



Gambling and Lottery Policy

Policy	Implementation of Gambling and Lottery Policy and Procedures
Purpose	The process for implementing Dover District Council policies and procedures relating to the operation of a local authority lottery
Created by/date	Community Services (September 2018)
Validated by/date	Cabinet (October 2018)
Renewal	October 2019

1. Children and Vulnerable Persons

- 1.1 Dover District Council understands its requirements as part of the Licence Conditions and Codes of Practice ("LCCP") and takes its responsibilities to the protection of children and vulnerable persons very seriously.
- 1.2 Dover District Council understands that there is a legal requirement to prevent the sale of lottery tickets to under 16's.
 - 1.2.1 All payers need to self-validate their age through both a positive tick box confirming they are over 16 and date of birth validation
 - 1.2.2 To ensure compliance with this requirement, spot checks are taken of new players of the lotteries and are subjected to further age verification validation
 - 1.2.3 As a final check before any jackpot prizes are issued, secondary age validation is also sought (passport, driving licence, etc.)
- 1.3 To ensure players are aware of the age limitations,
 - 1.3.1 clear statements will be displayed on the various websites relating to the required age to play, the age requirement is also highlighted in the terms and conditions that the player signs up to at registration.
 - 1.3.2 In addition Dover District Council have enabled their websites to permit filtering software to be used by adults (such as parents or within schools) in order to restrict access as relevant.
- 1.4 Should it come to pass that the age verification checks proved inaccurate and someone underage had gambled, then the user account would be suspended and monies returned.
- 1.5 Marketing falls into two areas:
 - 1.5.1 firstly in encouraging good cause participation (where there is a low risk of exposure to children and vulnerable people) and

1.5.2 Secondly in the development of materials that support participation of the individual lotteries.

1.5.2.1 In this area generic marketing materials are used which can be tailored to deliver a marketing package to each individual good causes to help them market their lotteries

1.5.3 To ensure compliance with the Advertising Codes of Practice and Gambling Industry Code for Socially Responsible Advertising, advertising materials will regularly be submitted to the Committee of Advertising Practice (CAP) and The Broadcast Committee of Advertising Practice (BCAP) for approval.

1.6 As recruitment is undertaken to fill vacancies, if exposed to the direct selling of tickets then

1.6.1 Applicants will need to be of a legal age to do so. And educated on the legal requirement to not sell tickets to children under the age of 16.

1.7 Player Accounts require validation and set up.

1.7.1 In the instances of direct debit the Direct Debit Guarantee ensures a time lag between ticket purchase and the first draw.

1.7.2 As draws take place once per week, Ticket purchases are therefore not capable of being purchased for immediate play and

1.7.3 For internal process reasons even credit & debit card payments cannot facilitate instant play into a draw for that week and a minimum of one days lag will be effective.

1.7.4 The combination of these factors does ensure it limits the capability to facilitate instant gambling and therefore significantly reduces the risk of gambling whilst under the influence of drink or other substances.

2. Protection from Sources of Crime and Disorder

2.1 This Policy is pursuant to the Proceeds of Crime Act 2002 (see <http://www.legislation.gov.uk/ukpga/2002/29/contents>) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (AML) Regulations (see http://www.legislation.gov.uk/uksi/2017/692/pdfs/uksi_20170692_en.pdf)

2.2 Proceeds of Crime Act 2002:

"An Act to establish the Assets Recovery Agency and make provision about the appointment of its Director and his functions (including Revenue functions), to provide for confiscation orders in relation to persons who benefit from criminal conduct and for restraint orders to prohibit dealing with property, to allow the recovery of property which is or represents property obtained through unlawful conduct or which is intended to be used in unlawful conduct, to make provision about money laundering, to make provision about investigations relating to benefit from criminal conduct or to property which is or represents property obtained through unlawful conduct or to money laundering, to make provision to give effect to overseas

requests and orders made where property is found or believed to be obtained through criminal conduct, and for connected purposes."

