

Budget Woes Are Forcing One State Lotto To Hold Off On Issuing Prizes

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Huffington Post- Kim Bellware

Lotto winners are a lucky bunch -- unless they happen to win big in Illinois.

State lawmakers are more than three months late in passing a new budget, and as a result, the Illinois State Lottery is being forced to delay payments on any prizes larger than \$600 beginning Thursday. That threshold is dramatically lower than the one established last month, when the lotto said it would be unable to give out prizes larger than \$25,000.

The new threshold was set because the lottery anticipates exhausting its check-writing account, the gaming operation said Wednesday in a statement.

Illinois lottery spokesman Steve Rossi said the funding to pay winners exists in a state lotto fund that is separate from the state treasury, but it can't be released into the check-writing account until a budget is approved.

The ongoing impasse in Springfield has left Illinois operating without a budget since July 1. Meanwhile, several lotto winners have filed a class-action lawsuit against the state, and their lawyer has classified the lotto's move as fraudulent.

"It's unprecedented," attorney Thomas Zimmerman said. "Some states have had budget problems in the past, but no state has ever refused to pay out on the lottery winnings. This is the first time this has happened in the history of any state's lottery."

Rossi said the agency could not comment on pending litigation but that lotto winnings will be processed in the order they were received just as soon as the state has a new budget. Prizes up to \$600 are paid out by the retailers that sell lotto tickets and are therefore unaffected by the budget crisis.

Zimmerman said he requested in June a copy of the report the lotto director filed with the state, which showed that Illinois had more than \$244 million on deposit from lotto sales.

"My question is, if [the lottery] is claiming they have no authority to spend that money, then how is it that they're paying the salaries of the lottery and the other employees who run the lottery?" Zimmerman said. "How do they print the tickets or fund the creation of the checks?"

Rossi said the lotto's administrative budget is paid from a different source than lotto winnings.

Zimmerman described some of his clients as desperately relying on the money they thought would be coming their way, including one winner who was hoping to pay off her loans with the winnings and quit her second job.

"There are human stories behind this," Zimmerman said. "Why should [the state] continue to take people's money and sell tickets but not continue to pay?"

"If any private business did that, they would be shut down by the state and sued for fraud," he said.