Division of Security
Annual Report
FY 2017-2018
An Accredited State Law Enforcement Division
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Since opening our doors in 1988, the Florida Lottery has remained committed to its mission to generate as much revenue as possible for the benefit of our state’s students. I’m pleased to share that the Lottery continues to celebrate over 30 years of service with more than $6.7 billion in annual sales, for fiscal year 2017-18; the highest in Florida Lottery history.

From K-12 funding to the Bright Futures Scholarship Program, the impact of the Florida Lottery is felt in communities across our great state. As a father and grandfather, I have an innate understanding of the importance of an affordable education. I can assure you that under my leadership, the Lottery will remain focused on helping students achieve their dreams.

With the continued support of our players, retailers and employees, and with the leadership of Governor Rick Scott, the future is bright for the Florida Lottery and our state’s students and schools.
Chief of Staff
Samantha Ferrin

The Division of Security is a fully authorized law enforcement unit within the Florida Lottery focused on protecting the integrity of the Florida Lottery and ensuring that its statutory responsibilities and commitments to honesty, accountability and service first are fulfilled.

The Security team is an essential part of the Lottery family and I applaud these men and women for the hard work they demonstrate every day on behalf of our agency.

Thanks to hard work and strong leadership, the Division of Security is operating under the most up-to-date industry standards. As we look forward, the Lottery remains committed to maintaining the established reputation it has earned over the past 30 years.
The Florida Lottery, Division of Security (DOS) provides nine (9) distinct services, for which the Division must prepare, protect, prevent, and respond to administrative and operational calls-for-service, fraud, other nefarious activity, and/or player complaints that may jeopardize the integrity of the Florida Lottery. The following are our nine (9) distinct services; Administrative, Background Investigations, Criminal Investigations, Forensic Laboratory, Draw Management, Facilities Security, Continuity of Operations & Safety Services, Information Security Management, and Florida Mutual Aid.

The Division of Security, along with the consortium of other Lottery divisions, works diligently to counter the threat of potential Retailer Integrity issues. This group establishes criteria that potentially identify trends or tactics used by retailers that may be conducting illegal activity.

We continue to look at ways to improve Lottery operations utilizing analytical, advanced technology and refined methodology approaches to investigations. I am incredibly proud to work alongside the consummate professionals in the Division of Security.
Organizational Structure

The Division of Security currently has 13 sworn full-time law enforcement positions, 17 non-sworn personnel positions and various OPS staff which support its core mission. The Director of Security reports to the Chief of Staff and serves as a member of the agency’s Senior Leadership Team. The Division follows an operationally tailored organizational model based upon function. The Division of Security has also implemented a reserve program and OPS positions for sworn agents whereby staffing needs can be supplemented with this volunteer and paid workforce.

There are three Deputy Directors who report directly to the Director of Security. The first of these is the Deputy Director of Security who oversees the Special Agent Supervisor for Investigations, Draw Management, and Forensics and also the Manager of Backgrounds and Intelligence.

The second, the Deputy Director of Operations, oversees the Special Agent Supervisor who oversees Integrity, Accreditation, Public Records, the Division’s Reserve Program, Training, Building Security and other administrative and operational matters.

The third is the Deputy Director of Information Security Management who secures Lottery enterprise information by designing, implementing, and enforcing security controls, safeguards, policies, and procedures.
Division Structure

FLORIDA DEPARTMENT OF LOTTERY - SECURITY
Organizational Structure

SAMAS Org. Code 36.20.15.10.000
Total Authorized FTE 30

Division of Security
July 2018
Special Agent Assignments

- Special Agent Jerry Torrance, District 3
- Special Agent Jason Lazar, District 1
- Special Agent Cory Williams, Districts 4 & 5
- Special Agent Jimmy Cockerham, District 9
- Special Agent Haley Kolich, District 10
- Special Agent Reggie Dudley, District 6
- Special Agent Ed Cates, District 11
- Special Agent Ana Sanchez, District 13
Executive Summary

The integrity of all Florida Lottery games is of utmost importance to us, and the Lottery's very existence and mission is predicated on the public's trust, confidence, and transparency in all operations and activities.

