



VIRGINIA LOTTERY

HJR 34 – Joint Subcommittee Studying the Virginia Retirement System

Public Hearing

Virginia Law Officers' Retirement System Membership (VaLORS)

October 19, 2004

Agency Overview:

- Over \$1 billion in Lottery sales annually
- Over 5,000 retailers
- FY 04: \$408 million to public education
 - \$13 million in unclaimed prizes to Literary Fund
 - \$10.5 million in state income tax
 - \$900,000 to Commonwealth's Debt Setoff Program
- Success contingent on integrity

Lottery Security Division:

- Mission: Ensure integrity of Lottery is maintained
 - Investigate and enforce Lottery-related statutes and regulations
 - Computer security
 - Ticket security
 - Workplace and facility security
- Total employees: 14
- 10 Investigators seeking VaLORS membership
 - Full time function
 - Deployed in 7 geographical work regions

Enforcement Authority:

- Specified by statute
 - definition of law enforcement officer (§ 9.1-101, Code of VA)
 - vested with the powers of sheriff and sworn to enforce the statutes and regulations pertaining to the Department and to investigate violations of the statutes and regulations that the Director is required to enforce (§ 58.1-4006, Code of VA)
- Sworn police officers
- Statewide enforcement jurisdiction
- Power to arrest
- Carry Department-issued handguns

Qualifications and Training:

- Meet all police officer training standards mandated by Department of Criminal Justice Services
- Over 250 years of combined federal, state, and local law enforcement experience

Enforcement Responsibilities:

- Focus on Lottery-related investigations
- Conduct independent investigations
 - Complex data analysis to chronologically document sequence of events
 - Use commonly recognized law enforcement techniques
 - Includes take offense report, identify and interview suspects, preserve evidence and submit for lab analysis, obtain warrant, effect arrest, and court testimony
- Joint investigations with local and state police departments
 - Many cases would be unresolved but for Lottery assistance
 - Instrumental leads, information, and evidence
- Criminal Investigations
 - 1988 to date: Over 7,700 cases
 - FY 04: 379 cases
 - 31% - Theft of Lottery tickets
 - 24% - Allegations of Validations/Claims Fraud

Hazardous Duty:

- Inherent in law enforcement job
- Frequently work alone
- Persons previously convicted of violent crimes

Funding:

- Lottery will fund
- No increase in appropriations
- No adverse impact on monies transferred to Commonwealth