

Fired B.C. Lottery chief wins \$603,000 severance jackpot

Corporation admits Vic Poleschuk was fired without cause **NEWS A4**

The Province

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Ex-lotto boss gets \$603,000

FIREWITOUT CAUSE: Critics slam payout, question audit of prizes

BY DAMIAN INWOOD
STAFF REPORTER

On the day B.C. Lottery Corp. retailers were cleared of wrongfully claiming prizes, the corporation's former CEO, Vic Poleschuk, won a \$603,000 severance jackpot for being fired without cause.

Corporation chairman John McLernon yesterday defended the decision to make the payout, saying he had no choice.

"From a legal standpoint, Mr. Poleschuk was terminated without cause and that means he is entitled to severance in accordance with the terms of his employment agreement," he said.

Poleschuk was fired June 1 after a B.C. Ombudsman's report uncovered "a number of significant and readily identifiable gaps in BCLC's prize-payout procedures."

That investigation was triggered after internal lottery documents detailed how, over the past six years, lottery ticket-sellers won 4.4 per cent of all lottery prizes over \$10,000 — a rate three to six times their share of the population.

The probe found major problems

with virtually every aspect of BCLC's payout procedures — such as a total lack of scrutiny for prizes under \$10,000.

Investigators also uncovered more than 20 examples of retailers who won multiple times over a few years, and others who were paid out big wins even though they couldn't tell BCLC when or where they bought their tickets.

"The ombudsman report helped set out a very ambitious program of change," said McLernon. "The board did not feel that Mr. Poleschuk was the right person to take the company forward to implement that change."

The payout includes \$412,500 for 18 months of salary, a \$144,375 performance bonus, reimbursement of \$19,044 for disability insurance, \$7,643 for medical and dental benefits for 18 months and \$19,800 for a car allowance for 18 months.

Poleschuk will get his pension and could receive a further bonus of up to 45 per cent of his annual \$275,000 salary — up to \$123,750. This will be decided in October.

"We see this as a substantial settlement which sends a clear message

that Vic Poleschuk upheld his end of the employment bargain entirely in a professional way," said Poleschuk's lawyer, Murray Tevlin.

An audit ordered by Solicitor-General John Les yesterday cleared retailers of wrongfully claiming other gamblers' prizes over \$10,000.

"Our review of 190 retailer win files found no indication that prize payouts were made to anyone other than the rightful owners of the prize-winning tickets," said Ron Parks, of forensic auditors Blair Mackay Mynett Valuations Inc.

The study found the reason for the frequency of wins by retailers was because they were playing games like Keno and Sports Action, which have smaller payouts.

The audit found failures in BCLC's prize-payout-validation procedures. But new BCLC CEO Dana Hayden said new safeguards are either already in place or are being implemented to close these loopholes.

They include:

■ No lottery retailer may buy, play or validate lottery tickets at their place of employment.

■ All retailers winning \$1,000 or more must go to the BCLC Rich-

mond or Kamloops offices to answer questions before payout.

■ Any lottery winner of a prize over \$3,000 must sign a declaration that they are not a retailer, a close relative of one or live at the same address as one.

Maureen Bader of the Canadian Taxpayers Federation termed the Poleschuk settlement "completely bogus" and called for an end to the government's gaming monopoly.

NDP lotteries critic Harry Lali said the payout proved Poleschuk was the government's "fall guy for the lottery scandal and subsequent cover-up" and, because the audit only looked at wins over \$10,000, it "provides no basis to reassure British Columbians about the lottery system in this province."

Lottery buyer Don Tee agreed. "I'm skeptical," said the 67-year-old retiree. "It's a question of sweeping it under the carpet. All big corporations cover things up and never admit to anything."

But Pacific Centre Mall retailer Young Sik Lim welcomed the audit. "Lottery buyers will feel happier," he said. "They think we are honest people." dinwood@png.canwest.com