- 2.3 The AML Regulations require relevant businesses to:
- put in place procedures to verify the identity of customers on entering into a business relationship or transaction and to carry out ongoing monitoring during the business relationship
 - keep records obtained in establishing customers' identities and of business relationships for five years
 - train employees in the relevant procedures and law
 - appoint a nominated officer whose role includes reporting to NCA, or its successor, suspicions of money laundering activity
 - put in place and maintain policies and procedures to cover the requirements listed above
- 2.4 Dover District Council is a professional operation and takes its responsibilities to ensure all players of their society lottery are operating within the law.
- 2.5 Dover District Council employ the services of a lottery provider a Remote External Lottery Management company and therefore mainly take transactions electronically though either Direct Debit, credit card & debit card. No cash payments can be used for payment, mitigating the chance for the passing of counterfeit money.
- 2.6 A number of safeguards are in place to validate players' identities as part of the account verification process. Additionally, safeguards are in place to ensure that ticket purchases are not excessive, therefore mitigating the risk of money laundering. If players tried to purchase excessive tickets then the system controls built into the software algorithms will advise the player that they have exceeded the number of tickets possible and stop the transaction.
- 2.7 The software resides on secure servers. These reside behind encrypted firewalls and offer bank level security protocols in the transfer of electronic data. Additionally they are situated in a secure data centre managed by Disclosure and Baring checked staff.
- 2.8 All transactions for the software will have full audit trails of every transaction made including timestamps. These audit trails will ensure that should any suspicious activity be identified a full investigation by the lottery provider staff or law enforcement bodies can be undertaken.
- 2.9 In an effort to minimise the risk of fraudulent behaviour and demonstrate impartiality throughout, the main Lottery draw each week takes the results from an independently drawn lottery. This ensures no fraudulent activity can be taken in the generation of the winning set of numbers for the draw. To ensure compliance at an entry level into the system, these numbers will need to be entered separately by two of the directors of the business each week. The smaller local level prizes are generated based on a random ticket selection from existing purchased tickets by an algorithm within the software.
- 2.10 Whilst by its definition a lottery is a random game of chance and therefore offers little opportunity for collusion or cheating, any suspicion of malpractice will result in the immediate blocking of the users account.

- 2.11 Any evidence of illegal behaviour by staff will initiate a full investigation, during which time the member of staff will be suspended from duties to ensure the full protection of the players, staff and reputation of the business.
- 2.12 All companies who provide fundamental services in the provision of the service (e.g Direct Debit Bureaux, Age Verification service providers, Prize Fund Insurance etc) undergo rigorous validation in terms of their suitability, credibility and reputation. This includes full financial health checks and references where required.

3. Fair and Open Gambling

- 3.1 Dover District Council are committed to complying with the Gambling Act 2005, The Gambling Commissions Licence Conditions and Codes of Practice ("LCCP"), Lotteries Council Code of Conduct, and the CAP and BCAP codes.
- 3.2 Dover District Council utilise the services of the lottery provider who are an external lottery management company ensuring that the lottery is delivered on a financially sound basis as:
 - 3.2.1 The financial structure of the lottery ensures that revenues are received prior to the running of any draw.
 - 3.2.2 Each draw is self-funded in terms of the liabilities that then arise (prizes, good cause donations etc)
 - 3.2.3 No players' tickets will be included in the draw unless cleared funds have been secured.
 - 3.2.4 The prize fund and good cause donations are calculated on a % basis of the revenue pot therefore ensuring sufficient funds will always be in place.
 - 3.2.5 Jackpot prizes are funded through an underwritten insurance policy provided by a reputable underwriter established in the UK, again paid for as a % of each entry.
- 3.3 All terms and conditions are available for participants on the various websites of the Dover District Council lottery, including the main www.xxxxxx website.
 - 3.3.1 As part of the sign up process for new participants new participants are asked to agree acceptance of the terms and conditions at the time of signing up. New accounts cannot be created unless the terms and conditions are accepted.
 - 3.3.2 Participants will be advised of changes to the terms and conditions via pop ups on the website. In exceptional circumstances, all participants can be emailed a link to advise them of the new terms and conditions.
- 3.4 Our terms and conditions detail the complaints procedure should participants need to raise any issues or concern, both internally at Dover District Council and externally though the use of an independent arbiter should resolution not be found.
- 3.5 No loyalty or reward schemes are being offered.