Of course, we're proud the Florida Lottery has raised more than $30 billion for education. That funding has helped support countless teachers who work tirelessly to provide Florida children with the best education possible.

To fully succeed in our mission we have to ensure that all activities conducted by the Lottery are based upon integrity, transparency and free from fraud, which is in part why we are constantly working to increase protections for those who enjoy playing Florida Lottery games.

The Division of Security continuously and diligently strives to make our top priority the safeguarding of our games and products and to ensure that every player has the same odds of purchasing a winning ticket from an honest and trustworthy retailer.
Lottery Drawings

Florida Lottery drawings are conducted under the strictest security guidelines and procedures in the industry. A Special Agent (certified law enforcement officer) serves as the draw manager and an auditor from an independent auditing firm attends and participates in every single drawing, 365 days a year.

The draw equipment is located in a secure vault and is housed on the basement level of the Lottery Headquarters building, which is a secure and limited access facility. The equipment is under watch 24 hours per day by security officers and video surveillance.

As part of the detailed pre-draw procedures the Draw Manager and independent auditor complete a lengthy checklist that thoroughly scrutinizes all aspects of each drawing. There are multiple draw machines and ball sets available for use at any particular drawing. The draw machine and ball set for each drawing is selected at random just prior to the drawing. Ball sets are weighed on certified electronic scales before and after each drawing to ensure there has not been any tampering and a series of pre-tests are also conducted to ensure the machines are working properly. All Florida Lottery drawings are open to the public for viewing from the Tallahassee Headquarters Draw Studio.
Ticket Security

Scratch-Off ticket security is ensured through a comprehensive examination of security features at the vendor location during printing, packing and delivery of Lottery tickets. Each new game is thoroughly tested by the vendors with additional ticket security criteria scrutinized by the Lottery’s Division of Security. Regular visits and inspections to the vendor print locations is also conducted to ensure the security and integrity of the product. The Lottery employs an extensive system of internal controls and procedures to ensure the integrity of Lottery Draw games, including secure storage of draw machines and ball sets, a monitored storage vault with strict access procedures, and multiple recordings of every drawing by broadcast and Lottery security staff.

An independent verification of the results of each drawing is performed by an employee of the Division of Security and an accountant from an independent certified public accounting firm. To accommodate and support the sale of POWERBALL® tickets in the state of Florida, additional Draw game ticket security requirements have been implemented.
Retailer Integrity Program

Lottery Special Agents proactively conduct unannounced visits, in an undercover capacity, to Lottery retailers across the state as part of the Retailer Integrity Program. This program is designed to ensure Lottery retailers are properly validating claims and paying prizes to Lottery players thus maintaining and promoting public confidence in the Lottery’s games. Lottery crimes, fraudulent or questionable claims and high-tier claims are also investigated by the Division of Security to ensure security, honesty, accountability and integrity is maintained. During FY 17-18, 1,663 retailers and 3,226 players were reviewed and analyzed.

DOS Special Agents made 43 arrests and assisted other agencies in 32 arrests in 2017. This figure represents the most enforcement efforts ever documented since the Florida Lottery was created. Moreover, if a retailer is tied to a crime, he or she is barred from selling Lottery products in their stores.
During Retailer Compliance Operations, retailers are selected for visits both at random and also based upon complaints from players. On those occasions when tickets were not correctly processed for payment and an attempt was made to steal a player's winnings, store personnel have been arrested and the retailers contracts have been suspended and/or terminated. The chart above depicts Retailer Compliance Operations conducted during calendar years 2012-2017.

