirement 3i, an operator of a gaming site, other than the OLG, may permit employees of the OLG to play a lottery scheme in the site if, (a) they are gaming assistants registered as category 2 gaming assistants; or (b) under the GCA or Ontario Regulation 78/12, they are not required to register as gaming assistants in order to act as employees of the OLG.*

- 4. Individuals described in paragraphs 2.b to f and paragraphs 3.b to i shall not be permitted to win prizes.

**3.3 Lottery schemes shall be provided only within Ontario, unless the lottery scheme is conducted in conjunction with the government of another province.**

## REGISTRAR'S STANDARDS FOR LOTTERY

**4. ENSURING GAME INTEGRITY AND PLAYER AWARENESS**

- 4.1 **All gaming activities and financial transactions shall be conducted fairly and honestly, and must be independently verifiable.**

**Lottery-Specific Guidance:** *Given the operational nature of the lottery sector, not all aspects of lottery activities and transactions will be independently verifiable, but it is expected that they will be where possible.*

- 4.2 **Rules of play, including any subsequent modifications, shall be submitted to the Registrar for approval.**

**Requirements** – At a minimum, the rules of play shall contain:

1. Odds of winning, payout odds or returns to players.
2. A description of how the game is played.
3. Circumstances in which a game can be declared void.

**Lottery-Specific Guidance:** *For lottery, rules of play encompass game conditions and as such shall be submitted for Registrar approval, but fact sheets are not required to be submitted.*

*Due to the nature of sports betting in Ontario, the “Odds of winning, payout odds or returns to players” for sports games are typically indicated on the ticket, not within the rules of play. As well, returns for players can vary depending upon the amount of a given wager. Sports games, therefore, are excluded from Requirement 1.*

- 4.3 **Lottery schemes must be conducted in accordance with the approved rules of play.**

**Requirements** – At a minimum:

1. All bets shall be accepted, processed and settled in accordance with the approved rules of play.
2. Adequate supervision of the lottery scheme is in place to ensure adherence to required procedures.
3. Devices that compromise or affect the integrity of lottery schemes shall not be permitted.

- 4.4 **Removed, April 2017.**

- 4.5 **All gaming systems and gaming supplies, including any subsequent modifications, shall be submitted to the Registrar for assessment and approval, at the expense of the supplier, prior to being provided to any gaming site.**

**Requirement:**

1. At a minimum, in accordance with the established notification matrix, approval by the AGCO is required prior to putting a gaming system or gaming supply in play.

**Lottery-Specific Guidance:** *For the purposes of this Standard instant game tickets are not required to be submitted for assessment.*

- 4.6 **Gaming systems and gaming supplies shall be provided, installed, configured, maintained, repaired, and operated in a way that ensures the integrity, safety and security of the approved gaming supplies and systems, and in accordance with the Registrar's approval.**

**Requirements – At a minimum:**

1. Only gaming systems and gaming supplies approved by the Registrar shall be used at a gaming site.
  2. Any problem with the integrity or security of the gaming system or gaming supplies shall be reported in accordance with the established notification matrix.
  3. Monitoring and testing shall be performed throughout the life of the gaming system and gaming supplies to ensure they are operating as approved.
  4. In the event of any suspected integrity or security problem with a gaming system or gaming supply, the current state of the gaming system and gaming supply, and any supportive evidence shall be preserved until investigators (OPP or AGCO) have provided direction.
- 4.7 **Production, testing and development systems shall be logically separated.**
  - 4.8 **Game outcomes shall be recoverable, where technically possible, so that player transactions can be settled appropriately.**
  - 4.9 **Where game outcomes are not recoverable, Operator shall have clearly defined policies in respect of treating the player fairly when resolving the player's transactions.**
  - 4.10 **Not applicable to lottery sector.**
  - 4.11 **A player's bet and the outcome of the game shall be clearly communicated and easy to understand.**
  - 4.12 **Complaints and any inquiries related to game integrity must be recorded and addressed in a timely and appropriate manner.**
  - 4.13 **Games shall pay out accurately, completely and within a reasonable time of winning, subject to checks and verifications.**

**Requirement – At a minimum:**

## REGISTRAR'S STANDARDS FOR LOTTERY

1. The Operator shall have mechanisms in place to ensure that prizes are paid to the rightful person and only to eligible individuals.

**Lottery-Specific Requirements** – At a minimum, the Operator shall:

2. Ensure that additional verifications take place to determine the rightful owner and/or eligibility for:
  - a. All major prize claims (over a threshold as approved by the Registrar);
  - b. Irregular or suspicious claims; and
  - c. Claims by insiders or other designated persons.
3. Have mechanisms in place at Seller locations to ensure that prizes are paid out to the proper person, including:
  - a. A maximum level of prize redemption permitted at Seller locations;
  - b. A clear indication of the prize validation outcome provided; and
  - c. Winning number information made available to members of the public.
4. Have in place an escalation process for prize claim issue resolution.

4.14 **Operators and gaming-related suppliers shall have mechanisms in place to appropriately deter, prevent and detect collusion and cheating.**

4.15 **All relevant activities related to the detection of collusion and cheating shall be logged.**

4.16 **Individuals must be able to easily and readily report activities related to collusion and cheating.**

4.17 **There shall be mechanisms in place to ensure the integrity, security and fairness of lottery draws.**

**Requirements** – At a minimum:

1. Draw machines shall be tested to ensure randomness.
2. All draws must be verified by an independent oversight function acceptable to the Registrar.
3. Physical draws shall be video recorded and recordings must be kept for a period of time as specified by the Registrar.
4. A record of all electronic draws must be kept for a period of time as specified by the Registrar.
5. Winner selection processing and winning share values shall be independently validated.

4.18 **In the event that the Operator suspends, recalls, withdraws, or cancels all or part of a**

**lottery scheme, the Operator shall have clearly defined policies in respect of treating the player fairly when resolving the player's transactions.**

- 4.19 **There shall be documented procedures for setting and updating the odds for sports games, taking into account market forces.**
- 4.20 **The results for sport games shall be verified using credible sources and according to industry good practices.**
- 4.21 **The Operator shall have clearly defined policies and procedures in place to address unclaimed prizes.**
- 4.22 **Winning instant game tickets shall be randomly generated during printing.**
- 4.23 **The Operator shall maintain an accurate, complete, and auditable list of all individuals involved in the handling of lottery tickets at Seller locations.**

**Requirements** – At a minimum:

- 1. Sellers must ensure that the Operator has an up-to-date list of all individuals involved in the handling of lottery tickets at the Seller's location.
- 4.24 **Sellers and Seller's employees may only conduct a player's lottery transactions when that player is present at the Seller's location.**

## REGISTRAR'S STANDARDS FOR LOTTERY

**5. PUBLIC SAFETY AND PROTECTION OF ASSETS**

5.1 **Not applicable to lottery sector.**

5.2 **Only authorized individuals shall be permitted access to sensitive areas.**

**Lottery-Specific Requirements** – At a minimum, Operators and gaming-related suppliers shall:

1. Identify sensitive areas, including areas containing sensitive inventories.
2. Restrict access to sensitive areas based on business function and process requirements.

**Guidance:** *Each site is unique and should define its sensitive areas as it deems appropriate. The Registrar, however, retains the authority to direct an Operator or gaming-related supplier to adopt a certain form of access authorization for a certain area or equipment, as deemed necessary.*

5.3 **Not applicable to lottery sector.**

5.4 **Not applicable to lottery sector.**

5.5 **Not applicable to lottery sector.**

5.6 **There shall be site emergency procedures to protect the public from personal harm and limit the damage to or loss of gaming-related assets.**

**Requirements** – At a minimum:

1. Employees or persons retained by the Operator shall be competent in implementing site emergency procedures.
2. Emergencies shall be reported in accordance with the established notification matrix.

5.7 **Security and surveillance shall be in place to protect gaming-related assets.**

**Lottery-Specific Requirements** – At a minimum:

1. Surveillance plans must include activities that address camera coverage and control systems.
2. Any interruption of monitoring activities shall be immediately reported in accordance with the established notification matrix.
3. Continuous independent monitoring must be provided as specified by the Registrar.
4. Video/digital recordings shall be made and retained for a minimum period as specified by the Registrar.
5. Destruction of sensitive inventories, whether performed on the premises or at another site, shall be supervised and independently verified.

5.8 **There shall be timely and accurate maintenance of gaming-related financial transactions, accounting information and data.**

5.9 **Not applicable to lottery sector.**

5.10 **There shall be a mechanism in place to track instant game tickets.**

**Guidance:** *The intent of this Standard is to ensure the tracking of instant game tickets from the point of printing to the point of activation, and when tickets are validated or returned to the OLG.*

5.11 **Sellers shall ensure that access to gaming supplies and sensitive inventories is appropriately controlled.**

## REGISTRAR'S STANDARDS FOR LOTTERY

**6. MINIMIZING UNLAWFUL ACTIVITY RELATED TO GAMING****6.1 Mechanisms shall be in place to reasonably identify and prevent unlawful activities related to lottery schemes.**

**Lottery-Specific Requirements** – At a minimum, the Operator shall:

1. Conduct periodic risk assessments to determine the potential for unlawful activities, including money laundering, fraud, theft and cheat at play.
2. Ensure that all relevant individuals involved in the handling of lottery tickets, including production, distribution, activation, selling, validation, or redemption, remain current in the detection of techniques or methods (as appropriate) that may be used for the commission of unlawful activities related to lottery schemes.
3. Appropriately monitor transactions related to lottery tickets and analyze suspicious transactions for possible unlawful activity.
4. Report suspicious behaviour, cheating at play and unlawful activities in accordance with the established notification matrix.

