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(54) **LOTTERY GAME GIFT CARD SYSTEM**

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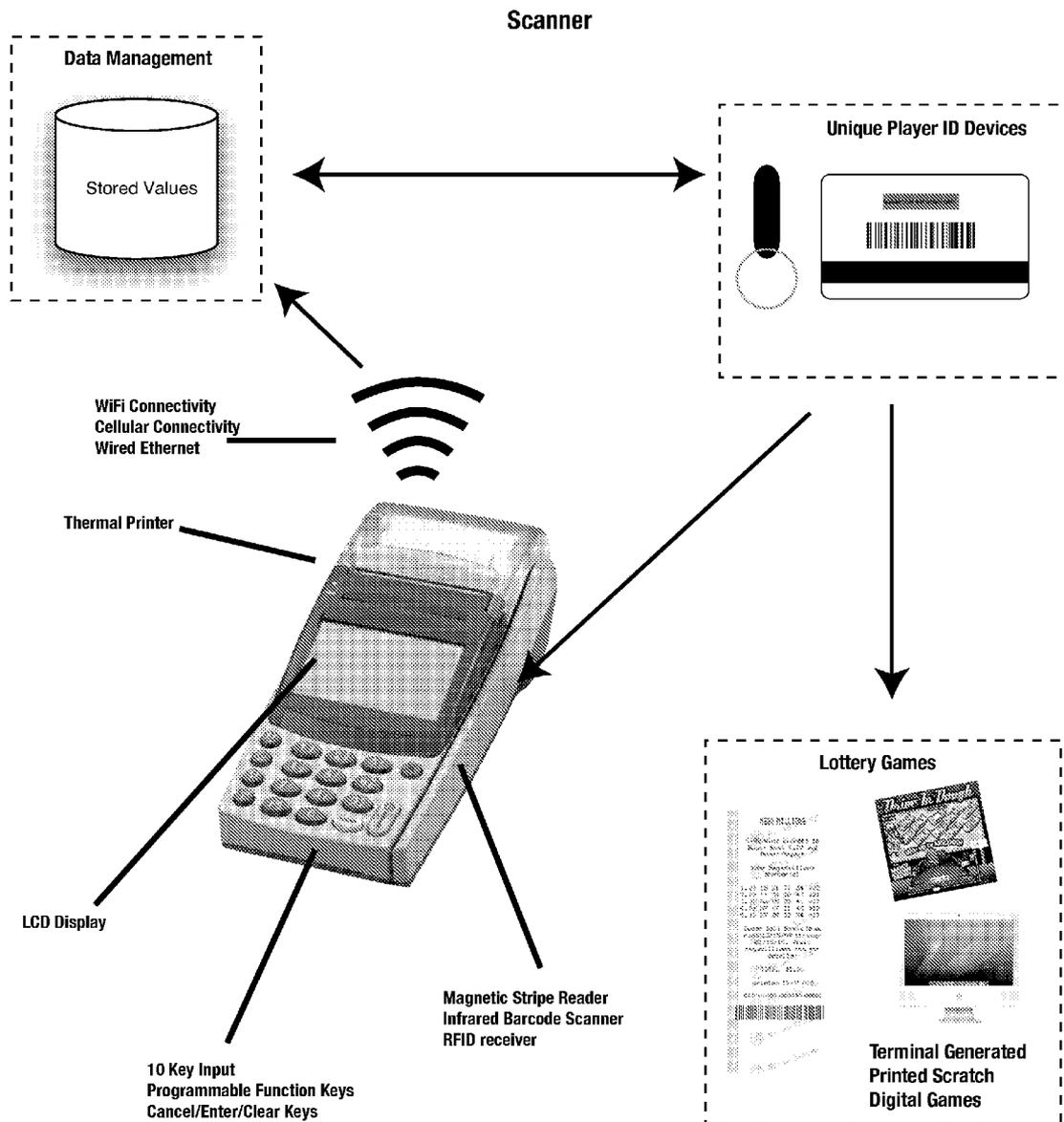
(57) **ABSTRACT**

A method of creating a gift card device used to purchase lottery games from authorized Lottery retailers and then defer play to a later date. The play can be redeemed at any lottery retailers for instant/scratch tickets or terminal generated/numbers game tickets. Play can also be redeemed for digital scratch tickets or secure drawing/numbers game tickets (terminal generated games) via an Internet enabled device including PCs, cell phones, smart phones or PDAs.