At times, the Lottery also may partner with other agencies, including the Florida Department of Law Enforcement, the Florida Division of Alcoholic Beverages and Tobacco, and local law enforcement to carry out these investigations. The undercover Retailer Compliance Operations are conducted at random; however, an emphasis on conducting these more frequently has recently been instituted. The Division also relies on players who feel they’ve been cheated.
Forensic Laboratory Services

The Security Forensic Laboratory specializes as an ink application lab and is responsible for assuring the quality and security of the over one billion tickets printed each year. Over 20 separate scientific examinations are conducted on each Florida Lottery game to ensure only the highest quality printing standards of the industry are maintained. The Forensic Lab is responsible for ticket testing, ticket security services provided design, printing oversight, ticket authentication and questionable ownership. During FY 17-18, eight press visits were conducted to ensure contract compliance with the security and integrity of ticket printing services for the Florida Lottery. The charts below outlines a portion of activities conducted in this unit during FY 17-18.
Information Security Management

Florida Statute 282.218 establishes that the Florida Lottery shall at a minimum designate an Information Security Manager to administer its Information Technology Security Program. The Florida Lottery has established an Information Security Management (ISM) unit within the Division of Security. ISM is tasked with the responsibility of minimizing risk and ensuring business continuity by pro-actively limiting the impact of security threats to its data and information technology resources.

Information Security Management performs several functions for the Florida Lottery:

- Protecting the Lottery’s ability to function;
- Enabling the safe operation of applications implemented on the Lottery's IT systems;
- Safeguarding the technology assets in use at the Florida Lottery and ensuring the confidentiality, integrity and availability of the organization's information, data and IT services; and
- Coordinating information security with physical security.

ISM is also responsible for security on numerous application accounts, all network accounts, creating access accounts on the Lottery’s Honeywell Integrated Security System (Prowatch), and the Lottery’s access control, alarm monitoring, video imaging and badging system.
Also, Florida Statutes 382.318 states that ISM shall develop and periodically update a comprehensive risk analysis and develop written internal policies and procedures to ensure the security of the data and information technology resources of the Florida Lottery.

ISM also manages the Florida Lottery’s Computer Security Incident Response Team (CSIRT) and oversees the Information Security Awareness Program.

The goal of the Lottery’s CSIRT is to mitigate, minimize and control any damage resulting from IT related incidents, provide effective guidance for response and recovery activities, and work to prevent future incidents from happening.

Periodic internal vulnerability scans are performed on all Lottery owned devices connected to the Lottery’s network. The purpose of these scans are to inspect the potential points of exploits on a computer or network to identify security holes. During FY 17-18, ISM created 819 accounts, modified 6,173 accounts and reset 11,005 passwords.
Criminal Investigation Services

The special agents offer unique assistance to other law enforcement agencies throughout the state such as providing information regarding attempts to cash stolen Florida Lottery tickets.

Additionally, special agents provide information from Florida Lottery retailer files which may lead to locating suspects and key witnesses in ongoing investigations; provide leads in investigations when Florida Lottery tickets were present at a crime scene (i.e.; assisting with the recreation of a timeline, identifying the retailer that sold the ticket, etc.); provide forensic analysis of Florida Lottery tickets; initiate administrative cases against a retailer for major law violations (i.e.; drug-related, stolen property, theft, money laundering gambling, etc.) which may result in the suspension or termination of a Florida Lottery retailer contract; provide information and materials on Lottery scams, theft of Florida Lottery tickets, or other Lottery crimes; and provide testimony and evidence in court cases involving Florida Lottery tickets and operations.

During FY 17-18, this unit initiated 2,799 criminal investigations which is a substantial increase from the 1,825 cases initiated last fiscal year.
Background and Intelligence Services

The Intelligence Unit is responsible for conducting background investigations on all Lottery applicants, 4-year updates for Lottery employees including OPS, all contractual/service employees, vendor contractors and retailers who have criminal records. The Unit also conducts background investigations on all major procurement vendors including sponsorship vendors over $25,000, and is responsible for quality control of the lost/stolen ticket reports along with verification of ticket stock. Other duties encompass responsibilities for maintaining ID badge paperwork for all issued badges, and providing analytical support for investigators. This unit also updates the emergency alert notification system.

During fiscal year 17-18, the Unit completed 875 background and pre-employment investigations. The Unit reviewed a total of 537 lost and/or stolen ticket reports for the fiscal year. As a result of these reports, a total of 4,974 books for FY 17/18 were placed in stolen ticket status.