**6.2 Not applicable to lottery sector.****6.3 The Operator shall have anti-money laundering policies and procedures in place.**

**Guidance:** *It is not intended for these mechanisms to include FINTRAC reporting, as the Proceeds of Crime (Money Laundering) and Terrorist Financing Act do not apply to lottery.*



## APPENDIX A – REGULATORY RISKS

RISK THEME	REGULATORY RISK
Entity Level	<ul style="list-style-type: none"> <li>• Lack of appreciation and understanding of critical elements of a risk based control environment</li> <li>• Lack of defined Board mandate and independent oversight of management</li> <li>• No mechanism for reporting wrong doing</li> <li>• Inadequately documented management policies and procedures to define and align accountability skills and competence</li> <li>• Lack of understanding about expected ethical behavior</li> <li>• Lack of transparency in decision making</li> <li>• Individual knowingly fails to comply</li> </ul>
Responsible Gambling	<ul style="list-style-type: none"> <li>• Inappropriate advertising practices targets minors</li> <li>• Advertising is false and misleadingly deceptive to attract the public</li> <li>• Advertising deemed to promote excessive play</li> <li>• Players allowed to play excessively</li> <li>• Responsible gaming controls not designed into environment and product</li> <li>• Players are unaware of risks to problem gambling and options to self-control</li> </ul>
Prohibiting Access to Designated Groups	<ul style="list-style-type: none"> <li>• Individuals prohibited from games of chance have access</li> <li>• Selling product outside jurisdiction</li> </ul>

## APPENDIX

RISK THEME	REGULATORY RISK
Ensuring Game Integrity and Player Awareness	<ul style="list-style-type: none"> <li>• Inability to regulate all components</li> <li>• Related parties winning at a higher relative percentage than the public</li> <li>• Players have insufficient information to make an informed choice</li> <li>• Game and system design lack integrity</li> <li>• Game procedures are not followed</li> <li>• Game and systems fail</li> </ul>
Public Safety and Protection of Assets	<ul style="list-style-type: none"> <li>• People are not safe</li> <li>• Assets and customer information are not safe-guarded</li> <li>• Unauthorized individuals have access to prohibited areas</li> </ul>
Minimizing Unlawful Activity Related to Gaming	<ul style="list-style-type: none"> <li>• Gaming used as a vehicle for money laundering</li> <li>• Gaming used as a vehicle for fraud or theft</li> <li>• Internal theft is occurring</li> <li>• Cheat at play materializes within the gaming environment</li> </ul>

## **Appendix C:**

Ontario Lottery and Gaming Corporation, “Modernizing Lottery and Gaming in Ontario: Strategic Business Review/Advice to Government” (2012)

# Modernizing Lottery and Gaming in Ontario



STRATEGIC BUSINESS REVIEW / ADVICE TO GOVERNMENT

This document contains forward-looking statements about our expected or potential future financial performance. For us, forward-looking statements include, but are not limited to, statements about possible transformation initiatives; our future revenue and profit guidance; and other statements about future events or conditions. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that could cause actual results to differ materially from those projected.

## TABLE OF CONTENTS

### **INTRODUCTION**

Brief description of process of the OLG review from government direction to stakeholder consultations and this report.

### **EXECUTIVE SUMMARY**

Lottery and gaming are part of Ontario's entertainment and tourism attractions; OLG supports public priorities in Ontario; the challenge of sustaining the current lottery and gaming business; the vision for the future of OLG in Ontario; the value of a modernized lottery and gaming system and three recommendations on how to get there.

### **THREE RECOMMENDATIONS**

Three broad recommendations: become more customer-focused; expand regulated private sector delivery of lottery and gaming, and increase support for responsible gambling while renewing OLG role in oversight of lottery and gaming.

### **APPENDIX I**

Background Note: Internet and Charitable Gaming

### **APPENDIX II**

Description of the consultation process and list of stakeholders consulted



# INTRODUCTION

In July of 2010 the Government of Ontario gave OLG new direction. OLG was asked to modernize commercial and charitable gaming through:

- an expansion of charitable gaming to allow bingo halls to deliver electronic games;
- a complete internet gaming platform including peer-to-peer games, selling lottery tickets and a process for private sector vendors to deliver internet gaming, with appropriate oversight;
- a comprehensive strategic review of the lottery distribution network and land-based gaming facilities.

All these initiatives were to include a commitment to socially responsible gambling—particularly age restricted access, privacy controls and maximum betting limits for the internet.

Since the inception of lottery and gaming in the province, the overall approach to the business has been reactive: gaming options have evolved over time. This is the first time that OLG has been asked to review its entire operation in a strategic way.

OLG was asked to report back to the Ministry of Finance with recommendations on this comprehensive strategic review.

## STRATEGIC BUSINESS REVIEW

In December 2010, based on the government's direction, OLG launched a Strategic Business Review that included consultations with stakeholders and an extensive business analysis.

The consultation asked: "What should the gaming marketplace look like in the next three to five years, based on the best interests of Ontarians?" The Strategic Business Review team asked stakeholders to consider five principles or points of discussion:

1. Respond to the marketplace: advice about products, land-based sites and channels based on market demand and customer preferences.
2. Lessen the burden of capital costs on the public purse (within legal boundaries) and maximize the opportunity for private sector investment.
3. Commit to economic development including job creation (direct and indirect), business stimulus and investment.
4. Allow for greater flexibility such as commercial contracts and appropriate risk-sharing with third parties.
5. Clarify payments to stakeholders both in terms of the economic impact of payments as well as transparency and accountability.

The Strategic Business Review team met with over 50 stakeholder groups from across the province from December 2010 to June 2011. (For full list, please see Appendix II.)

Overall, consultations revealed that stakeholders felt that there has been significant benefit to the province from lottery as well as casinos and slot facilities over the past 20 years. However, the current model in Ontario must change substantially in order to better meet customers' needs. Stakeholders also noted that there is a need to modernize Ontario's lottery and gaming industry based on developments in other jurisdictions. There was broad consensus that the sector needs to change:

- Lottery and gaming in Ontario should become more market-driven and consumer-responsive.
- The private sector is willing to invest in gaming and take on a greater operating role.
- The lottery and gaming sector should embrace the latest in advanced technology and incorporate it into products and services.
- The role of OLG as a direct operator of all lottery and gaming should be clarified.
- OLG has the potential to be more efficient and effective.



The Strategic Business Review examined a number of research ideas proposed by stakeholders. These included new retail channels and new technology for lottery, new sites for land-based gaming and more efficient operations across the organization. This research led to three key recommendations for change:

1. Become more customer-focused.
2. Expand regulated private sector delivery of lottery and gaming.
3. Renew OLG's role in oversight of lottery and gaming.

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These recommendations could achieve OLG's goal of generating greater and more sustainable Net Profit to the Province as well as economic and social benefits locally.

## RECOMMENDATIONS – GUIDING PRINCIPLES – GOALS

### THREE RECOMMENDATIONS TO GOVERNMENT

1. Become more customer-focused.
2. Expand regulated private sector delivery of lottery and gaming.
3. Renew OLG's role in oversight of lottery and gaming.



### GUIDING PRINCIPLES FOR TRANSFORMATION

- OLG will be a modern, efficient agency operating in the best interests of Ontarians.
- OLG will provide entertainment to Ontarians and visitors alike, while maintaining high, responsible gambling standards.
- OLG will uphold its record of regulatory compliance with standards established and enforced by the Alcohol and Gaming Commission of Ontario.
- OLG will continue to communicate openly with employees and treat them with respect.



### OLG IN FUTURE

In 2017, OLG is a modern, sustainable organization. There are some 2,300 net new lottery and gaming industry jobs and an estimated 4,000 service sector jobs; about \$3 billion has been invested in private capital in Ontario; and OLG has increased Net Profit to the Province by an additional \$1.3 billion annually—all while upholding responsible gambling standards.

## EXECUTIVE SUMMARY

### There are two key reasons to transform lottery and gaming now:

1. Lottery and gaming are here to stay. In fact, last year a total of 8 million Ontario adults (80 percent) played the lottery at least once and 2.7 million (27 percent) visited gaming sites. But OLG's offering could be more modern.
2. OLG contributes \$1.7 to \$2 billion in Net Profit to the Province for important public priorities, but the current model could provide more value. The long-term sustainability of that revenue is at risk, primarily due to a business model that is not serving customers as well as it could.

### LOTTERY AND GAMING IN ONTARIO

Lottery and gaming have been a part of Ontario's entertainment and tourism industries for decades. Lottery in Ontario began in 1975 with Wintario, which was designed to raise money for local community projects. In September of 1994, Ontario's first casino opened in Windsor. Slots-At-Racetracks were launched in 1998.

On behalf of the Ontario government, OLG is responsible for 4 resort casinos, 17 slots at racetrack facilities and 5 OLG casinos, Great Blue Heron Charity Casino as well as the sale of lottery products at over 10,000 independent lottery retailers. OLG conducts and manages 6 eBingo sites. OLG directly employs about 7,700 people (and indirectly, through private sector operators, an additional 10,000 people) across Ontario.

Lottery and gaming are popular forms of entertainment in the province. Almost two-thirds of Ontarians over the age of 19 have visited a casino or slots facility at least once. Fully 80 percent of Ontario adults played a lottery game last year and about half the adult population plays lottery on a regular basis.