- 3.6 Section 257 of the Gambling act 2005 highlights that "A person acts as an external lottery manager for the purposes of this Act if he makes arrangements for a lottery on behalf of a society or authority of which he is not
- (a) a member,
 - (b) an officer, or
 - (c) an employee under a contract of employment.
- 3.6.1 As such the lottery provider ask its board and staff to declare any conflict of interest in any potential target clients, in addition to the specific requirement to comply with the law as stated above for existing clients.
- 3.7 The lottery provider holds responsibility for ensuring that all technical solutions remain within scope of the law.
- 3.7.1 These include testing procedures for both existing, upgraded and new software propositions
 - 3.7.2 Ensuring that all servers are located in the UK
 - 3.7.3 Software protocols and administrator access is limited to core personnel
 - 3.7.4 All Contractors and Third Party suppliers are advised of our standards before they are allowed to deliver technical support. Access is limited to the scope of their work and monitored and logged accordingly.

4. Social Responsibility in Gambling

- 4.1 Dover District Council is aware of its social responsibility to protect individuals from excessive and addictive gambling.
- 4.2 Limits are in place to ensure individuals cannot buy excessive numbers of tickets,
- 4.2.1 This therefore restricts the capability for individuals to gamble beyond their means or gamble what they cannot afford.
 - 4.2.2 These limits will be monitored to see how many players reach them and may be reduced correspondingly if required.
 - 4.2.3 These limits are clearly highlighted at the point of purchase online.
- 4.3 Accounts require validation and set up.
- 4.3.1 In the instances of direct debit the Direct Debit Guarantee ensures a time lag between ticket purchase and the first draw.
 - 4.3.2 As draws take place once per week, Ticket purchases are therefore not capable of being purchased for immediate play and
 - 4.3.3 for internal process reasons even credit and debit card payments cannot facilitate instant play into a draw for that week and a minimum of one days lag will be effective.

- 4.3.4 The combination of these factors does ensure it limits the capability to facilitate instant gambling and therefore significantly reduces the risk of gambling whilst under the influence of drink or other substances.
- 4.4 It is not possible to borrow money or be entered for lottery draws unless cleared funds have been accepted. No exceptions will be made to this position.
- 4.5 The system data provides facilities to track major changes in the lottery participation. Any significant outliers in the numbers of tickets will be investigated as part of ongoing assessments on the correct levels for ticket participation.
- 4.6 A process for self-exclusion from lottery participation exists to allow anyone to self-exclude themselves from all propositions (existing or future).
- 4.7 Links to the support websites (www.gamcare.org.uk & www.Gambleaware.co.uk) plus the National Gambling Helpline are made available on the website to direct anyone to help and support should they need help from gambling additions. Dover District Council are also a contributing member to their research and support through membership of the lotteries council.

5. Implementation of Procedures

- 5.1 Dover District Council takes its legal responsibilities very seriously and requires that all Officers and staff are aware of their legal obligations in running a successful and legally compliant Lottery.
- 5.2 New Starters in connection with the lottery operational delivery.
 - 5.2.1 All new starters in connection with delivery of the lottery will be given legal training as part of the induction process. The level and depth is dependent on role but covers:
 - 5.2.1.1 The Gambling Act 2005
 - 5.2.1.2 Licence conditions and codes of practice ("LCCP")
 - 5.2.1.3 Committees of Advertising Practice ("CAP") and Broadcasting Code of Advertising Practice ("BCAP")
 - 5.2.1.4 General Data Protection Regulation
 - 5.2.1.5 Plus the process for highlighting any evidence of non-compliance
- 5.3 Existing Staff in connection with the lottery operational delivery.
 - 5.3.1 All identified officers are aware of their legal responsibilities and compliance is a regular agenda item at review meetings.
 - 5.3.2 Annual refresher courses for staff will be run to maintain knowledge and compliance.
 - 5.3.3 Ad hoc on the job training forms part of the development of staff and focus areas for development are identified during the annual appraisal process and regular review process.

- 5.4 Training records will be kept as part of the personnel record of individuals and a register of key training delivered and renewal dates kept.
- 5.5 Training will be delivered in conjunction with our External Lottery Manager, the lottery provider.