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**FIGURE 1**  
**Gift Card Mechanics**

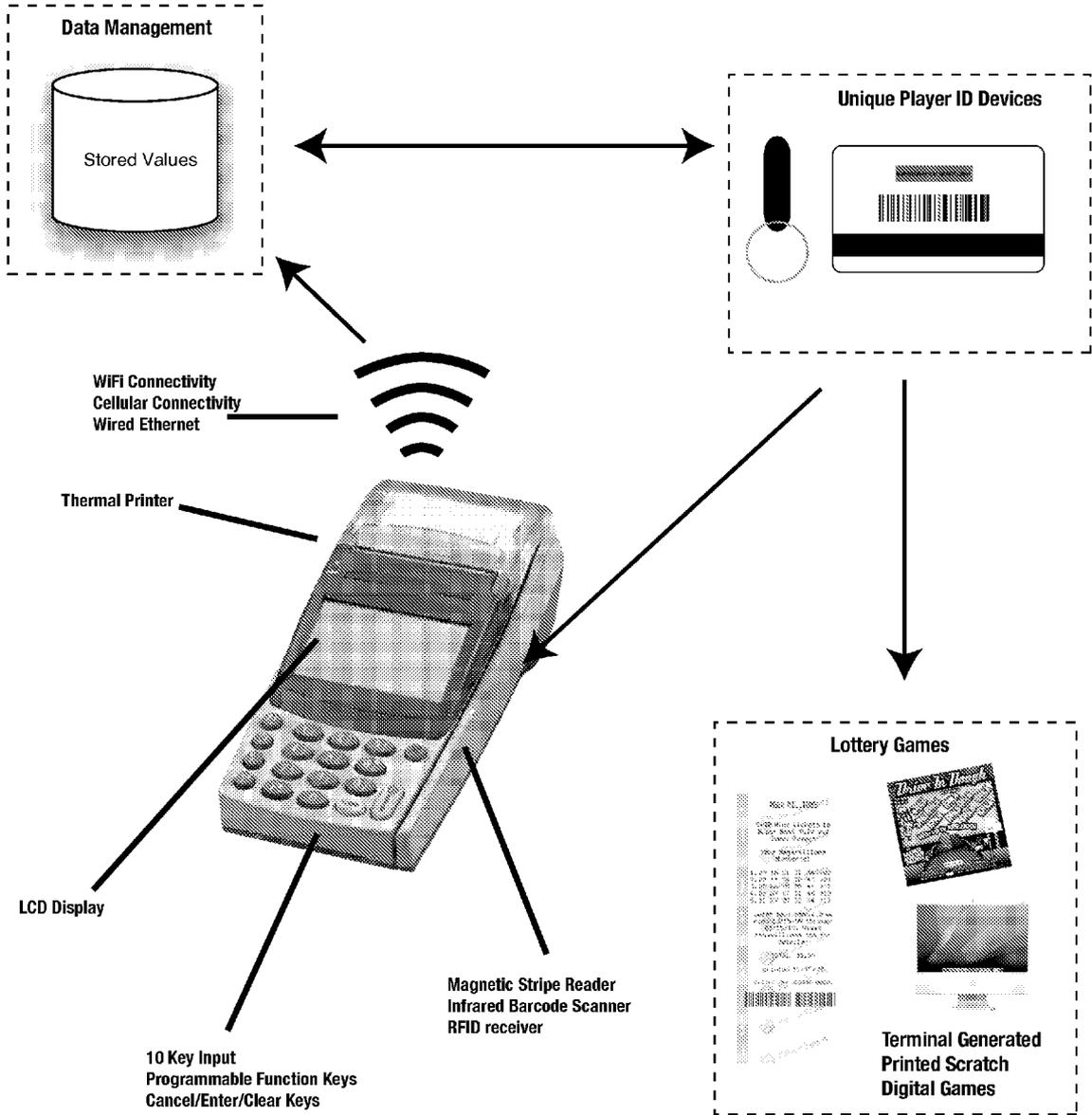


**CARD FRONT**

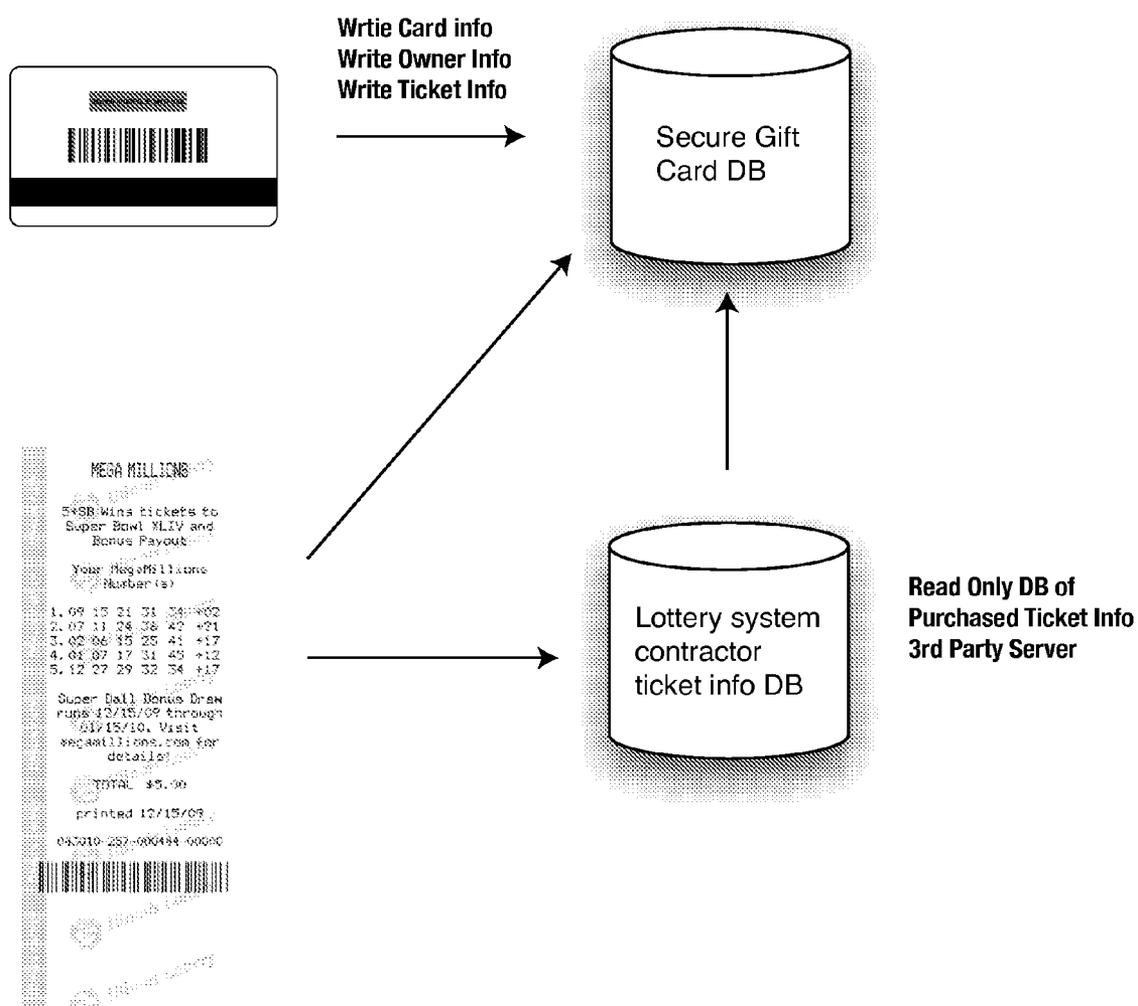


**CARD BACK**

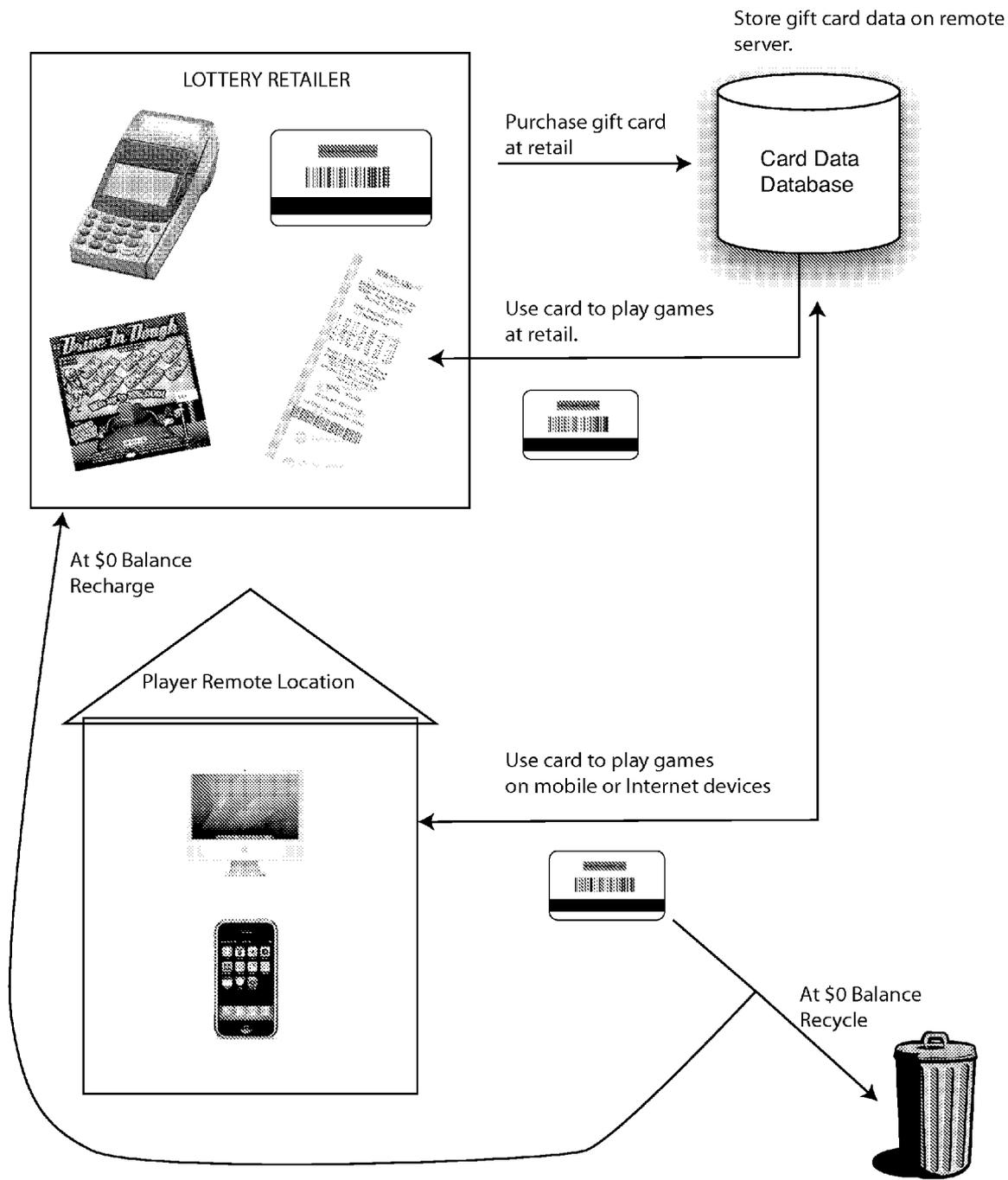
FIGURE 2  
Scanner



**FIGURE 3**  
**Database Design**



**FIGURE 4**  
**Gift Card Life Cycle**



**LOTTERY GAME GIFT CARD SYSTEM**

**TECHNICAL FIELD AND INDUSTRIAL APPLICABILITY OF THE INVENTION**

[0001] A magnetic strip, bar coded and secure pin pre-paid gift card that can be purchased at any jurisdiction-specific lottery retailer to play any lottery games. The game play value can be carried out at any lottery retailer, over the Internet using secure connections for lottery specific interactive games and with data communication hand-held devices like cell phones, smart phones and PDAs.

**BACKGROUND OF THE INVENTION**

[0002] Discussions of developing an Illinois Lottery holiday gift card began back in 1998 under Director Lori Montana. It was at a time when Chicago restaurants started offering gift cards in place of gift certificates. It was discussed as a way to increase lottery gift giving opportunities and entice advance purchase of lottery product. The project was tabled due to lack of resources within the administration to execute properly.

[0003] Our contributions to that original idea can now be realized with the advancement of technology and more resources to make it possible. With this evolved process, we can set up the elements to bring the concept to all lotteries. Gift card production and distribution has escalated to all levels of retailers and manufacturers and is a preferred device for gift giving for all holidays.