In 2010, the government gave OLG direction to launch internet gaming and expand charitable gaming. In charitable gaming, OLG has launched a four-way partnership between bingo halls, host municipalities, the Alcohol and Gaming Commission of Ontario and OLG to expand charitable gaming. At the same time, OLG was asked to find \$100 million in annual efficiencies. All these initiatives are currently underway and are part of OLG's modernization plan.

**OLG is the largest gaming organization – and jurisdiction – in North America, with 33 gaming sites and 10,000 lottery points of sale**



Last year, a total of 8 million Ontario adults played the lottery at least once and 2.7 million visited casinos and slot facilities.

### CONTRIBUTION TO THE PROVINCE

The legislative authority of OLG is set out in the Ontario Lottery and Gaming Corporation Act, 1999 and OLG has a single shareholder, the Government of Ontario. OLG has consistently delivered profit (Net Profit to the Province) to the people of Ontario. OLG (and its predecessor organizations) has provided over \$34 billion to the Province, since 1975 (up to March 31, 2011).

OLG's Net Profit to the Province in each of the last seven years has ranged from \$1.7 billion to \$2.0 billion. In 2011–12, the profit from lottery and gaming will support health care, education and infrastructure as well as the Ontario Trillium Foundation (\$120 million), problem gambling and related programs (\$41 million) and support for amateur athletes through Ontario Amateur Sports (\$10 million).

In addition to OLG's payments to the Province, there are also several direct beneficiaries of gaming proceeds including the horseracing sector (approximately \$345 million in 2011–12), host municipalities (approximately \$92 million in 2011–12) and from both lottery and gaming, Ontario First Nations (approximately \$117 million in 2011–12).

Lottery and gaming also contributes to the Ontario economy in a number of ways. In 2010–11, OLG operations generated \$3.7 billion in total economic activity in the province (OLG data, [www.olg.ca](http://www.olg.ca)).

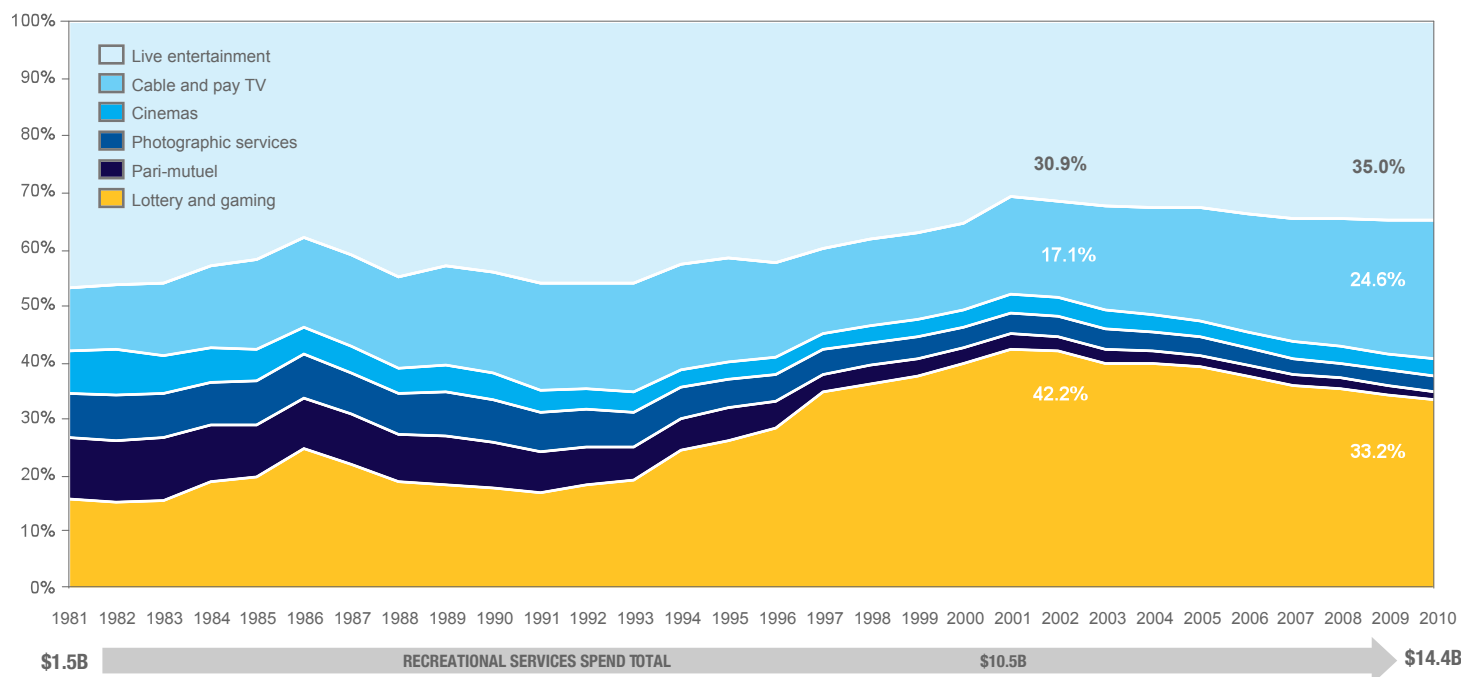
### OLG TODAY: THE CASE FOR CHANGE

While gaming and lottery playing have been well-accepted entertainment options for decades, the current OLG business model is not sustainable over the long term. Advances in technology, changes to shopping patterns, aging demographics, and declining visits from the U.S. have combined to threaten the industry and the contribution to the Province.

The lottery and casino games available in Ontario were designed in the 1970s and in the 1990s for the core gaming demographic of the time. Ontario is different now—people's interests in various recreation options have evolved. People shop differently and they play differently.

## Ontario Recreational Spending Growth

Currently there is increasing competition for customers' spending money. Live entertainment took up more share of wallet than lottery and gaming in 2009 for the first time since 2001. Cable & pay TV and live entertainment continued gaining share.



Source: Statistics Canada

### Advances in technology

When casinos first opened in Ontario in 1994, e-mail was new, as was the internet. Since then, there has also been a significant increase in the technology that supports the lottery and gaming business. In some aspects of the business, OLG has not kept pace with available improvements in technology.

In addition, advances in technology have also created the opportunity for online gaming. In Ontario, an estimated \$400 million is spent annually on gaming sites not authorized in Ontario.

### Changes to shopping patterns

OLG's current terminal technology limits where lottery tickets can be sold and does not fully reflect current shopping patterns. The majority of Ontario adults under 45 frequent supermarkets, big box stores and large retail locations. As a result, even though 50 percent of adult Ontarians play the lottery regularly, just 14 percent of adults under 45 play the lottery at least once a week.

### Demographic shifts

About 88 percent of OLG land-based gaming revenue is from slot machines, which have limited appeal to players under 45. These players prefer table games like black jack and poker. Demand for slot machine gaming is not expected to grow and will plateau in the coming years.

### U.S. Visits

In 2002, some 23 million U.S. residents entered Ontario every year. By 2011, the number declined to 7 million U.S. residents—a drop of 70 percent. Between 1998 and 2008, the number of U.S. residents entering Windsor has dropped by 74 percent.

Gaming revenues are also flattening, due to competition from neighbouring U.S. states. When casinos first opened, border communities had few gaming options. Now a number of U.S. cities in bordering as well as other states have casinos—or are planning to expand their offerings—including Chicago, Detroit, Baltimore, Boston and Buffalo as well as a number of locations in Ohio.

At the same time, OLG’s existing agreements foster internal competition, resulting in less value for marketing dollars spent. OLG resort casinos and other facilities compete with one another by marketing to the same customers.

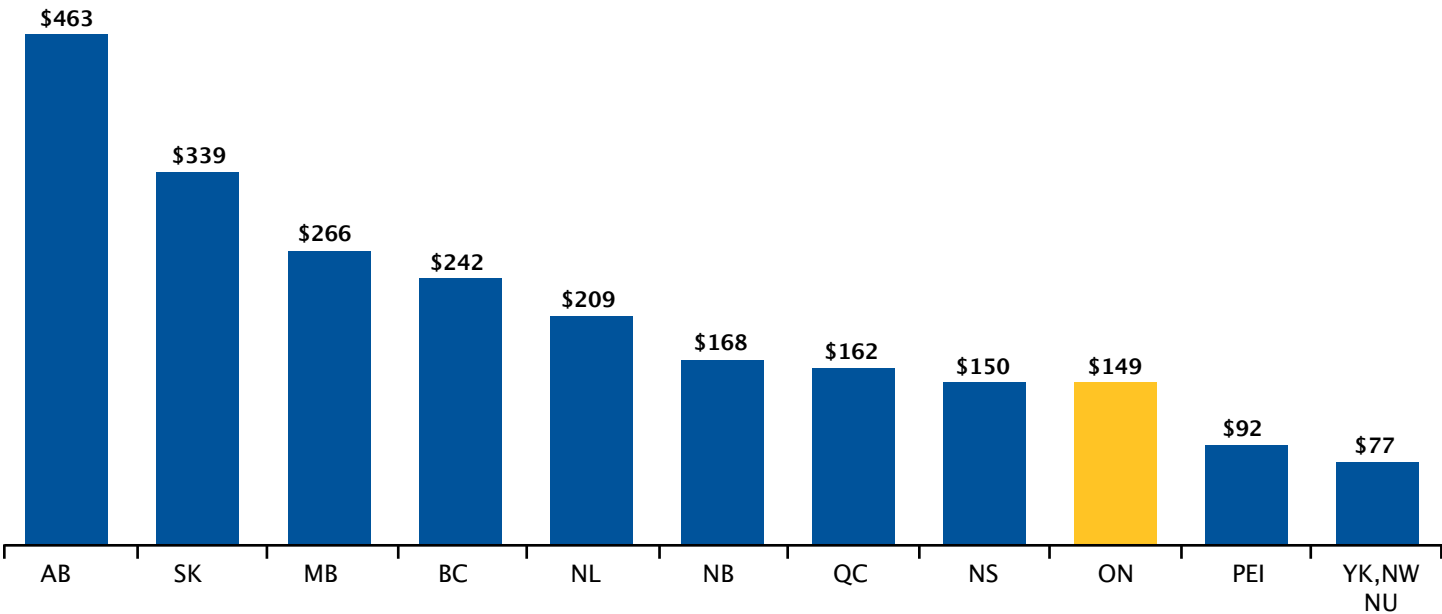
Today, investing to improve OLG’s current facilities would require government money. The Ontario government has in recent years, to positive effect, been using private partnerships to move the risk of public capital investment to the private sector. For example, some 18 hospitals are being built in Ontario through these partnerships.

