

Lotto winners demand Lottery pay up despite state budget problems, stop selling tickets for large jackpot games

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Rhonda Rasche won \$50,000 playing an Illinois Lottery game on Aug. 13. Daniel Chasteen won \$250,000 on July 27. Neither has seen a dime of their winnings, however, and they're taking legal action to get their money.

The state of Illinois has been operating since July 1 without a budget in place, causing a slowing or stoppage of payments in several arenas. One of those casualties was lottery players who won \$25,000 or more on a single ticket. In response, Rasche and Chasteen filed a class action complaint against B.R. Lane, acting Illinois Lottery director, as well as the Lottery itself, the Lottery Control Board and Northstar Lottery Group, the private firm that operates lottery games in Illinois.

The class, they argue in an action filed Sept. 9 in federal court in Chicago, includes at least the

29 people whose winnings on and after July 1 were publicized on the lottery website. Their winnings totaled \$288,425,000, including a Mega Millions jackpot of \$262 million, the second-largest prize in Illinois history.

That figure could be growing, as the website stopped publishing such press releases on Aug. 17. In an Aug. 28 public announcement, Lottery spokesman Steven Rossi said his agency and the state comptroller lack the legislative authority to make the payments. He explained those who win \$600 or less can redeem prizes at the point of ticket purchase, while prizes from \$601 to \$24,999 can be collected at state claim

centers.

Rich Carter, the comptroller's press secretary, is quoted in the complaint as saying, "Without a budget, we can't, by law, make any payments on an appropriated fund without a court order or consent decree or statutory continuing appropriation."

The complaint further articulates the words of State Rep. Jack Franks, D-Marengo, who said, "our government is committing a fraud on the taxpayers."

Rasche and Chasteen want the "immediate suspension of the sale of Illinois Lottery tickets with potential winnings in excess of \$25,000 until all winning tickets can be properly and promptly paid; suspension of payment for the operating expenses associated with the Illinois Lottery; and immediate payment of all of their winnings, plus the accrued statutory pre-judgment interest on at least \$288,425,000 of these unpaid winnings."

The requested pre-judgment interest rate is 5 percent. They also want the court to make sure anyone purchasing a lottery ticket is explicitly informed they will not be able to collect winnings of \$25,000 or more.

The complaint details the section of state law that stipulates right to payments and how the priority for those payments is supposed to supersede the money it takes to run the games, including any money owed to Northstar.

The complaint lists two classes — Class I consists of people who won the lottery prizes the state says it can't pay, while Class II incorporates anyone who bought a ticket for any game with a prize of \$25,000 or more. The second class is likely to include thousands of people.

The plaintiffs have requested a jury trial. They want their legal costs paid for and seek a constructive trust over the lottery prize pool and interest. They seek punitive damages against Northstar for its role, which the plaintiffs argue is tantamount to a fraud scheme.

Rasche and Chasteen are represented by attorneys Thomas A. Zimmerman Jr., Eleonora P. Khazanova, Matthew C. De Re and Nicholas J. Hagman, of Zimmerman Law Offices, Chicago.

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