

“Summer Cash Drawing” Official Rules

GENERAL PROVISIONS

The North Carolina Department of Health and Human Services (“DHHS”), the North Carolina State Lottery Director (“NCEL”), and the North Carolina State Education Assistance Authority (“NCSEAA”) have been delegated authority and directed under the Emergency Management Act to operate the “Summer Cash Drawing” promotion (the “Promotion”) to encourage vaccination against COVID-19. The Promotion will be provided under the terms in these official rules (“Rules”) established by NCEL in consultation with DHHS. These Rules are subject to change, and DHHS, NCEL, and NCSEAA have the right to modify, extend, or discontinue the Promotion at any time.

This Promotion is intended to protect the people of North Carolina by providing an incentive for COVID-19 vaccinations, which protect people from serious illness and death; by reducing the burdens on local health departments and providers associated with monitoring, diagnosing, and treating COVID-19; and by supporting providers in rural areas, where vaccination rates are disproportionately low. Neither the state’s establishment or operation of, nor an individual’s participation in, this Promotion, constitutes “gambling” or any other related activities prohibited by Article 37 of Chapter 14 of the North Carolina General Statutes. This Promotion is not subject to the North Carolina State Lottery Act.

A. Prizes

Cash Drawing

- Four (4) randomized drawings for one million dollars (\$1,000,000) each will take place on a biweekly basis for eight (8) weeks (each, a “Cash Prize”), for a total value of four million dollars (\$4,000,000) for all Cash Prizes.

Cash 4 College Drawing

- On the same dates as the drawings for the Cash Prizes, four (4) randomized drawings will take place, each for a scholarship in the amount of one hundred and twenty-five thousand dollars (\$125,000) (each, a “Scholarship Prize”), for a total value of five hundred thousand dollars (\$500,000) for all Scholarship Prizes.
- The Scholarship Prize may be used only for expenses related to post-secondary education that are permitted under a 529-tax advantaged scholarship account (including but not limited to tuition and board).
- The Scholarship Prize will be in the form of a 529 tax-advantaged scholarship account in the North Carolina’s National College Savings Plan, which is typically marketed as the NC 529 Plan (“NC 529 Plan”) administered by College Foundation, Inc. (“College Foundation”) and implemented and maintained by NCSEAA. The Scholarship Prize will be held in an NC 529 account by the College Foundation for the Scholarship Prize winner as beneficiary. College Foundation will process disbursements for eligible post-secondary education expenses for the Scholarship Prize winner as set forth herein and further defined in the NC 529 Plan program description. If funds remain in the NC 529 scholarship account for the Scholarship Prize winner when he or she reaches the age of twenty-five (25),

College Foundation will work with the Scholarship Prize winner to complete the necessary process to transition ownership of the NC 529 account to him or her.

The Cash Prizes and Scholarship Prizes are, together, the “Prizes” in this Promotion. The first drawing of one (1) Cash Prize and one (1) Scholarship Prize will be conducted on June 23, 2021 and will occur biweekly thereafter on Wednesdays. Drawing dates are subject to change.

B. Process for Randomized Drawings and Award

DHHS will prepare lists of entries based on vaccination records. In the lists prepared by DHHS, the number of entries for each vaccinated person will be determined under the terms in the “Eligibility” and “Odds of Winning” sections of these Rules. Separate lists will be prepared for the Cash Prize and Scholarship Prize drawing. In the lists prepared by DHHS, each entry will be associated with a unique number.

DHHS will provide NCEL with the number of entries to include in each drawing for Prizes. For each drawing for a Prize, NCEL will use a random number generator to select the winning number and twenty (20) alternate winning numbers, all of which NCEL will provide to DHHS. DHHS will match the winning number against the DHHS list of entries to determine each provisional Prize winner.

All drawings will be witnessed by an independent certified public accountant or by an auditor employed by a certified public accounting firm. NCEL shall make audio and visual records of the drawings.

DHHS will review the provisional Prize winners to determine whether each provisional Prize winner is eligible (as defined below). If the provisional Prize winner appears to be eligible, DHHS will contact that person to confirm eligibility and determine whether he or she is willing to accept the award and is willing to accept the conditions detailed below.

