

1999 DRAFTING REQUEST

Bill

Received: **09/11/98**

Received By: **nelsorp1**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Statz**

This file may be shown to any legislator: **NO**

Drafter: **nelsorp1**

May Contact:

Alt. Drafters:

Subject: **Courts - costs and fees**
Courts - miscellaneous

Extra Copies:

Topic:

DOA:.....Statz - Lottery background investigation appropriation for DOJ

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	nelsorp1 09/29/98	gilfokm 09/30/98	jfrantze 09/30/98	_____	lrb_docadmin 09/30/98		State
/1	nelsorp1 10/5/98	gilfokm 10/5/98	lpaasch 10/5/98	_____	lrb_docadmin 10/5/98		State
/2	nelsorp1 01/27/99	jpgeller 01/27/99	hhagen 01/27/99	_____	lrb_docadmin 01/27/99		State
/3	nelsorp1 01/30/99	gilfokm 01/30/99	martykr 01/31/99	_____	lrb_docadmin 01/31/99		State

FE Sent For:

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/2	nelsorp1 01/27/99	kgeller 01/27/99	hhagen 01/27/99	_____	lrb_docadmin 01/27/99		State

FE Sent For: *13-1-30*
Kmg *km/31* *km/31*
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1/27 jcg 10/1/98 10/1/98

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FE Sent For: *1-10-5
Kmg* *10-5LP* *10-5LP*
JS
<END>

1999 DRAFTING REQUEST

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Received: **09/11/98**

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Wanted: **As time permits**

Identical to LRB:

For: **Justice 6-0929**

By/Representing: **Matt Frank**

This file may be shown to any legislator: **NO**

Drafter: **nelsorp1**

May Contact:

Alt. Drafters:

Subject: **Courts - costs and fees
Courts - miscellaneous**

Extra Copies:

Topic:

Lottery background investigation appropriation for DOJ

Instructions:

See Attached

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FE Sent For:

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7. No bill or statement for any purchase or engagement for the department of revenue relating to the state lottery may be paid until the bill or statement is approved by the administrator.

(c) A major procurement contract under this subsection may be for any term deemed to be in the best interests of the state lottery or the multistate lottery in which the state participates, but the term and any provisions for renewal or extension shall be incorporated in the bid specifications or proposal solicitation and the contract document.

(3) **VENDOR QUALIFICATIONS.** (a) No contract for a major procurement may be entered into with a person if, during the immediately preceding 10 years, the person has been convicted of, or entered a plea of guilty or no contest to, any of the following, unless the person has been pardoned:

- 1. A felony.
- 2. A gambling-related offense.
- 3. Fraud or misrepresentation in any connection.
- 4. A violation of this chapter or any rule promulgated under this chapter.

(b) 1. Except as provided in subd. 4., if the vendor is a partnership, par. (a) applies to the partnership and each partner of the partnership.

1L. Except as provided in subd. 4., if the vendor is a limited liability company, par. (a) applies to the limited liability company and to each of its members.

2. Except as provided in subd. 4., if the vendor is an association, par. (a) applies to the association and each officer and director of the association.

3. Except as provided in subd. 4., if the vendor is a corporation, par. (a) applies to the corporation, each officer or director of the corporation and each owner, directly or indirectly, of any equity security or other ownership interest in the corporation. In the case of owners of publicly held securities of a publicly traded corporation, par. (a) only applies to those persons who are beneficial owners of 5% or more of the publicly held securities.

4. The restrictions under par. (a) do not apply to the partnership, limited liability company, association or corporation if the department determines that the partnership, limited liability company, association or corporation has terminated its relationship with the partner, member, officer, director or owner who was convicted or entered the plea or with the partner, member, officer, director, owner or other individual whose actions directly contributed to the partnership's, limited liability company's, association's or corporation's conviction or entry of plea.

