

IN RE:

**DECLARATORY RULING
BY THE SOUTH DAKOTA
LOTTERY COMMISSION**

**RULING 98-3
SDCL 42-7A-50
ARSD 48:02:05:01(2)
Prohibition on Audit Key Usage**

STATUTE: SDCL 42-7A-50(2) states that information and records of the South Dakota Lottery are confidential. Information and records considered confidential include: "(2) Marketing, financial or sales data, the disclosure of which may be harmful to the competitive position of the South Dakota Lottery, its retailers, licensees or persons seeking or doing business with the Lottery;".

RULE: ARSD 48:02:05:01(2) states that it is the duty of all licensees to: "Conduct their video lottery operations in a manner that does not pose a threat to the public health, safety and welfare of the citizens of South Dakota; reflect adversely on the security and integrity of the lottery, or harm the video lottery industry."

ISSUE: Accessing by licensed video lottery operators, employees of operators or licensed service technicians of audit screens on video lottery machines owned and operated by other licensed video lottery operators.

RULING: Video lottery operators, employees of operators and licensed service technicians under contract with operators are prohibited from using video lottery machine audit keys to access audit information from video lottery machines owned and operated by another licensed video lottery operator.

REASON: Most machines are commonly keyed by the manufacturer. The information available on video lottery machine audit screens includes current accounting history, play history, terminal usage, game statistics, winners history, scrolling banner entry, etc. All of the individual machine information is confidential to the owner of the machine and the Lottery. Video lottery operators are highly encouraged by the Lottery to re-key their audit key locks to allow only their employees or contracted service technicians to access audit information.

There is a misconception by the public that persons having internal access to a machine or financial information on the machine's play history can acquire information unavailable to others on the machine's performance, thereby giving them an unfair advantage in playing such machines. Though no advantage may be gained by viewing the audit screen, it may create a false impression that the games are not fair for all players and reflects adversely on the security and integrity of the Lottery. It is imperative that operators conduct their video lottery operations in a manner that ensures that the security and integrity of the lottery is not brought into question by the public.

Dated this 26th day of June, 1998.

BY THE SOUTH DAKOTA LOTTERY COMMISSION:

Mike Braley, Chairman