The impact of all these developments on OLG business has been profound and has led to an unsustainable future for the organization. Over the past 10 years, the profits from gaming facilities close to the U.S. border have dropped from \$800 million in 2001 to \$100 million in 2011. Resort casinos alone have declined by over \$600 million.

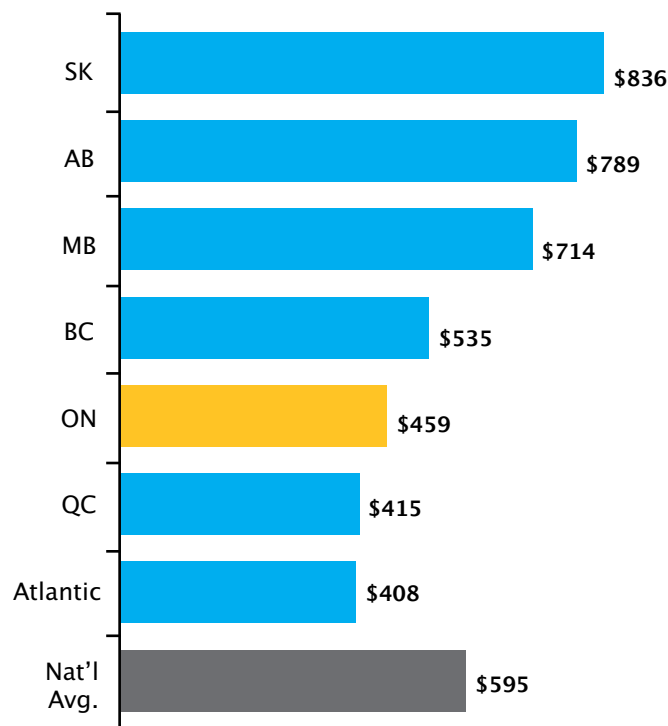
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Increased lottery sales and profits from LOTTO 6/49, LOTTO MAX and INSTANT tickets have only partially offset the decline from resort casinos. These games are also beginning to plateau in terms of sales—due partially to the decline in players under 45.

Based on per capita gaming profit in other Canadian provinces, the people of Ontario do not derive comparable benefit from lottery and gaming. If the customer base was significantly broadened, meaning more people playing a little, the province could benefit. On average, the lottery and gaming industry returns about \$220 to every resident of Canada. Ontario, on the other hand, contributes about \$149 per capita. B.C. and Alberta have seen considerable growth in the last five years, while Ontario’s and Quebec’s growth has been flat. By becoming more innovative, OLG could be more efficient and effective.

Net Profit to the Province per Capita 2011



## Net Gaming Revenue per Adult 2011



Sources: Saskatchewan Lotteries Trust Fund Financial Statements, Alberta Gaming and Liquor Commission Annual Report, Manitoba Lotteries Annual Report, BCLC Annual Report, OLG, Loto-Québec Annual Report, Atlantic Lottery Corporation Financial Statements and OLG analysis.

Commission of Inquiry into Money Laundering in British Columbia  
In terms of gaming revenue, OLG's performance is average compared to other Canadian provinces. Ontario ranked fifth in net gaming revenue per adult in 2010.

In recent years, OLG has maintained Net Profit to the Province to government in the absence of substantial new opportunities. However, without fundamental change, the Province should expect a gradual decline in revenue.

Most single or one-off options to improve sustainability, modernize the business and improve profit to government will not produce the best results. For example, simply reducing staffing levels would reduce costs but would not help improve the customer experiences or deliver innovation. OLG's current operating model for lottery terminals and supporting technology could be updated but it would be costly to replace the outdated infrastructure with public funding.

Over the next five years, simply maintaining existing OLG infrastructure will require an additional investment of \$1 billion in public funds. Major improvements to transform and modernize OLG's infrastructure could cost taxpayers up to \$3 billion.

Substantial change to the business within the current model could be costly, risky and unpalatable to many stakeholders. In one potential scenario, by 2017, due to the declining participation of younger adult players, the impact of technology and cross-border competition, annual profit to government could decline by \$400 million.

## OLG IN THE FUTURE

In the future, OLG will be an efficient, modern organization committed to delivering sustainable lottery and gaming entertainment that serves the needs of Ontario players and visitors in a way that benefits the province, its communities and its people while leading North American funding for responsible gambling.

Combined with previously announced plans for iGaming and efficiencies, this proposed reform could see key public priorities like health care and education benefit from additional annual Net Profit to the Province of \$1.3 billion by 2017. Over the six-year period of the transformation, OLG will provide an additional \$4.6 billion to the Ontario government.

Employment will grow by over 2,300 net new jobs in the industry (in new gaming facilities and related amenities as well as in digital gaming design and management) as well as an estimated 4,000 service sector jobs in hotels, restaurants, entertainment centres and retail.

Ontario will continue to be a North American leader in responsible gambling—and support for research and treatment will increase.

As overall revenues increase, Ontario's First Nations communities will also continue to receive financial benefit from the industry—at a level higher than today's. Host municipalities would have a consistent model for funding support but overall will receive more than the current level, based on planned growth.

Ontario will see an additional \$3 billion in new private sector capital investment in the province. The capital costs of expanding, improving or simply maintaining gaming facilities will not be carried by taxpayers. The private sector will take on the role of building new gaming facilities or expanding existing ones. The costs to the

public to own and operate lottery and gaming will be significantly reduced. Regulated private sector providers will help define where the market for new facilities exists, consistent with government policy, responsible gambling standards and municipal approval. OLG and the government will retain the right to approve the location of any new site.

OLG will become a more sustainable organization that ensures that Ontario residents and visitors can play more innovative and fun games in a responsible way. OLG will continue to be the lead agency for lottery and gaming in Ontario, but no longer be directly delivering all lottery and gaming services. The future OLG will set standards for the customer experience, but allow the private sector to decide specifics. OLG will set standards for access, integrity, security and responsible gambling. In the long term, OLG will likely have a small operational footprint—it will do less. The organization will instead focus on core customer management, delivering a leading responsible gambling program, as well as overseeing the regulated private sector providers and the implementation of government gaming policy. Ultimately, Ontarians will benefit from a more effective, more valuable operation.

The tourist experience of gaming entertainment in Ontario will be enhanced. It will be easier for Ontario businesses to participate with OLG in lottery or gaming-related opportunities. OLG will become a more efficient organization focusing on well-defined control and oversight functions, rather than day-to-day operations.



## HOW DO WE GET THERE?

This report makes three recommendations for systemic change. If followed as a whole, these recommendations will profoundly change the lottery and gaming industry in Ontario, rendering it more sustainable, more efficient and more valuable for the people of the province.

### ONE / Become More Customer-Focused

Like any commercial operation, OLG needs to be responsive to customers. Gaming across the province needs to better reflect what customers want and should be closer to them.

OLG is recommending the expansion of lottery sales options to multi-lane retailers, including supermarkets and big box stores, while continuing to support convenience store retailers.

OLG is also recommending that government allow for the expansion and consolidation of gaming sites, based on customer interest. The government should allow gaming

facilities to be located where customers are. As part of this effort, slot facility locations should not be limited to racetracks.

As is current practice, municipalities will continue to receive financial support from the gaming operations in their communities through a portion of gaming revenue for the benefit of the community. However, OLG should introduce a consistent fee model for host municipalities. This would facilitate the introduction of a mix of games at sites. Funding levels should continue to be determined by customer volume.

### TWO / Expand Regulated Private Sector Delivery of Lottery and Gaming

OLG needs to engage the private sector in building a new model for gaming in Ontario—while OLG maintains control and accountability. In order to enable efficient operations, avoid public expenditure on capital and address interest in land-based gaming, OLG should expand private sector participation in the efficient, effective delivery of casinos and gaming products. The first step would be for OLG to develop a competitive and transparent procurement process for these activities. The result would be regulated private operators selected to run existing and new sites.

OLG would manage the provincial market and the private sector would invest in it. New locations would be subject to the approval of host municipalities.

In lottery, OLG should shift the day-to-day operation of its lottery network to a regulated private sector operator. There should also be an expansion of retail options for lottery sales including multi-lanes in large stores, the internet and mobile devices. At the same time, OLG should allow for regulated private sector game development to foster innovation and increase responsiveness.

### THREE / Renew OLG's Role in Oversight of Lottery and Gaming

OLG should improve both its business and infrastructure systems to appropriately manage all customer interaction from lottery to internet to casinos. This would allow the organization to more efficiently fulfill its function as a manager, protector and steward of customer information. OLG should become a leaner, more efficient organization focused on well-defined market management and oversight functions. OLG will continue to work positively

with its regulator, the Alcohol and Gaming Commission of Ontario (AGCO).

