

News

Illinois Lottery sued for not paying winnings due to state budget impasse

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Lottery winners waiting for prizes sue Illinois Lottery, claiming the agency owes them more than IOUs

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A pair of lottery winners have filed a federal lawsuit against the Illinois Lottery, which still is selling tickets despite its inability to pay prizes greater than \$25,000 until state lawmakers pass a budget.

"How the heck can they do this, and they're still selling tickets?" said Homer Glen resident Rhonda Rasche, 48, who is still waiting for the \$50,000 she won in July from a \$3 scratch-off ticket. "If I was the one selling raffle tickets and I didn't pay, I would be sued or in jail or both."

At a press conference Wednesday, Rasche became emotional while recalling her plans to spend some of her winnings on home improvements, new furniture and a vacation for her best friend and the friend's sister who had nursed their mother during a long terminal illness

"I feel like my balloon was kind of deflated," Rasche said, tearing up as she spoke. "I wasn't totally banking on the money but it was pretty crushing. I just feel like it's totally unfair."

Last month, the lottery made national headlines after it confirmed that state law prohibited it from paying prizes larger than \$25,000 because the legislature must authorize the state comptroller to cut the checks. Lottery officials said they were still able to pay amounts of \$25,000 or less.

Nonetheless, the lottery has continued to sell tickets even though those who win large prizes must wait until a budget is passed to collect their money. As of Wednesday morning, the lottery website advertised large payouts for games such as Lucky Day Lotto, where the jackpot is \$250,000.

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"The lottery represents that you can win instantly," said Rasche's attorney, Thomas Zimmerman Jr.

"They fail to tell you as of July 1 they're not going to pay. But yet they continue to sell the tickets under those false pretenses."

The class-action complaint filed Wednesday morning alleges Rasche and co-plaintiff Danny Chasteen — who won \$250,000 in July — are among more than two dozen winners awaiting payment of a combined total of more than \$288 million in prizes that should have been paid since the last state budget expired June 30.

The suit alleges the lottery committed fraud by continuing to advertise and sell games with prizes greater than \$25,000 even though officials knew they could not pay those prizes. Further, while the lottery was withholding payment to winners, it continued to pay wages — including the \$142,000 salary of acting Lottery Director B.R. Lane — and money owed to the agency's troubled private management company, Northstar Lottery Group, the suit alleged.

The suit — which also names Lane, the Illinois Lottery Control Board and Northstar Lottery Group as defendants — seeks to force the lottery to pay winners of more than \$25,000 with 5 percent interest and asks that the lottery be barred from paying its administrative or operational costs until the winners receive their prizes. It also asks that the lottery be barred from selling tickets for games that offer prizes greater than \$25,000 until the lottery is able to honor those payments.

A spokesman for the lottery declined to comment, saying the agency has not yet received a copy of the suit.

Meanwhile, state Rep. Jack Franks, D-Marengo, said he would soon file legislation to allow the state comptroller to cut checks to prize winners despite the ongoing budget fight.

"They've got the money — they just don't have the legal authority to spend it," Franks said. "My bill will allow them legal authority to do it. But here's the problem: We're not going to be back in session until Sept. 24 unless the governor calls us back to a special session to fix this. And I think he should, because the integrity of the lottery is at stake."

Zimmerman said several other winners have contacted his office with interest in joining the suit and he expects to amend the complaint to include them. The suit lists several other people with prizes that have not been paid out but Zimmerman said he has not reached out to those people.

The attorney said he was not familiar with the proposed legislation, but said he supported the effort in principle given the ongoing wrangling over a new budget.

"There's really no end in sight," Zimmerman said. "So anything they can do to speed up the legislative process, we welcome that."

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