[0004] As lotteries try to market their product line as 'gift giving' ideas, the lottery gift card is an ideal solution for the industry. Friends and family can purchase a gift card in any denomination at an authorized lottery retailer or from any retailer who is capable of selling, or currently sells, gift cards from other industries (e.g. grocery stores).

[0005] The recipients of the cards can then go to any lottery retailer and redeem the games of their choice with their lottery gift card, up to the value of the card. The transaction process will reduce the dollar amount of the game play from the card and values are tracked via a secure server. Once the value has been completely depleted from the card, the consumer can visit the lottery retailer to purchase additional credit, or discard the void card.

[0006] The player can also use the gift card code to redeem game play on the lottery website via the Internet or using their cell phone/PDA handheld device. The transaction would work the same way as retail—after the game is played, the game value amount is reduced from the total amount on the card via a call to the secure server housing the gift card information.

[0007] The activation and accounting of the gift cards can be facilitated by our proprietary scanner, or by an existing POS system that ties into the lottery corporate accounting database. Use of an existing POS system would involve an implementation of this patented process to make sure that the transactions are accounted for properly.

**BRIEF SUMMARY OF THE INVENTION**

[0008] A gift card system that lottery organizations can use to provide pre-paid gift cards at the point of sale that can be redeemed for lottery games at all lottery retail locations, over the Internet or on portable data communication web-enabled devices. The system includes the card design and mechanics, the transfer of funds between the card and the lottery account-

ing system, the retail activation and accounting device and the database design and web application to handle the interactive play using the cards.

**BRIEF DESCRIPTION OF THE DRAWINGS**

[0009] FIG. 1—Gift card mechanics: The gift card could be a standard 3.5"x2.125" plastic card or it could be any shape, size or material that can securely interface with the transaction system. It has a magnetic data strip on the back to be read by standard magnetic stripe readers. It also has a type 128 barcode imprinted so barcode readers can also scan it. And it could have an RFID device to communicate by waving in front of the system. A security pin is either located under a latex coating or securely communicated to the user. This code is reserved for activating game play on the Internet or hand-held devices.

[0010] FIG. 2—Scanner Functions: The scanner is a barcode and magnetic stripe reading scanner that has a wi-fi and backup cellular connection to communicate with the database system at lottery central. This device ties into the accounting system to track the balance of a particular card. It has a barcode scanner on it that will associate a purchased ticket with the gift card to reconcile the purchase. The retailer simply waves the bar coded scratch ticket or online (terminal generated) ticket in front of the scanner during the purchase.

[0011] FIG. 3—Database Design: The fields of the data associated with the gift card include but are not limited to: card number, activation status, activation date, deactivation date, amount balance, purchase history (date, location, timestamp), internet game play codes, optional registration information for security purposes, ticket serial number, security pin number. These control the security of the card value, debit/credit amounts and association with the purchase. The database can be housed on a proprietary individual server to track only gift card values, but must interact with the lottery's accounting system to reconcile the ticket transactions with the gift cards.

[0012] FIG. 4—Path of Purchase, Activation & Redemption: This diagram shows own the life cycle of the lottery gift card. It shows the retail purchase of the card, optional uses of the card, activity at time of purchase, security for Internet play, deactivation procedure and reuse of the card. The card can accept prize winnings by crediting after validation of winning tickets.

**DETAILED DESCRIPTION OF THE INVENTION**

[0013] The most important feature of the lottery gift card system is the ability for a player to use the pre-paid gift cards to play their lottery games on the internet or via a portable web-enabled device such as a cell phone, iPhone® or Blackberry® smart phone. Current lottery rules and restrictions do not allow for the purchase of lottery tickets over the Internet or phone lines. Since the gift card must be purchased and activated at an authorized retailer, that transaction remains within the existing rules and guidelines of the state. The cardholder can use any location where the tickets are available to determine the game play. This includes the same retailer where the gift card was purchased, any other authorized lottery retailer, or that specific lottery's website playing secure Internet based games.

[0014] The cards have zero value until the retail clerk activates them at the point of purchase. Lottery transactions are separate from most retail point of purchase systems, as they

have to be accounted for separately to facilitate purchases and winning payouts. Each lottery has a different system to account for the sale of lottery tickets and the validation of winning tickets. However, they are all tied into a central database accessible to lottery corporate officers and administrators. The gift card activation process has to tie in with this system in order to accurately account for each transaction. By creating a universal reader and/or reader process, the gift cards can be produced similarly for all lotteries and still offer the ability to interface with different systems.