At the same time, Ontario should continue to lead the continent in responsible gambling standards and expand research and treatment support. In any expansion of lottery and gaming, OLG must continue to provide safe gaming options and commit to increased environmental practices.

These three recommendations should be seen as a comprehensive approach to modernizing the gaming sector and they should not be implemented individually. This systemic reform of the sector is substantial and it has significant implications for various stakeholders. Some of these considerations are outlined throughout the recommendation section.

The following chapter outlines in detail each of the three recommendations for the modernization of gaming in Ontario. This approach, together with OLG’s ongoing initiatives, will, by 2017–18, provide an additional \$1.3 billion in annual Net Profit to the Province and create about 2,300 net new industry jobs—and an estimated 4,000 jobs in hotels, restaurants, entertainment centres and retail.

The estimate for increased Net Profit to the Province is based on the following:

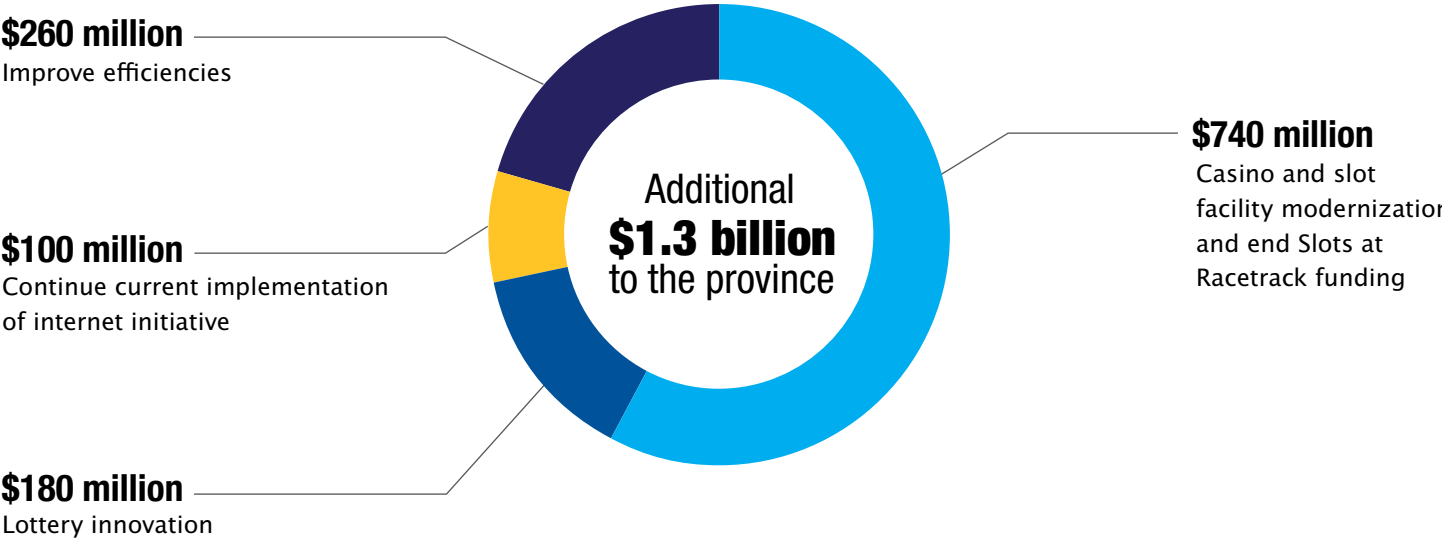
- Modernize and shift the day-to-day operation and capital development of gaming facilities to private sector; build new facilities based on customer interest; renegotiate the funding formula for municipalities to allow for a broader game offering; end the funding formula for slots at racetracks: about \$740 million increase in Net Profit to the Province annually.

- Commission of Inquiry into Money Laundering in British Columbia
- Modernize and shift the day-to-day operation of the lottery network to private sector operators; invest in new player technology; allow private sector to design lottery games; expand distribution of lottery through new channels: about \$180 million increase in Net Profit to the Province annually.
  - Deliver a full range of games on the internet through an online site accessible by computer and other internet-connected devices including lottery ticket sales, interactive casino-style games (against the house) and peer-to-peer games (like poker): about \$100 million increase in Net Profit to the Province annually.
  - Improve efficiencies at OLG as it focuses on being a smaller organization focused on market management and a leader in responsible gambling: \$260 million increase in Net Profit to the Province annually.

Ontario is facing a large deficit and over six years, as the plan is implemented, OLG would contribute an additional \$4.6 billion for critical services like health care and education.

All told, these initiatives would widen the appeal of gaming. OLG would broaden the player base by becoming more appealing—not increasing the amount that current customers gamble. These initiatives would also substantially reduce the amount of public capital invested in gaming sites and lottery infrastructure and encourage efficiency and innovation.

Additional Net Profit to the Province



## RECOMMENDATION ONE

### Become More Customer-Focused

Like any commercial operation, OLG needs to be responsive to customers. Gaming across the province needs to better reflect what customers want and should be closer to them.

OLG is recommending the expansion of lottery sales options to multi-lane retailers, including supermarkets and big box stores, while continuing to support convenience store retailers.

OLG is also recommending that government allow for the expansion and consolidation of gaming sites, based on customer interest. The government should allow gaming

facilities to be located where customers are. As part of this effort, slot facility locations should not be limited to racetracks.

As is current practice, municipalities will continue to receive financial support from the gaming operations in their communities through a portion of gaming revenue for the benefit of the community. However, OLG should introduce a consistent fee model for host municipalities. This would facilitate the introduction of a mix of games at sites. Funding levels should continue to be determined by customer volume.

#### CONTEXT IN LAND-BASED GAMING

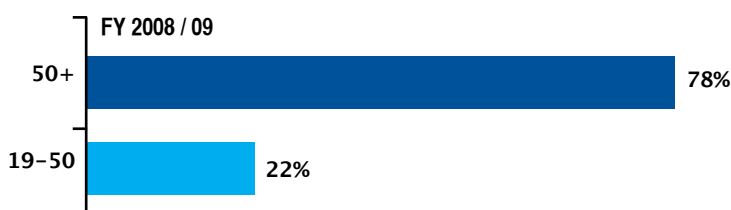
Historically, government has maintained the location and size of facilities, based on priorities that were not always responsive to customers. As a result, at some sites there are too many slot machines. In other markets however, particularly in the Greater Toronto Area, customer interest is not being met.

Three of Ontario's resort casinos, as well as five OLG facilities, are adjacent to the U.S. border, making it easier for U.S. travelers to visit. However, due to competitive U.S. casinos, the rise in the Canadian dollar, the rising price of gas and the increasing security at the border, the number of visiting U.S. customers has declined. (Sources: Bank of Canada, Ontario Ministry of Tourism, Culture and Recreation.)

Slot facilities currently, with few exceptions, are not located near population-dense urban centres—where the majority of Ontarians live.

The gaming facilities in this province were, by and large, designed over a decade ago and not only have customer preferences evolved since then, so too has technology. The customer base for gaming is aging rapidly. Adult players under 45 typically do not play slot machines. Adult customers under 45 who do visit casinos overwhelmingly prefer to play table games like black jack and poker.

#### Gaming Customer Age



The requirement to locate slots at racetracks limits site locations and impedes OLG's ability to serve customers closer to where they live and is therefore not responsive to customer interest.

Based on the current Slots at Racetrack program, the horseracing sector is projected to receive \$345 million (2011–12). Since the program was launched, horsepeople and racetrack owners have received over \$3.4 billion.

OLG is also limited in the game mix it can offer to customers due to current municipal funding arrangements. If OLG were to change the game mix, the cost to OLG would be prohibitive.

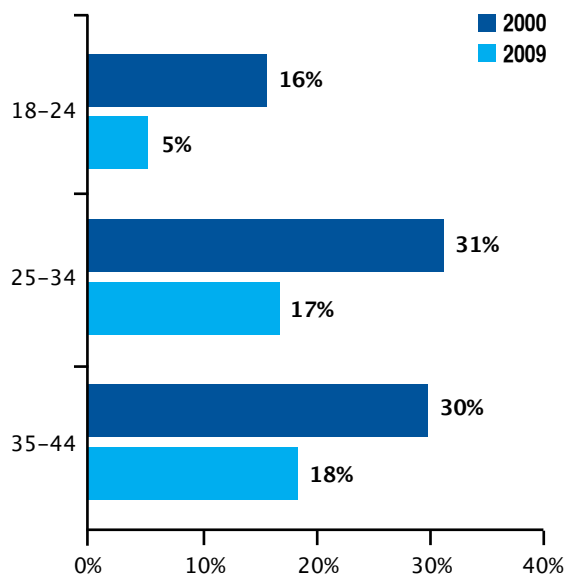
Municipalities where gaming facilities exist benefit in a number of ways from gaming. Tourist appeal, employment, the use of local suppliers and economic

development all expand when gaming facilities are located in a community. In addition, host municipalities generally receive a percentage of slot revenue. In 2011–12, host municipalities are forecasted to receive about \$92 million from slot and casino revenues.

## CONTEXT IN LOTTERY

Since lottery games were introduced over 35 years ago, the desires of customers have evolved and technology has advanced considerably. Ontarians purchase lottery products through a retail clerk who hands them a paper ticket. OLG has a largely paper-based lottery system in an economy that is increasingly paper-free.

