



INTEROFFICE MEMO

Gary Grief, Executive Director

LaDonna Castañuela, Charitable Bingo Operations Director

To: Robert G. Rivera, Chairman
Cindy Fields, Commissioner
Mark A. Franz, Commissioner
Erik C. Saenz, Commissioner
Jamey Steen, Commissioner

From: Bob Biard, General Counsel

A handwritten signature in blue ink, appearing to read "RAB", is written over the name "Bob Biard".

Date: February 15, 2023

Re: Consideration of the Status and Possible Approval of Orders in Enforcement Cases

The Legal Services Division staff recommends that the Commission approve each of the proposed orders presented under this item.

Date: FEBRUARY 15, 2023

IN THE MATTER OF	§	BEFORE THE STATE OFFICE
	§	
	§	OF
THE REVOCATION OF CERTAIN	§	
LOTTERY RETAILER LICENSES	§	ADMINISTRATIVE HEARINGS

ORDER OF THE COMMISSION

During an open meeting in Austin, Texas, the Texas Lottery Commission (Commission) heard the license revocation cases listed on Attachment A hereto, in which the Texas Lottery Ticket Sales Agent (Respondent) in each referenced case did not appear at the scheduled hearing before the State Office of Administrative Hearings (SOAH) to respond to the allegations set forth in the Commission's notice of hearing.

I. Findings of Fact

1. Timely and adequate notice of the hearings in the referenced cases before SOAH was provided to each Respondent, pursuant to Tex. Gov't Code §§ 2001.051 and 2001.052, and 1 Tex. Admin. Code §§ 155.401 and 155.501(b). Each notice of hearing included a disclosure in at least 12-point, bold-face type, that the factual allegations listed in the notice could be deemed admitted, and the relief sought in the notice of hearing might be granted by default against the party that fails to appear at hearing.

2. After timely and adequate notice was given in each case, each case was heard by a SOAH Administrative Law Judge (ALJ). In each case, the Respondent did not appear at the hearing.

3. The Commission, by and through its attorney of record, filed a motion in each case requesting the ALJ issue a conditional order of default dismissal and remand to the Commission for informal disposition, in accordance with Tex. Gov't Code §2001.058(d-1) and 1 Tex. Admin. Code §155.501(d)-(e).

Date: FEBRUARY 15, 2023

4. The ALJ dismissed the referenced cases from the SOAH docket and remanded these cases to the Commission for informal disposition under Tex. Gov't Code §2001.056, provided the Respondent in each case did not file a motion to set aside the default within 15 days from the date of the ALJ's order remanding case to the Commission.

5. In each case, Respondent did not file a motion to set aside the default within 15 days from the date of the ALJ's order.

II. Conclusions of Law

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code §466.155 (State Lottery Act) and 16 Tex. Admin. Code Chapter 401 (Commission Rules).

2. The Respondent in each of the cases listed on Attachment A violated the State Lottery Act and the Commission's Rules as set forth in the Commission's notice of hearing applicable to such Respondent. Specifically, each Respondent failed to deposit money due to the State received from lottery ticket sales under the State Lottery Act, in violation of Tex. Gov't Code §466.351 and 16 Tex. Admin. Code §§ 401.351 and 401.352.

3. The relief sought by the Commission Staff is fair, reasonable, and adequately protects the public.

III. Order

NOW, THEREFORE, IT IS ORDERED that, after review and due consideration of the administrative record, each of the cases listed on Attachment A hereto, which is incorporated into this Order for all purposes, is hereby disposed by default, and:

1. All allegations set forth in each notice of hearing in the cases listed on Attachment A are deemed admitted; and

Commission Order No. 23-0008

Date: FEBRUARY 15, 2023

2. The Texas Lottery Ticket Sales Agent License for each Respondent in the cases listed on Attachment A is hereby revoked.

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 15TH day of FEBRUARY, 2023.

Entered this 15TH day of FEBRUARY, 2023.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. **23-0008**

Date: **FEBRUARY 15, 2023**

ATTACHMENT A

TAB NO.	SOAH DOCKET NO.	TICKET SALES AGENT NAME	TICKET SALES AGENT ADDRESS	LOTTERY LICENSE NO.
A.	362-23-03558	HSP Energy LLC d/b/a Charge Up 8	17424 W. Grand Parkway, 422 Sugar Land, TX 77479	181066
B.	362-23-06232	Sami Business Inc. d/b/a A & B Grocery	515 Berry Rd. Houston, TX 77022	186521
C.	362-23-06233	Balch Springs Fuel Center LLC d/b/a Collins Food Mart	4600 S. Collins St. Arlington, TX 76018	189286

**BEFORE THE
STATE OFFICE OF ADMINISTRATIVE
HEARINGS**

**TEXAS LOTTERY COMMISSION,
PETITIONER
V.
HSP ENERGY LLC DBA CHARGE UP 8,
RESPONDENT**

DEFAULT DISMISSAL ORDER

On December 8, 2022, the undersigned Administrative Law Judge (ALJ) convened a hearing on the merits in this matter. Kyle Wolfe appeared for the staff (Staff) of the Texas Lottery Commission (Commission). HSP Energy d/b/a Charge Up 8 (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1-3 were admitted showing proof of adequate notice to Respondent.¹ Upon establishing adequate notice, Staff moved for a default dismissal. Staff's

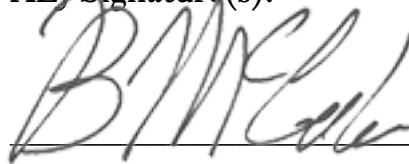
¹ 1 Tex. Admin. Code § 155.501(b)

motion is **GRANTED**, and the factual allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.²

Respondent may file a motion to set aside the default within 15 days of the date of this order.³ The motion must show good cause for resetting a hearing or show that the interests of justice require setting aside the default. If Respondent does not file a timely motion to set aside, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.⁴

SIGNED DECEMBER 9, 2022.

