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Budget Crisis? Not Our Problem, Winners Say

By DAVID WELLS

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CHICAGO (CN) - Amid an ongoing budget crisis, the Illinois lottery has withheld hundreds of millions of dollars worth of winnings, a federal class action alleges.

Rhonda Rasche and Daniel Chasteen both thought their luck had turned around this summer when they purchased winning scratch-off lottery tickets.

Rasche's July 28 crossword ticket was worth \$50,000, and Chasteen won \$250,000 with Cool Cash on July 20, but both have been unable to collect because of state budget problems.

The pair filed suit on Wednesday in the Northern District of Illinois, hoping to represent a class of other unpaid winners. They seek the immediate release of their winnings, plus interest from the lottery commission and its control board.

Since July 1, the state has been turning away lottery winners who attempt to claim prizes of more than \$25,000, according to the complaint.

Rasche and Chasteen say that the Lottery Department's excuse has been that the state cannot pay large prizes because it has not passed a budget.

Since the payments have stopped, at least 29 winners have been unable to claim their winnings, for a total of over \$288 million in unpaid prizes, according to the complaint.

Among those denied winnings are John Williams and Neal Logue, who together won a \$262 million jackpot from the popular lottery game Mega Millions. The prize is said to be the second-highest jackpot prize in the state's history.

Rasche and Chasteen claim that tying lottery payments to the state budget may deny lottery winners their payments indefinitely, as the state continues to function without a proper budget.

At least one politician is on their side.


"Our government is committing a fraud on the taxpayers, because we're holding ourselves out as selling a good, and we're not - we're not selling anything," Rep. Jack Franks, a Democrat in the state House of Representatives said, according to the complaint. "The lottery is a contract: I pay my money, and if I win, you're obligated to pay me and you have to pay me timely. It doesn't say if you have the money or when you have the money."

Rasche and Chasteen say Illinois Lottery Department director B.R. Lane reported on July 6 in a letter to the state treasurer that the lottery fund cash balance sits at only \$244 million.

The 30-page complaint, which lists Lane as a defendant, also quotes an Aug. 28 statement from the state lottery.

"Due to the ongoing budget situation in Springfield, some lottery winner payments have been delayed," spokesman Steven Rossi said, according to the complaint. "All winners will be paid in full as soon as the Lottery and the Illinois Comptroller have the legislative authority to do so."

Northstar Lottery Group LLC, which serves as the private manager for the lottery, is named as a defendant as well.

The class, represented by Thomas Zimmerman Jr., also wants the state to inform anyone purchasing a lottery ticket that they will be unable to collect any winnings exceeding \$25,000. 

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