(c) No contract for a major procurement may be entered into unless the contract provides that the vendor has established or will, within a period of time specified in the contract, establish an office within the state from which the vendor will process, produce, distribute, supply or sell materials, supplies, equipment or services under the contract.

(d) The vendor shall meet any additional qualifications established by rule under s. 565.02 (4) (c).

(3m) **FALSE STATEMENT OR MATERIAL OMISSION.** No person proposing to contract for a major procurement may intentionally make a false statement or material omission in any disclosure statement required under sub. (2) (a) 5.

(4) **BACKGROUND INVESTIGATIONS.** The department of justice shall conduct a background investigation of any person proposing to contract or contracting for a major procurement and of all partners, members, officers, directors, owners and beneficial owners identified under sub. (3) (b). The department of justice may require the person and partners, members, officers, directors and shareholders identified under sub. (3) (b) to be photographed and fingerprinted on 2 fingerprint cards each bearing a complete set of the person's fingerprints. The department of justice may submit the fingerprint cards to the federal bureau of investigation for the purposes of verifying the identity of the persons fingerprinted and obtaining records of their criminal arrests and convictions. If the

results of the background investigation disclose information specified in sub. (3) (a) with respect to the person, partner, member, officer, director, owner or beneficial owner, a contract with the vendor, if entered into prior to the disclosure, is void and the vendor shall forfeit any amount filed, deposited or established under sub. (5) (b). The department of revenue shall reimburse the department of justice for the department of justice's services under this subsection and shall obtain payment from the person proposing to contract or the vendor in the amount of the reimbursement.

(5) **FINANCIAL RESPONSIBILITY.** (a) In this subsection, "financial institution" has the meaning specified in s. 705.01 (3).

(b) For a major procurement, the department may require from a person proposing to contract on a bid, conditioned upon signing the contract if awarded to the person, or on a contract award, conditioned upon performance under the contract or payment of subcontractors, any of the following:

- 1. The deposit with the department of a bond payable to the department, in an amount required by the department.
- 2. The deposit and maintenance with the department of interest-bearing or interest-accruing securities approved by the department, which shall be held in trust by the department and shall have at all times a market value equal to at least the amount required by the department.
- 3. The filing with the department of an irrevocable letter of credit payable to and for the benefit of the department, in an amount required by the department.
- 4. The establishment with a financial institution of an escrow account, the terms, conditions and amount of which are established for the benefit of the department, in an amount required by the department.

History: 1987 a. 119, 399; 1989 a. 31, 56, 99, 172, 345, 359; 1991 a. 39, 269, 315; 1993 a. 112; 1995 a. 27.

565.27 Lottery games. (1) **GAME FEATURES AND PROCEDURES.** Subject to this section, the rules promulgated under s. 565.02 (3) (d) and (4) (a) and board approval, the administrator shall determine the particular features of and procedures for each lottery game offered. The administrator shall recommend to the board for promulgation by rule under s. 565.02 (3) (d) the types of state or multistate lottery games to be offered. The features and procedures shall be in writing, shall be accessible to the public and shall include all of the following:

- (a) The theme and name of the game.
- (b) The price of lottery tickets or lottery shares and any discount authorized for the price.
- (c) The prize structure, including the number and value of prizes.
- (d) The frequency of drawings or other winner selections.
- (e) The method of selecting winners.
- (f) The method of making payment to winners.

(2) **SELECTING WINNERS.** (a) The actual selection of any winning lottery ticket or lottery share may not be performed by an elected or appointed official, an employee of the lottery division in the department or a member or employee of the board.

(b) If drawings are used to select among winning numbers, to select among entries or to select among finalists, all of the following requirements shall be met:

- 1. The drawings shall be witnessed by an independent certified public accountant.
- 2. The drawings shall be open to the public.
- 3. The drawings shall be recorded on both videotape and audiotape.
- 4. Any equipment used for the drawing must be inspected by a certified public accountant and a department employe before and after the drawing.