The Unit received 585 requests to verify Draw ticket numbers through the GStock™ ticket stock tracking system.
Facility Security Services

The Facilities Security Services Unit provides escorts for visitors, delivery and service personnel, issues temporary, visitor, and service ID badges, operates and monitors the surveillance closed circuit camera system, alarm and intrusion detection systems, takes stolen ticket reports from retailers and makes accurate and immediate ticket status changes.

During FY 17/18, the Facilities Security Section provided 90 lock and key requests and conducted 2,465 security patrols.

The Unit also issued 13 Amber Alerts and 265 Silver Alerts to retailers throughout the state. 56 items were received as lost or found during the fiscal year.
Operations and Administration

The Operations and Administration unit serves vital functions in support of the overall mission of the Division of Security. During FY 17-18, the Operations Section coordinated five COOP activations, issued 99 inclement weather notifications, investigated 20 worker compensation investigations and reviewed and processed 13 state vehicle accidents.

The Administration Unit processed and mailed 852 retailer compliance letters, processed 168 Travel Authorization Requests and prepared and processed six Retailer Suspensions and 57 Retailer Terminations. Additionally, 445 Purchase Orders were initiated during FY 17-18.

Manager of Integrity and Accreditation being recognized on her graduation from FDLE’s Analyst Academy.
Total Division of Security
Investigative Activities
2010 - 2018 (calendar year)
Total Division of Security
Retailer Inspections
2010 - 2018 (calendar year)

Total Inspections (YTD 2018 is as of August 17, 2018)
Acknowledgments

Division of Security and Secretary Poppell welcoming Lt. Governor Lopez-Cantera to Security's Forensic Laboratory.

Dedicated analysts from the Division of Security.
Acknowledgments

Law Enforcement Administrators Visiting the Florida Lottery.

Division of Security Members Welcoming OPS Special Agent Troy Gilyard.

Firearms Qualification for Members of the Division of Security.
Achievements

• Continued to refine processes to increase retailer compliance checks statewide.

• In 2017, increased retailer compliance operations by 161% over previous calendar year.

• In FY 17-18, increased criminal investigations opened by 53% over the previous fiscal year.

• In 2017, increased overall Division investigations by 14% compared to previous calendar year.

• Provided law enforcement agents in response to Hurricane Irma to assist local law enforcement needs.

• Increased analytical efforts to detect, prevent and deter fraudulent activity.

• Expanded public/private outreach partnership opportunities.

• Implemented a new case management system.

• Reorganized Division to allow for additional law enforcement agents in response to an increase of investigative assignments and activities.

• Streamlined system for processing public records requests.
Achievements

• Repurposed law enforcement radios from other state agencies, thus saving agency money.

• Reorganized Division for the transfer of Information Security Management unit.

• Maintained compliance with Commission for Florida Law Enforcement Accreditation standards for year 2 of the 3 year cycle.

• Implemented employee Driver License monitoring system to reduce agency liability.

• Implemented proactive monitoring of employee fingerprints for prompt notifications of actions.

• Formalized training for members assigned to the security officer position.

• Implemented underage inspection, education and compliance program.
CELEBRATING 30 YEARS
Integrity, Efficiency and Economic Benefits for the State

OVER THE PAST 30 YEARS:

More than $56.3 Billion in prizes

More than 2,000 Players millionaires

EDUCATION
Contributions to education have exceeded more than $1 billion for each of the past 16 years.

Funds have contributed to the construction and renovation of 800 statewide school projects

775,000+ students attended college with Bright Futures scholarships

KEY
$ = $1 Billion Dollars
= 100 Millionaires

RETAILERS
The Florida Lottery offers seven Terminal games and up to 80 Scratch-Off games at more than 13,000 retail locations statewide

Frequent Lottery players spend $6-$10 more per convenience store visit than non-Lottery players

FOR EACH DOLLAR SPENT ON LOTTERY PRODUCTS

64.8% Used for Prizes

26.9% Transferred to Education

1.4% Goes to Vendors

5.6% Paid to Retailers

1.3% Administrative Costs

$6-$10 dollars spent