**[0015]** The gift card will be identified by unique codes written into the magnetic stripe on the card back, on the unique barcode printed on the card or on an RFID tag embedded into the card/device. The player id can be determined by the scanner device implemented for a specific program using any or all of the three ID formats. The card will also have a hidden security code that the user will reveal by scratching off with latex OR securely communicated to the owner of the gift card device. Alternative means for distributing this PIN number could include printed and sent via mail, communicated by phone after a series of questions designed to ensure identity, unlocked via internet after determining identity. This code is reserved for Internet game play. Since the card will be debited at the point of an Internet game play transaction, this security code will ensure that the card number wasn't compromised prior to purchase. The back of the card is exposed and could be copied by the retailer or other party prior to sale and activation. By adding a secure PIN after activation, this protects the consumer from any fraudulent use of the card.

**[0016]** The scanner/reader will have a magnetic stripe reader for quick recognition of the gift card. It also has a barcode scanner for scanning the lottery tickets purchased with the gift card. Also it could be equipped with an RFID receiver to allow for various ID device sizes beyond the traditional 3.5"×2.125" plastic card. The scanner is equipped with an Ethernet port, 802.11b/g wireless port and a cellular card. These connections will enable the high-speed transfer of the transaction activity back to the lottery central database or other secure database server housing the gift card transaction information. The scanner also has a numeric 10-key with a series of programmable function keys for basic input. This allows for input of the gift card values as well as expansion of features not incorporated at the time of implementation. The scanner also has a USB input connection to allow for the programming of the function keys via a standard PC. The scanner can also interface with the PC via the wired or wireless Ethernet connection.

**[0017]** Upon purchase of the card, the lottery retailer will activate by swiping the card through the magnetic stripe reader on the scanner. He/she will enter the requested denomination of the card and then hit the submit function to activate the card. The card reader can also be programmed to complete the purchase transaction with an accepted credit card. The scanner hardware is equipped with the proper interface to process that transaction (mag stripe reader and external communications connectivity). The software tied to the scanner can facilitate the credit card transaction and verify purchase authorization prior to activation of the card. Alternatively, the player can purchase the card with cash, add the money to the lottery cash drawer and then the retailer can hit 'activate' on the scanner to complete the transaction.

**[0018]** The scanner can also be used to 'deactivate' the card rendering it void. This feature is available to the retailer in the event of an activation error or mis-purchase. However, the

majority of 'deactivation' requests will come from the end user in the case of a lost or stolen card. The deactivation procedure for that is to call a toll-free number provided with the card (and available at the lottery retailer or website) and the system manager can deactivate the card in the database. This will stop any further use of that card and allows the system manager to issue a new card to the user with the remaining balance. This is a critical component to the security of the process. Once the card is activated, it is virtually cash. But unlike cash, it has the potential to be recovered if lost. Lottery players will appreciate this service.

**[0019]** In order to facilitate this level of ownership security, the lottery website or dedicated site will be set up with a registration page for the gift card. While impractical to capture card owner profile information at the point-of-sale, the card owner can provide that information after purchase. By logging into the website and entering the card number, they can attach user name, address, phone, email or other contact information to that card. In the event that the card is lost or stolen, this information would provide further proof of purchase to resolve any disputes. This area will also facilitate any security questions/information designed to distribute or re-issue any PIN numbers.

**[0020]** The personal information can be helpful in resolving disputes related to the lottery tickets purchased with that card. Because the ticket information is tied to the card, the database could be queried to determine the owner of a ticket. In the event of a lost or stolen lottery ticket that is a winner, this system can identify the rightful owner of the ticket.

**[0021]** With the activated gift card, the player can go to any authorized lottery retailer and make a lottery game transaction. The player would select their game—either an instant ticket or a terminal generated ticket (Powerball, Mega Millions, Pick 5, etc)—and when asked for payment, they would hand the gift card to the retailer. The retailer would then swipe the gift card in the gift card scanner and then scan the barcode of the lottery tickets in the same gift code scanner. All instant games and terminal generated games are identified with a barcode. The scanner will determine the balance on the card, cross-reference the lottery game (SKU) database to identify the tickets, determine the total purchase price of the tickets and subtract from the gift card balance. If the gift card balance is suitable to cover the purchase, the card is debited by that amount and a balance receipt is provided for the consumer. If the gift card balance isn't enough to cover the purchase, the remainder is generated on a receipt and the retailer can request that from the consumer. The consumer can add more money to the same card and the retailer can facilitate that as described in paragraph 00017.