A provisional winner of a Prize will not receive that Prize if he or she is not eligible, is not willing to accept the Prize, is not willing to accept the conditions detailed below, or is not successfully contacted by DHHS. In this situation, DHHS will deem the person corresponding to the highest-placed remaining number on the alternate list as the new provisional Prize winner. Then, DHHS will repeat the above process until an official winner is determined.

In the randomized drawing process, NCEL will not receive any health data or other personally identifiable information from DHHS. As the one exception to the preceding sentence, after a provisional winner provides permission for DHHS to share that provisional winner’s identifiable information with NCEL, then NCEL will receive the names and certain personally identifiable information of those provisional winners as necessary to process payment of the Cash Prizes.

C. Eligibility

NO PURCHASE OR PAYMENT NECESSARY TO WIN. NO ACTION IS NEEDED BY ELIGIBLE ENTRANTS TO ENTER; ELIGIBLE ENTRANTS ARE AUTOMATICALLY ENROLLED.

Individuals will be eligible and automatically entered for a chance to win a Cash Prize if they meet all the following requirements.

1. The individual received at a vaccination site located in the state of North Carolina either (a) the first dose of the Pfizer or Moderna COVID-19 vaccine or (b) the single dose of the Johnson & Johnson COVID-19 vaccine.
2. At the time of the vaccination listed above, the individual was a North Carolina Resident (as defined below).
3. The State of North Carolina received and accepted as valid the individual's vaccination and contact information by 11:59:59 pm on the Sunday before the drawing.
4. The individual is a living person who, at the time of the vaccination, was at least eighteen (18) years of age.
5. The individual is not removed from eligibility under any of the other terms in these Rules.

Individuals will be eligible and automatically entered for a chance to win a Scholarship Prize if they meet all of the following requirements.

1. The individual received at a vaccination site located in the state of North Carolina either (a) the first dose of the Pfizer or Moderna COVID-19 vaccine or (b) the single dose of the Johnson & Johnson COVID-19 vaccine.
2. At the time of the vaccination listed above, the individual was a North Carolina Resident (as defined below).
3. The State of North Carolina received and accepted as valid the individual's vaccination and contact information by 11:59:59 pm on the Sunday before the drawing.
4. The individual is a living person who, at the time of the vaccination, was between the ages of twelve (12) and seventeen (17), inclusive.
5. The individual is not removed from eligibility under any of the other terms in these Rules.

For purposes of this Promotion, a person is a "North Carolina Resident" if, at the time of the vaccination, he or she dwelled in North Carolina. The term "North Carolina Resident" includes without limitation persons living in North Carolina homes, rental units or rooms, vacation housing, dormitories, migrant worker camps, congregate living facilities, and military bases. The term "North Carolina Resident" also includes homeless people in North Carolina and people using vehicles in North Carolina as homes. However, the term "North Carolina Resident" does not include people who traveled to North Carolina from dwellings in other states or countries for the purpose of being vaccinated.

D. People Who Are Not Eligible Due to Data Availability

Over the course of the Promotion, DHHS may not be able to access data from individuals who received their vaccinations at locations operated by the Department of Defense, Veterans' Administration, Indian Health Service, or other organizations. DHHS is working to make people

eligible at Veterans' Administration and Indian Health Service sites. However, if the state of North Carolina does not have access to an individual's vaccination data at the time of the drawing, or if DHHS has not been able at the time of the drawing to add the individual's vaccination data to the DHHS list of entries, that person will be ineligible for that drawing.

E. People Who Are Not Eligible Because They or Their Immediate Family Members Helped Develop or Administer the Program

The following individuals are ineligible to claim a Cash Prize or a Scholarship Prize in this Promotion:

1. The Governor and his immediate family members.
2. All members of the North Carolina Council of State and their immediate family members.
3. The Secretary of DHHS and her immediate family members.
4. All employees and independent contractors of the Office of the Secretary of DHHS and their immediate family members.
5. All commissioners of the North Carolina State Lottery Commission and their immediate family members.
6. Any employee, independent contractor, or employee of an independent contractor of the NCEL who has access to the random number generator used for the drawings and their immediate family members.
7. Any incarcerated offender in custody serving an active felony sentence in a federal or state correctional institution.
8. Those employees who assisted in the creation of the Promotion at the Governor's Office, DHHS, NCEL, the North Carolina Department of Justice, and the Department of Information Technology, and their immediate family members.
9. Any employee or independent contractor of DHHS or employee or independent contractor of a third-party vendor of DHHS who has access to the COVID-19 Vaccine Management System ("CVMS") and their immediate family members.
10. Any member of the Eastern Band of Cherokee Indians ("ECBI") who has access to the vaccination database for the ECBI.
11. The independent auditor certifying the drawings.