### Core Lottery Players



The decline in participation in lottery by players under 45 has been severe in recent years. Overall, the average age of the player base is increasing, and current lottery games in existing channels do not attract players under 45.

Major lotteries outside North America have established internet lottery to attract adults under 45. Norsk Tipping, the Norwegian national lottery, for example, produces over 10 percent of sales over the internet, with tight responsible gambling restrictions and age verification.

In other jurisdictions, lottery tickets are sold across all lanes in grocery stores. Quebec has multi-lane sales and British Columbia has internet lottery ticket sales options. Camelot UK Lotteries Ltd., the UK National Lottery operator, achieved strong results in about five years in conjunction with a fast-pay card. Responsible gambling research indicates that e-cards for play help to combat problem gambling.

Commission of Inquiry into Money Laundering in British Columbia  
Ontario's sales model does not fully meet the needs of today's customers. There are about 10,000 terminals across the province and the vast majority are in convenience stores. OLG continues to rely heavily on convenience (and convenience with gas) stores for the primary delivery of lottery tickets (some two-thirds of sales), while Ontarians are shopping more frequently at large retailers such as supermarkets and big box stores. Lottery sales have, though, become an increasingly critical component of the convenience store business.

## DESCRIPTION: CUSTOMER FOCUS

Like any commercial operator, OLG needs to be able to expand or contract gaming sites, based on customer interest—and always with consideration of OLG's responsible gambling priorities.

New or relocated gaming sites would only go to municipalities that have explicitly approved them and where there is a clear business case. OLG and the government would continue to have the right to approve new or relocated gaming sites.

In lottery, OLG needs to improve the customer experience by offering lottery tickets in more locations where people currently shop. This would mean expanding sales to multi-lanes in supermarkets and big box stores.

The Slots at Racetracks Program limits OLG's flexibility to locate gaming facilities near OLG customers. Furthermore, the formula restricts OLG's ability to maximize revenues for key government priorities. As such, the Slots at Racetracks Program should be drawn to a close.

To improve the ability to offer a mix of games at sites, OLG should establish a fair and simple funding model that would supply a portion of slot machine revenue to host municipalities, independent of the type of facility.

A straightforward formula would have two key benefits:

1. Make the formula consistent across municipalities.
2. Provide flexibility for the decision to add table games or other new games, based on customer interest, municipal consent and OLG's provincial market plan.

Once existing site holder agreements have been terminated, OLG will engage in negotiations on new arrangements for OLG and/or private sector vendors to occupy space at racetrack locations where there is customer interest.

Casinos that are operated in cooperation with First Nations have separate agreements that are subject to current contracts.

**KEY CONSIDERATIONS**

- Convenience stores are expected to continue to be the source of the majority of lottery ticket sales.
- Convenience store lottery terminal locations will continue to be a priority.
- New games, enabled by third party developers, would add to lottery sales in convenience stores.
- Employment is growing annually in Ontario's digital media sector. With the addition of expanded opportunities in lottery, there would be additional growth in game design jobs.
- New lottery sales options must be consistent with Ontario responsible gambling standards.
- New contractual arrangements with racetracks and municipalities will require the re-negotiation of existing arrangements, with sufficient notice.
- The majority of host municipalities would continue to receive the same benefit under a revised formula.
- New arrangements should ensure that municipalities retain the ability to use funds as they see fit, as is current practice.
- With municipal council approval, a new facility in the Greater Toronto Area or elsewhere in the province would increase revenue to that municipal government.
- Explicit municipal consent would be required for any host community.
- Any new facility proposal would include government sign-off and oversight, AGCO registration, a business case completed by OLG, and the need for local community consultation, support and approval.

## RECOMMENDATION TWO

### Expand Regulated Private Sector Delivery of Lottery and Gaming

OLG needs to engage the private sector in building a new model for gaming in Ontario, while OLG maintains control and accountability. In order to enable efficient operations, avoid public expenditure on capital and address interest in land-based gaming, OLG should expand private sector participation in the efficient, effective delivery of casinos and gaming products. The first step would be for OLG to develop a competitive and transparent procurement process for these activities. The result would be regulated private operators selected to run existing and new sites.

OLG would manage the provincial market and the private sector would invest in it. New locations would be subject to the approval of host municipalities.

In lottery, OLG should shift the day-to-day operation of its lottery network. There should also be an expansion of retail options for lottery sales including multi-lanes in large stores, the internet and mobile devices. At the same time, OLG should allow for regulated private sector game development to foster innovation and increase responsiveness.

#### CONTEXT

OLG is currently responsible for 23,000 slot machines and over 500 games tables in Ontario as well as 27 gaming facilities and over 10,000 lottery terminals. Currently, any maintenance and improvements to facilities or products require public sector investment. At the same time, the Ontario government has been using alternative financing and procurement processes to invest in public capital projects, such as hospitals.

OLG directly employs about 7,700 people at sites and facilities as well as at head offices sites. Through the privately-operated gaming sites, there are about 10,000 indirect employees. OLG assumes the cost of these employees as well.

Today, the commercial operators working with OLG compete with OLG for customers. A private sector provider will not invest in a market where it is asked to share customer information with OLG while competing with OLG's owned and operated sites.

At the same time, OLG facilities in need of capital improvements rely on public funds to do so. Any new facility, under current arrangements, would be built with public dollars. OLG could focus more clearly and more effectively on its role as the operating mind of the gaming sector by bringing in the private sector for capital investment and some operating expenses.

In consideration of maintaining profit to the Province, OLG has under-invested in the infrastructure required to run its lottery business over the last five to 10 years.

The lottery and shared services divisions of OLG are operating on a patchwork of outdated systems that require significant maintenance to keep running. Direct ownership of the technology has created extensive financial and labour commitments across the province.

The lottery terminals are also not being used at capacity—namely, they are only used for lottery tickets, though other options are technically available (such as phone cards and iTunes® cards). The terminals are almost fully depreciated and will soon need to be replaced.

#### DESCRIPTION: GAMING

OLG could engage regulated private operators to run the day-to-day operations of all existing OLG-operated gaming facilities and all new facilities. They would be paid a fee for this work.

To do so, OLG should implement a consistent set of terms and conditions for operating a land-based gaming site in Ontario that is fair, transparent and that encourages private sector investment. Location and site designs would be approved and overseen by OLG, but initiated, built and paid for by the private sector.

OLG needs to establish a level playing field by establishing a consistent private operating model that gives regulated providers the incentive to operate in their own interests, while OLG controls the parameters of gaming, maximizes Net Profit to the Province and ensures Ontario's responsible gambling standards are upheld.

This would include identifying distinct gaming zones where existing or new gaming sites could be permitted. These defined gaming zones will help reduce the impact of one gaming site upon another. Customer interest should determine the size and genre of gaming facility in a zone.

The right to operate in a particular geographic area should also be determined by OLG. Regulated private sector operators would have defined rights to operate land-based gaming inside the boundaries of a zone. In advance of an open, transparent procurement process to obtain operating rights, a map of zones, their definitions and their parameters should be planned by OLG in consultation with stakeholders.

Should OLG move out of the daily operation of facilities, OLG's current direct employees at gaming sites could have the option of working at privately-operated facilities.

OLG could also transfer the assets that are required to operate business to the regulated private sector providers. And in the future, the private sector would build and own new capital assets. By reducing OLG's interest in capital assets, regulated operators could finance their expansion plans through capital markets.

OLG would be the sole steward of customer information and would determine market management principles for all sites.

## ONTARIO FIRST NATIONS

The Province has a funding arrangement with Ontario First Nations whereby OLG distributes 1.7 percent of total revenue (estimated at \$117 million in 2011–12) to the Ontario First Nations Limited Partnership, 2008 (OFNLP, 2008). The funds are to be distributed to Ontario First Nations for use in education and health initiatives as well as economic, social and community development. With this plan, payments to OFNLP are expected to increase.

In addition to the two current gaming locations (Casino Rama and Great Blue Heron Charity Casino) on First Nations land, Ontario First Nations should be free to bid in OLG's procurement process, either as a solo proponent or in partnership with other organizations, for the opportunity to operate in a zone.

## DESCRIPTION: LOTTERY

Based on defined criteria, customer interest and Ontario's responsible gambling standards, private operation of the lottery distribution network would enable a selected vendor to determine the distribution and location of future lottery terminals.

Commission of Inquiry into Money Laundering in British Columbia  
While maintaining the integrity of lottery games, OLG should shift the day-to-day operation of the lottery network to a regulated private sector operator. A private operator of the terminal network would have the incentive to work with convenience store owners to save money and expand the services they provide via lottery ticket terminals. This would also enable the introduction of new points-of-sale for lottery products including multi-lane checkouts in large stores, mobile devices and home personal computers.

Lottery terminals have the potential to provide many more services—and could do so with private sector investment. These services could include the ability to sell phone cards, gift cards and iTunes® cards. This would help retailers to reduce inventory costs.

OLG should also consider various approaches to reusable tickets such as stored value cards or RFID (Radio Frequency Identification) cards. A stored value card is similar to a phone card and an RFID card could store a customer's preferred numbers—and allow the customer to check his or her numbers. These innovations would be carried out in consultation with Ontario's Privacy Commissioner.

The introduction of new capabilities for lottery terminal devices should, first and foremost, maintain the integrity of games and could also focus on several areas:

- Effectiveness of store operations (automation of paperwork, just in time inventory management)
- Operational cost reductions (security/surveillance, monitoring, alarms)
- Connectivity for Point-Of-Sale (leveraging the high speed network)
- Communications ability (phone, fax, internet)
- New revenue generation (prepaid services, instant coupons, gift cards, digital signage, government services, etc.)
- Additional services (connectivity for micro payment solutions, Wi-Fi connectivity, etc.) and all while maintaining the integrity of the games.

