

INFORMATION SYSTEMS AUDIT

Montana Lottery Security

Montana Lottery/Department of Administration

DECEMBER 2015

15DP-02

REPORT SUMMARY

The Montana Lottery depends on strong security controls to maintain the integrity of its games, employees, and contractors. While security is in place in all statutorily required review areas, there remains an opportunity for improvement in how the Lottery conducts its security operations.

**Context**

The Montana Lottery (Lottery) was created in 1987. The Lottery transferred \$12.3 million to the general fund in fiscal year 2015. Its operations are funded by the sale of Montana Lottery tickets, which include scratch tickets; online tickets for drawing games such as Powerball and Montana Cash; and online instant-play games. Tickets are sold by licensed sales agents across the state, either in person as traditional retail counter transactions, or increasingly via vending-style, self-service machines. These machines are typically located in supermarkets and taverns.

Montana law requires the Legislative Audit Division to perform a comprehensive security audit of the Montana Lottery every two years. Auditors reviewed the 18 security areas as defined in §23-7-411, MCA. Testing included evaluation of Montana Lottery against Montana statute, Multi State Lottery Association (MUSL) regulations, Montana Lottery internal policy and procedures, and industry best practices. Audit staff also reviewed lottery winner data to look for anomalies, such as multiple winners.

**Results**

Security controls are in place in the areas outlined by statute; however, we identified areas where controls can be strengthened. Areas for improvement include:

- ◆ Creating and improving policy related to background checks and the ineligible player list.
- ◆ Documenting investigative activities.
- ◆ Analyzing retailer data.
- ◆ Reviewing lottery winner data.
- ◆ Adding to retailer review.
- ◆ Improving building security.

Recommendation Concurrence	
Concur	5
Partially Concur	0
Do Not Concur	0
<b>Source: Agency audit response included in final report.</b>	

For a complete copy of the report (15DP-02) or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to [lad@mt.gov](mailto:lad@mt.gov); or check the web site at <http://leg.mt.gov/audit>  
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