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CORRESPONDENCE/MEMORANDUM**DEPARTMENT OF JUSTICE**

Date: September 8, 1998

To: Drafting Attorneys
Legislative Reference Bureau

From: Jack Benjamin
Department of Justice

Subject: 1999-01 BUDGET BILL: **Appropriation Language for Lottery Background Investigations**

The Department of Justice requests that language be drafted for the 1999-01 budget bill, to create a new appropriation relating to background checks for the state lottery. Section 565.25(4), stats., (attached) requires the Department of Justice to conduct background investigations of certain persons and parties associated with the state lottery. The Department of Revenue is required to reimburse us for our services under this section, etc.

The issue is that we have previously requested approval of the State Controller's Office to retain as refunds of expenditures some of the amounts we receive under this section, to reimburse us for certain non-recurring costs for overtime salaries and benefits, lodging, travel and mileage. Inexplicably, DOA rejected our request. This, despite our showing the direct connection between the expenses we incurred for lottery background checks and the reimbursements received from DOR for this purpose. Even though these are non-recurring and unpredictable expenses, we were told that this circumstance does not meet the definition of *refund of expenditure*.

As a remedy, we request the creation of a PR continuing appropriation, entitled *Lottery Background Investigations*. Because it is an appropriation for our Division of Criminal Investigation, its Chapter 20 designation should be something like *20.455(2)(ge)*. The Chapter 20 language could read something like

(ge) Lottery Background Investigations. All moneys received as payments for services provided and costs incurred by the department of justice for lottery background investigations under s. 565.25(4).

Please direct any questions to Dan Oakland (6-2609), Chief of our Fiscal Services Section, or his designee. When ready, the draft language should be forwarded to Kelly Kennedy (6-1221) in the Attorney General's capitol office. Thanks.

cc: Andy Cohn
Kelly Kennedy
Dan Oakland



500N
State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-0148/P1

RPN.....
King

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1
2

Don't Gen. Cat.
AN ACT ...; relating to: lottery background investigations and making an
appropriation *by the department of justice*

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

STATE FINANCE

Currently, the department of justice (DOJ) is required to conduct background investigations of persons proposing to contract or contracting with the department of administration (DOA) regarding any major procurement related to the state lottery. The background investigation may include photographing and fingerprinting of the person, verifying the person's identity with the Federal Bureau of Investigation and obtaining criminal arrest and conviction records. The department of revenue (DOR) is required ~~to~~ reimburse DOJ for the services provided in completing the background investigations. *to*

This bill creates an appropriation account for all moneys received from state agencies for costs and services related to conducting the background investigations related to the state lottery.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 20.455 (2) (ke) of the statutes is created to read:

2 20.455 (2) (~~f~~^ke) *Interagency and intra-agency assistance; lottery background*

3 *investigations.* All moneys received from the department of revenue or any state
4 agency as payments for services provided and costs incurred by the department ^{of justice} for
5 lottery background investigations under s. 565.25 (4) shall be credited to this
6 appropriation.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

7 (END)

The amounts in the schedule for the purpose of providing lottery-related background investigations.



5001
State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-0148/12
RPN:kmg:jf

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

DOA
Topic
June

1
2

AN ACT ...; relating to: ~~lottery~~ background investigations by the department of
justice. *the budget*

Don't
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8

(END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-0148/2
RPN:kmg:lp

5009

DOA:.....Statz - Lottery background investigation appropriation for DOJ
FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

do not gen

1 AN ACT ...; relating to: the budget.

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8

(END) ✓



5009
State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-0148/2
RPN:kmg:hmh

DOA:.....Statz - Lottery background investigation appropriation for DOJ
FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT <sup>Don't
Gen Cat</sup> relating to: the budget.

Analysis by the Legislative Reference Bureau

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7

(END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-0148/3
RPN:kmg:km

DOA:.....Statz - Lottery background investigation appropriation for DOJ
FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

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