OLG should set the standards for external developers to create new and innovative games. This should also encourage the faster development of new games that appeal to new customers.

**KEY CONSIDERATIONS**

- Considerable interest exists among private sector stakeholders to invest and to assume a greater role in operations.
- Private sector operators would be able to run operations more efficiently and effectively.
- Private sector experts in technology support and channel sales have indicated interest in working with the largest lottery jurisdiction in Canada—and one of the largest markets in North America.
- Competitive procurement process will need to consider parameters of geography, population, tourism zones and proximity to the U.S.
- The procurement process will also need to account for existing bingo locations and current private sector investments.
- OLG will continue to be responsible for setting the rules, the odds and the payments as well as conducting the draws for all lotteries in Ontario.
- It is important to OLG to make sure that lottery terminals maintain the highest security standards.
- OLG will control game integrity and design while managing the private sector's access to the market.
- OLG will work with the private sector to ensure that customers are served in all parts of the province.



## RECOMMENDATION THREE

### Renew OLG's Role in Oversight of Lottery and Gaming

OLG should improve both its business and infrastructure systems to appropriately manage all customer interaction from lottery to internet to casinos. This would allow the organization to more efficiently fulfill its function as a manager, protector and steward of customer information. OLG should become a leaner, more efficient organization focused on well-defined market management and oversight functions. The OLG will continue to work

positively with its regulator, the Alcohol and Gaming Commission of Ontario (AGCO). At the same time, Ontario should continue to lead the continent in responsible gambling standards and expand research and treatment support. In any expansion of lottery and gaming, OLG must continue to provide safe gaming options and commit to increased environmental practices.

#### CONTEXT

The lottery and gaming marketplace is comprised of a number of different sectors, industries, regulated and unregulated operators, as well as provincial and federal bodies that oversee, regulate, and set standards in the lottery and gaming business.

OLG, often referred to as the “operator”, is a Crown agency of the Ontario government with responsibility for “conducting and managing” lottery games, a number of casino gambling facilities and charitable gaming centres (i.e. bingo halls with electronic games). The *Criminal Code* sets out the parameters under which lottery and gaming is legal in Canada. Under the Code, gaming may only be “conducted and managed” by the province or certain licensed entities. OLG “conducts and manages” lottery and gaming on behalf of Ontario, in accordance with the Code.

AGCO, often referred to as the “regulator”, is also a Crown agency of the Ontario government, responsible for the regulation of resort casinos, facilities directly operated by OLG: OLG casinos, slot facilities at racetracks, and lotteries conducted by OLG. AGCO’s responsibilities also include a range of other responsibilities, such as administration of the *Liquor Licence Act*.

Historically, OLG has been responsible for the oversight and operation of its gaming sites. This has resulted in a large proportion of the organization dedicated to operations.

Today it is more appropriate for OLG to focus on customer information, market management, oversight and responsible gambling. Other Canadian jurisdictions have moved to more modern approaches to the operation of lottery and gaming.

When Ontario expanded gaming beyond resort casinos, the most accessible way at the time to demonstrate control was to own and operate all facets of the gaming experience. Since then, technology has advanced considerably and OLG’s experience in gaming has evolved.

Currently, OLG is working on a number of initiatives to help position the organization for change and help it function more efficiently.

For example, OLG’s knowledge of its customers today is managed and secured across multiple business units and shared services, both internally and via third parties. OLG’s customer database includes:

- almost 2 million Lottery players
- 2.6 million Slots & Casino players; and
- over 5 million Resort Casino players.

#### BCLC

The British Columbia Lottery Corporation (BCLC) determines where gaming facilities go. BCLC owns the games and the game management system as well as the loyalty program. BCLC works with the private sector on where and how gambling opportunities will be made available. Private sector providers supply the facilities and operate casinos.

OLG is currently implementing an advanced gaming management system that will allow for an integrated view of all operations as well as all product and customer behaviour across all properties.

While the majority of Ontarians gamble without any detrimental impact, a small portion develop moderate to severe gambling problems.

Ontario is an acknowledged North American leader in Responsible Gambling prevention, research, and treatment. This province has one of the broadest networks of gambling counselors and some of the world's leading thinkers and practitioners in the field. These specialists and experts inform OLG's Responsible Gambling program.

## DESCRIPTION

OLG should renew its approach (consistent with that of other provinces) to focus more on what is required for the successful operation of a modern gaming model including:

- customer and game management (customer touch points, databases, approval of marketing programs).
- market management (channel strategy, high-level planning for new gaming sites, product strategy);
- oversight (integrity, security, legal compliance);
- and responsible gambling.

## DESCRIPTION: CUSTOMER INFORMATION

OLG should become a leader in customer information data. Reliable and consistent customer information is important from both a customer-preference and responsiveness point of view as well as for responsible gambling purposes.

OLG should adopt a “privacy by design” strategy to ensure careful stewardship of the personal information contained in OLG's customer database. This will safeguard customer privacy and ensure—among other things—that personal information is used only for defined and express purposes.

OLG will continue to seek the expertise and guidance of the Ontario Information and Privacy Commissioner on how best to embed best-in-class privacy protections in its data management systems.

## DESCRIPTION: OVERSIGHT

It is important however, to retain a government presence where the public interest needs to be protected. Lottery and gaming are forms of entertainment widely enjoyed by millions of Ontarians so it is critical that OLG maintain a substantial degree of control over how they are run.

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There must be OLG-set standards for access, integrity, security and responsible gambling. In the long term, OLG will likely have a small operational footprint—it will do less—but maintain oversight over the gaming experience in Ontario. Ultimately, Ontarians will benefit from a more modern, more sustainable and more valuable operation.

Under the transformed model for gaming, OLG would continue to define all policies and set thresholds for number of sites and games. For example, OLG would determine the maximum number of gaming devices in any site or geographic area. OLG would also set policies in relation to marketing activities and maintain the enterprise brand.

OLG would also help ensure legal compliance (along with AGCO and the OPP) in areas such as money laundering, investigations, fraud and collusion.

All told, OLG would be a much smaller organization focused on customer information, market management, the oversight of a portfolio of private operators as well as responsible gambling.

## RESPONSIBLE GAMBLING

In a transformed industry, OLG would continue to set policies and help establish Ontario's Responsible Gambling standards—maintaining and improving its current leadership in the responsible gambling field.

OLG will continue to provide North American leadership in responsible gambling by:

- maintaining a strong funding base;
- ensuring all operations meet rigorous external standards
- advancing technology practices;
- integrating safe measures into overall customer experience; and
- continuing ongoing partnerships with independent provincially-funded agencies.

The evolution of technology to support customer decisions while gambling enables greater personal control and the collection of data. This information helps OLG better understand how it can encourage players to make informed choices. OLG plans to promote a new suite of individually-directed help services being developed by the Centre for Addiction and Mental Health, including a world-first internet counseling program for gamblers. Facial recognition technology, now being rolled out by OLG, allows facilities to better detect those who have signed up for the voluntary self-exclusion program.

“OLG supports and engages with a wide range of stakeholders, and demonstrates its commitment to innovation through its support for players ... by actively reaching out to support and counselling services.”

World Lottery Association’s award letter to OLG for Highest Certification for Responsible Gambling programs

These external controls will ensure that OLG’s program is continually evaluated and improved so that it meets the best interests of Ontarians.

OLG’s role is to help prevent problems from occurring and to assist those who need it. In order for gaming to continue to be a safe, sustainable option for Ontarians and visitors, OLG wants to ensure a broad base of sustainable players who can gamble safely and play for many years. It is not in the interest of OLG or Ontario to attract problem gamblers.

OLG’s future role should be to continue to build on a culture of responsibility where front line staff can identify and respond to players who need help as part of basic customer service. At the same time, OLG will direct and require operators of lottery channels and gaming sites to exceed regulatory compliance standards. OLG will provide operators with strategic and tactical support, performance evaluations, incentives, and plans for improvement. Ontario must continue to expand its leadership in the responsible gambling field, so OLG recommends increasing funding.

### SAFE PLAY

Fair gambling is the foundation of player trust. In Ontario, games of chance are run with regulated and transparent odds, pay-out ratios, game mechanics and money management. Facilities and sales channels are monitored and well supported by licensed security officers, EMS trained staff, and as part of the oversight of the AGCO (Alcohol and Gaming Commission of Ontario), by the presence of the Ontario Provincial Police. All gaming staff in Ontario are “Smart Serve” trained on the service of alcohol, and strict age verification requirements support lottery sales and access to gaming facilities. This would continue in a transformed gaming industry.

Commission of Inquiry into Money Laundering in British Columbia

### GREEN GAMING

Gaming in Ontario is going green. For over four years, OLG’s Bet On Green program has been lessening the environmental impact of OLG’s operations, promoting environmental awareness to employees, increasing green awareness among customers and helping OLG become a global leader in energy-efficient gaming. The program focuses on paper reduction, employee engagement, customer education and reducing energy consumption.

In new and renewed facilities, OLG will have the opportunity to increase environmental efforts. New buildings are likely to be LEED (Leadership in Energy and Environmental Design) certified—as are OLG’s most recent gaming site developments. Other current strategies could also extend to any new operations, including:

- ongoing paper reductions;
- and the use of environment-friendly certified cleaning products.