In addition, those employees who assisted in the creation of the Promotion at NCSEAA and College Foundation, and their immediate family members, are ineligible to claim a Cash Prize and all employees of NCSEAA and College Foundation, and their immediate family members are ineligible to claim a Scholarship Prize in this Promotion.

For purposes of this Promotion, "immediate family members" means any family members living in the same household, and in addition, any spouses, domestic partners, children (including without limitation step-children), and parents (including without limitation step-parents).

F. Random Drawing and Results; Odds of Winning

The provisional winners of the drawings will be randomly selected from among all eligible entries. The odds of winning are dependent upon the total number of eligible entries, at the time of each drawing.

Individuals receive one (1) entry into the Promotion if, prior to June 10, 2021, they received either (a) the first dose of the Pfizer or Moderna COVID-19 vaccine or (b) the single dose of the Johnson & Johnson COVID-19 vaccine.

Individuals receive two (2) entries into the Promotion, thereby increasing their odds of winning, if, on or after June 10, 2021, they received either (a) the first dose of the Pfizer or Moderna COVID-19 vaccine or (b) the single dose of the Johnson & Johnson COVID-19 vaccine.

No additional entries into the Promotion are provided for the second dose in the Pfizer or Moderna COVID-19 vaccine series.

G. People Who Are Not Eligible for Other Reasons

1. A person is only eligible to win a Prize once in this Promotion. Any person who has already won a Prize is disqualified from receiving future Prizes.
2. Prize winners must consent to use of their name, image, and likeness by NCEL, DHHS, and the Governor's Office for publicity purposes as a condition of receiving the Prize. Prize winners must also consent to having their name, address, and other identifying information be shared among state agencies as necessary to award the Prize. Prize winners may not remain anonymous.
3. Proof of age, eligibility and identity must be furnished upon request.
4. As a condition to receiving the Prize, Prize winners must attest to being a North Carolina Resident on the form required by DHHS and, for Cash Prizes, NCEL.
5. A person must have submitted all required documentation and releases as part of the claims process by the required deadlines specified in Section I (Winner Selection and Notification) below. Failure to respond or submit by these deadlines will result in forfeiture of the applicable Prize, and an alternate winner will be selected.
6. A person shall be disqualified from the Promotion if he or she is already vaccinated, but intentionally requests and receives an unnecessary duplicate set of vaccine doses.
7. A person shall be disqualified from the Promotion if he or she was vaccinated under an alias.

H. Other Terms

1. All winner information and eligibility will be reviewed prior to the declaration of an official winner. Potential winners' information will be validated by DHHS and, with respect to payment of the Cash Prizes, NCEL.
2. Verification of all information must be presented to claim any Prize.
3. A Prize winner may not assign or transfer the Prize before it is awarded or received.
4. The award of a Scholarship Prize does not guarantee acceptance at any North Carolina or other institution of higher education.