**[0022]** If the consumer wants to play out their games on the Internet, they can log into the lottery website to select from a number of different game options available. Prior to game play on the Internet the system will ask the user for the secure PIN to complete the transaction. Without the secure PIN, the game will not generate.

**[0023]** The games on the lottery website are individual prize pool games, similar to printed lottery tickets. They will play out just like scratch tickets, but use a certified random number generator (RNG) to determine the outcome of the game. Once all the tickets in the prize pool have been played, a new prize pool game is generated. This process of stocking Internet games mirrors the process of stocking paper printed games at retail. At this time, the inventory and play action should be as close as possible to playing a traditional paper

ticket. However, this system allows for more innovative design of digital lottery game play.

[0024] The player can also use the pre-paid gift card to play the drawing games for that particular lottery. So just like a lottery ticket terminal, the players PDA or computer will connect to a page where they can enter their gift card number and corresponding PIN and assuming there is a balance on the card, they can select their drawing numbers or a Quick Pick (random set of numbers) for a particular game. The site will generate a virtual ticket that can be printed from the player's printer, or saved as a JPG image to be pulled up and printed at a later date. The system will lock out any play 2 minutes before the scheduled drawing, just like the retailer ticket terminal. The numbers selected by that player for that drawing are appended to the database with the associated gift card serial number. Once the drawing is held, if the ticket is determined as a winner, the site can alert the player of the winning ticket via e-mail or text message. The player can pull up the jpg image of the ticket on their PDA or smart phone and have it scanned/validated at the retail location or print off a copy to be validated by the lottery.

[0025] With lower level prize winnings, the player could choose to add the winnings to the balance on the gift card. Prizes over a certain dollar amount requires a claim process by the lottery. However lower prize winnings can be credited back to the gift card device and then applied toward the redemption of additional games at retail or Internet play. If the lottery decides that they would rather have all claims awarded in person at retail, the system can be set up to do that as well.

DRAWINGS

[0026] The following 4 pages are images diagramming the process by which seeds can be incorporated into a lottery instant/scratch off ticket. Detail of each drawing is described in paragraphs [00008]-[00011] above in the section titled "BRIEF DESCRIPTION OF THE DRAWINGS".

What is claimed is:

- 1) A device (card/wand/FOB) to store unique user identification that can query a database that stores activity related to a lottery game purchase
- 2) The method by which claim 1
  - a. Securely identifies the individual on the device
  - b. Allows the device to be recognized by a database in order for that database to accurately track the activity of the player and satisfy the requests of game play
- 3) The communications/scanning device used to activate the card device in claim 1

4) The method by which claim 3 uses the device to update player information; card value information; game purchase information; and game play information in the secure database

5) The method by which the device of claim 3 connects to the remote server to append/delete the database records of claim 7

6) The method by which an existing lottery equipment infrastructure could use the device of claim 1 to communicate with the database without the use of the scanning device in claim 3

- 7) The database used to store and track the device data for:
  - a. Pre-purchased debit card amounts good for lottery game play
  - b. Date of purchase activity
  - c. Date of card Activation/Deactivation
  - d. Tickets purchase and account of winnings on those games
  - e. Individual player data associated with the card to add security
  - f. Cardholder security information to identify the rightful owner in event of lost or stolen device/card

8) The method by which the dollar amounts stored in the database record can be used to redeem game play over open network channels

9) The method by which claim 7 is secured in transaction using PIN numbers associated with the device of claim 1

10) The method by which the database of claim 8 can relate to an existing lottery accounting database to reconcile activity of the player as they use the device of claim 1

11) The data (paperless) lottery ticket game play that can be accessed via website or wireless communications device (smart phone/pda)

12) The method by which claim 11 securely transacts a game initiated by a player using one of the pre-paid game devices of claim 1

13) The method by which the games in claim 11 are randomly generated to produce an unpredictable outcome of winning and non-winning events

14) The method by which the games in claim 11 are inventoried and depleted like a paper lottery instant ticket game inventory to act exactly as such

15) The method by which a user of the device in claim 1 can redeem terminal generated tickets for lottery drawing games via an open network device (Internet, Smart Phone, PDA).

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