### KEY CONSIDERATIONS

- Employees would be affected by OLG’s focus on oversight instead of all direct operations. Depending on decisions, there would be a transition period as many employees move from OLG to a private sector operator.
- Consider appropriate balance between customer knowledge for responsible gambling and business marketing purposes and privacy concerns.
- While increasing the role of the private sector in the delivery of lottery and gaming, it is even more important to focus on oversight and responsible gambling.
- Security and safe lottery and gaming are critical values to Ontario and must be maintained by OLG.

# APPENDIX I

## Internet and Charitable Gaming

### INTERNET GAMING

While only provinces or their designates are allowed to operate betting or lottery schemes under the *Criminal Code of Canada*, Ontarians wager an estimated \$400 million on gambling websites that are not authorized in Ontario. The British Columbia Lottery Corporation and the Atlantic Lottery Corporation have created authorized internet lottery and gaming sites and Loto-Québec also recently initiated “espacejeux” for online gaming in December of 2010.

When it is first launched in late 2012 (and fully in 2013), OLG’s internet gaming site will uphold standards aimed at protecting players from risks such as problem gambling

and identity theft or financial fraud. Over the first five years of operation, internet gaming is estimated to deliver a cumulative \$375 million in Net Profit to the Province and create about 50 jobs (both at OLG and in the industry) in Ontario.

Following a staged rollout of products, OLG will deliver a full range of games on the internet through an online site accessible by computers and other internet-connected devices offering lottery ticket sales, interactive casino-style games (against the house) and peer-to-peer games like poker.

### EXPANDED CHARITABLE GAMING

OLG will roll out a standardized suite of paper and electronic games to all interested bingo halls in Ontario. (The suite of games will not include slot machines.) OLG will offer Bingo, Break-Open Tickets, Raffles and Lottery games or variations of these games to be played on paper, electronic devices or delivered through electronic

dispensing units. Over eight years of operation, this Charitable Bingo and Gaming initiative will deliver about \$475 million for Ontario charities. This initiative will create hundreds of part-time jobs while preserving the role of the thousands of volunteers who are currently involved in community-based charitable activity.

## APPENDIX II

### Stakeholder Consultations

To support Strategic Business Review, from January 2011 to June 2011, OLG conducted a stakeholder consultation to:

- hear stakeholder perceptions on the future of lottery and gaming in Ontario;
- learn about best practices from within the province and around the world; and
- identify opportunities to work with the private sector or stakeholders in new ways.

The Strategic Business Review team met with over 50 stakeholder groups from across the province and in a number of other jurisdictions. The consistent message from stakeholders was that the current model of lottery and land-based gaming in Ontario needs to change substantially in order to meet customers' needs.

The Review team met with representatives from First Nations, casino owners, responsible gambling researchers, racetrack owners, horsepeople, industry leaders, operators in other jurisdictions, convenience store operators as well as related government organizations.

Stakeholders raised three major issues:

#### 1. Market Demand

Stakeholders felt that the future of gaming should be determined by the market. Expansion or reduction in the number of sites, slot machines, table games and lottery distribution must be considered in the context of under- or over-served markets in the province. The GTA is one of the most under-served gaming markets in North America.

“Economics should drive the thinking, and it has not. Historical thinking has been ‘slots are less than full casinos...’ Both slots per adult and tables per adult are dramatically under proportion in the GTA compared to other large Canadian cities.”

Great Canadian Gaming Corporation, Consultation, March 11, 2011

“OLG should be encouraging more private sector involvement or investment.”

Chippewas of Rama First Nation, Consultation, June 2, 2011

#### 2. Private Sector Involvement

OLG should take advantage of the expertise of the private sector to reduce the burden of capital investment on a government agency. It should increase third party operators' participation in the market. The result would be a return based on a reasonable risk/reward and substantially smaller costs.

#### 3. Re-define Purpose

OLG should re-define its role as an operator, focusing on minimizing social costs while improving customer knowledge. This should also include clarification of OLG's role in responsible gambling.

Stakeholders also raised concerns about:

- The need for clarity in the roles and purpose of OLG relationship with stakeholders
- Transparency of where funds are allocated
- Transparency of relationships across the sector
- Efficiency of process
- Effective use of technology
- Fair implementation of rules and restrictions
- Communication from OLG should be consistent, respectful and timely
- Government should be at the forefront of responsible gambling initiatives (particularly in regard to online gaming)

# LIST OF STAKEHOLDERS

- A** **Alberta Gaming and Liquor Commission (AGLC)**, Gerry McClennan  
**Alcohol and Gaming Commission of Ontario (AGCO)**, Jean Major, Don Bourgeois, George Sweny  
**Aristocrat Technologies**, Seamus McGill, Christopher C. Rowe, Keith Wood, Robert A. Perry, Brendan McCarthy, Ron Baryoseph
- B** **Bally Technologies**, Bruce C. Rowe, Robert J. Parente, Tina M. Kilmer, Stan Kozlowski, James Marino, Derik Mooberry  
**Boardwalk Gaming and Entertainment**, Jordan Gnat  
**Boyd Gaming Corporation**, Laura De La Cruz, Samuel Johnson  
**British Columbia Lottery Corporation (BCLC)**, Michael Graydon, Marsha Walden
- C** **Caesars Entertainment Inc.**, Tom Jenkin  
**Caesars Windsor**, Kevin LaForet  
**Camelot Global Services Limited**, Richard Wheeler, Mark Biscoe  
**Canadian Gaming Association (CGA)**, Bill Rutsey, Paul Burns  
**Canadian Niagara Hotels Inc.**, Dino DiCienzo Sr., Dino DiCienzo Jr.  
**Casinos Austria**, Great Blue Heron Charity Casino, Arnold Block  
**Central Ontario Standardbred Association (COSA)**, Bill O'Donnell  
**Centre for Addiction and Mental Health (CAMH)**, Wayne Skinner, Barney Savage, Robert Murray, Nina Littman-Sharp, Nigel Turner  
**Chippewas of Rama First Nation**, Chief Sharon Stinson Henry  
**City of Niagara Falls**, Mayor Jim Diodati, Ken Todd  
**City of Windsor**, Mayor Eddie Francis, Onorio Colucci  
**Commercial Gaming Association of Ontario (CGAO)**, Peter McMahon
- D** **Delta Bingo**, Cameron Johnstone  
**Draft FCB**, Sophie Mair, John Boniface, David Williams
- F** **Falls Management Company (FMC)**, Clare Copeland, Bruce Caughill
- G** **Golden Eagle Charitable Entertainment Centre**, Patrick Brett, Eric Luke, Chief Skead  
**Great Canadian Gaming (GCG)**, Vic Poleschuck, Rod Baker  
**GTech Corporation**, Tom Dawley, Jay Gendron, Tim Simonson
- H** **HLT Toronto**, Lyle Hall, Rob Scarpelli, Drew Chamberlain
- I** **IGT**, Eric Tom, Chad Helm, Duane Frahm, Jeff Millar  
**Inter provincial Lottery Corporation**, Liz Kneible
- K** **Konami Digital Entertainment Inc.**, Sam Constantine, Ross O'Hanley
- M** **Ministry of Tourism**, Steven Davidson, Michael Kurts  
**Mississaugas of Scugog Island First Nation and Great Blue Heron Charity Casino**, Chief Tracy Gauthier, Kelly Larocca, Dela Charles  
**Mississauga First Nation #8**, Chief Daybutch

- O** **Office of the Information and Privacy Commissioner (IPC)**, Brian Beamish, Michelle Chibba  
**Ontario Bingo Development Fund (OBDF)**, Peter McMahon  
**Ontario Charitable Gaming Association (OCGA)**, Lynn Cassidy  
**Ontario Convenience Stores Association (OCSA)**, Dave Bryans, Steve Tennant  
**Ontario First Nations Limited Partnership, 2008 (OFNLP, 2008)**, Randy Sault  
**Ontario Harness Horse Association (OHHA)**, Ken Hardy, Brian Tropea, Jim Whelan  
**Ontario Horse Racing Industry Association (OHRIA)**, Sue Leslie, Dr. Ted Clark, R. Glenn Sikura  
**Ontario Korean Businessmen's Association (OKBA)**, Kenneth Kim  
**Ontario Problem Gambling Research Centre**, Judith Glynn  
**Ontario Teacher's Pension Plan (OTPP)**, Lee Sienna  
**Ontario Racing Commission**, Rod Selling, John Blakney, Steven Lehman
- R** **R2 Gaming**, Rocco DiPaola, Ravi Sharma  
**Racetracks Ontario (for profit)**, Jamie Deacey, Robert Locke, Bruce Barbour, Alex Lawryk, Andrew MacIssac  
**Responsible Gambling Council (RGC)**, Jon Kelly
- S** **Saskatchewan Gaming Corporation (SGC)**, Twyla Meredith, Tony Coppola  
**Saskatchewan Liquor and Gaming Authority (SLGA)**, Barry Lacey  
**Scientific Gaming**, Lorne Weil  
**Six Nations of the Grand River**, Matt Jamieson  
**Standardbred Breeders of Ontario Association (SBOA)**, Anna DeMarchi-Meyers, Liz Wappels  
**Standardbred Canada**, John Gallinger, Pat Kennedy, Tami McNivon, Doug McIntosh, Chris Roberts
- W** **Wauzhushk Onigum First Nation**, Chief Skead  
**WMS Gaming Inc.**, Dean Hendrickson, Dean Ehrlich, Amy Lipton, Bob Hayes  
**Woodbine Entertainment Group (WEG)**, Nick Eaves, Jane Holmes

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