5. Any and all Prize payments are dependent upon and subject to the availability of funds to the relevant state agency for the purpose set forth in these Rules.
6. Prize winners will need to have a social security number or tax identification number before they can use any Scholarship Prize funds. If a Scholarship Prize winner does not certify that he or she is willing to set up a social security number or tax identification number, that will result in forfeiture of the applicable Scholarship Prize, and an alternate winner will be selected.
7. NC 529 accounts and the funds therein are governed by the NC 529 Plan Program Description. NC 529 accounts themselves are not bank or credit union deposits and are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration. Neither the Scholarship Prize nor any earnings thereon invested in NC 529 accounts are backed by the full faith and credit of the State of North Carolina or guaranteed by the NCSEAA, College Foundation, or any investment managers within the NC 529 Plan. Notwithstanding the foregoing, contributions and interest earned thereon invested in the NC 529 Plan's Federally-Insured Deposit Account Investment Option are guaranteed by State Employees' Credit Union and insured by the National Credit Union Administration, which is backed by the full faith and credit of the United States Government, up to the applicable federal share insurance limits. The value of an NC 529 Account may fluctuate depending on market conditions, the performance of the investment options selected by the account owner, or the interest rate earned on the Federally-Insured Deposit Account. Account owners could lose money, including Scholarship Prize money, by investing in the NC 529 Plan.
8. DHHS, NCEL, and NCSEAA reserve the right at their sole discretion to cancel, terminate, modify or suspend the Promotion for technical, financial, or other business reasons without prior notice.
9. The Promotion is in no way sponsored, endorsed, administered by, or associated with, any social media provider or Internet site on which Promotion-related material may appear, including but not limited to Facebook or Instagram.

I. Winner Selection and Notification

Starting on the day of (or the business day immediately following) each drawing, DHHS shall attempt to contact each provisional winner of a Prize via telephone, email address and/or address provided by that person when he or she was vaccinated. The provisional winner forfeits the Prize if DHHS is unable to contact him or her, or if the provisional winner (i) fails to respond verbally or in writing that he or she intends to claim the Prize by the close of business (5:00 pm EDT) on the second business day following DHHS's first attempt to contact the provisional winner, or (ii) fails to submit consent and claim forms by the close of business on the business day following provisional winner providing his or her intent to claim the Prize (for example purposes only, if the drawing was held on a Wednesday and DHHS first attempted to contact the provisional winner on Thursday, the provisional winner must provide verbal or written intent to claim the Prize by 5:00 pm EDT on the following Monday and, if he or she provides the intent on Monday, he or she must submit the consent and claims forms by 5:00 pm EDT on Tuesday). The degree of effort used to contact a Prize winner shall be in the sole discretion of DHHS.

The Prize winner must take possession of the Prize (or, in the case of the Scholarship Prize, the NC 529 Plan documents) in accordance with instructions provided by DHHS by the close of business on the thirtieth day after submitting the consent and claims forms (for example, if the Prize winner submits the consent and claims form on August 1, 2021, he or she must take possession of the Prize on or before August 31, 2021). If the thirtieth day is a weekend or state holiday, the deadline will be extended until the next business day.

J. Taxes and Offsets

1. All Cash Prizes are subject to mandatory minimum North Carolina and federal tax withholdings.
2. The Cash Prize is intended to constitute taxable income to the Prize winner and is not intended to be exempt from taxation. An IRS Form 1099 will be issued by the State of North Carolina to each Cash Prize winner.
3. The Scholarship Prize will be provided through a scholarship account established in the NC 529 Plan, which may be tax-advantaged if terms of eligibility under the 529 program are met. The Scholarship Prize is subject to any and all taxes that may become due on the funds upon disbursement to the beneficiary, or upon transfer of ownership of the NC 529 Plan account.
4. Prizes may be considered income to the winner, and any taxes resulting from the receipt of the Prize are the responsibility of the winner. Winners are fully responsible for all applicable federal and state taxes and any other fees that may occur. Winners are advised to consult with an attorney or tax advisor regarding tax or personal financial implications of accepting the Prize.
5. The State of North Carolina may offset from any Prize any outstanding amounts owed to the state, including but not limited to, child support, court fees, and taxes.

K. Refusal of Prize

Winners may refuse the Prizes. If a winner declines a Prize or fails to claim a Prize within the specified periods stated above, the winner permanently loses all right to claim or receive the Prize.

L. Release of Liability

By accepting a Prize in this Promotion, a person and his or her heirs, legal representatives, and assigns agree to release and hold harmless the State of North Carolina, the Governor, the Secretary of DHHS, NCEL, the North Carolina State Lottery Commission, NCSEAA, the College Foundation, and their employees, officers, and directors, from and against any loss, claim, damage, suit, or injury arising out of or relating to the Promotion or any action taken pursuant to these Rules.

M. Rules Control

In the event of a conflict between these Rules and any advertising or promotional materials concerning the Promotion, the Rules control. In the event of a conflict between these Rules and any executive order relating to the Promotion, the Rules control.