ALJ Signature(s):

A handwritten signature in black ink, appearing to read "B McCabe", is written over a horizontal line.

Brent McCabe,

Presiding Administrative Law Judge

² 1 Tex. Admin. Code § 155.501(d)(1)

³ 1 Tex. Admin. Code § 155.501(e).

⁴ Tex. Gov't Code § 2001.056.

SOAH Docket No. 362-23-06232

Suffix: TLC

BEFORE THE
STATE OFFICE OF ADMINISTRATIVE
HEARINGS

ACCEPTED
362-23-06232
1/10/2023 8:22:25 am
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

TEXAS LOTTERY COMMISSION,
PETITIONER
V.
SAMI BUSINESS INC DBA A AND B GROCERY,
RESPONDENT

DEFAULT DISMISSAL ORDER

On January 5, 2023, the undersigned Administrative Law Judge (ALJ) convened a hearing on the merits in this matter. Attorney Tyler Vance appeared for the staff (Staff) of the Texas Lottery Commission (Commission). Lottery Retailer Sami Business Inc d/b/a A & B Grocery (Respondent) did not appear and was not represented at the hearing. Staff Exhibits Exhibit nos. 1-3 were admitted showing proof of adequate notice to Respondent.¹ Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion is **GRANTED**, and the factual

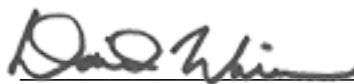
¹ 1 Tex. Admin. Code § 155.501(b), as amended effective November 29, 2020.

allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.²

Respondent may file a motion to set aside the default within 15 days of the date of this order.³ The motion must show good cause for resetting a hearing or show that the interests of justice require setting aside the default. If Respondent does not file a timely motion to set aside, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.⁴

Signed JANUARY 9, 2023

ALJ Signature(s):

A handwritten signature in dark ink, appearing to read "Dan Wiseman", is written over a horizontal line.

Daniel Wiseman,

Presiding Administrative Law Judge

² 1 Tex. Admin. Code § 155.501(d)(1), as amended effective November 29, 2020.

³ 1 Tex. Admin. Code § 155.501(e), as amended effective November 29, 2020.

⁴ Tex. Gov't Code § 2001.056.

FILED
362-23-06233
1/10/2023 8:03 AM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

SOAH Docket No. 362-23-06233

Suffix: TLC

**BEFORE THE
STATE OFFICE OF ADMINISTRATIVE
HEARINGS**

ACCEPTED
362-23-06233
1/10/2023 8:22:00 am
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

**TEXAS LOTTERY COMMISSION,
PETITIONER
V.
BALCH SPRINGS FUEL CENTER LLC DBA COLLINS FOOD
MART,
RESPONDENT**

DEFAULT DISMISSAL ORDER

On January 5, 2023, the undersigned Administrative Law Judge (ALJ) convened a hearing on the merits in this matter. Attorney Tyler Vance appeared for the staff (Staff) of the Texas Lottery Commission (Commission). Lottery Retailer Balch Springs Fuel Center LLC d/b/a Collins Food Mart (Respondent) did not appear and was not represented at the hearing. Staff Exhibits Exhibit nos. 1-3 were admitted showing proof of adequate notice to Respondent.¹ Upon establishing

¹ 1 Tex. Admin. Code § 155.501(b), as amended effective November 29, 2020.

adequate notice, Staff moved for a default dismissal. Staff's motion is **GRANTED**, and the factual allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.²

Respondent may file a motion to set aside the default within 15 days of the date of this order.³ The motion must show good cause for resetting a hearing or show that the interests of justice require setting aside the default. If Respondent does not file a timely motion to set aside, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.⁴

Signed JANUARY 9, 2023

ALJ Signature(s):

A handwritten signature in dark ink, appearing to read "Daniel Wiseman", is written over a horizontal line.

Daniel Wiseman,

Presiding Administrative Law Judge

² 1 Tex. Admin. Code § 155.501(d)(1), as amended effective November 29, 2020.

³ 1 Tex. Admin. Code § 155.501(e), as amended effective November 29, 2020.

⁴ Tex. Gov't Code § 2001.056.

Commission Order No. 23-0009

Date: FEBRUARY 15, 2023

Case No. 2023-24

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
PEACE SUTRA INC.	§	
D/B/A LILLY FOOD	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 187959	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and Peace Sutra Inc. d/b/a Lilly Food (Lilly Food) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. Lilly Food holds Texas Lottery Ticket Sales Agent License No. 187959.
2. Raju Lama is an owner of Lilly Food, which is located at 1165 W. Washington St., Stephenville, TX 76401.
3. On March 23, 2021, Mr. Lama claimed a \$1,000 Texas Lottery scratch ticket prize at the Fort Worth Claim Center. Based on an internal review, the Commission initiated an investigation into this claim.
4. On May 24, 2021, Mr. Lama admitted to a Commission investigator that he purchased the scratch ticket from a store customer.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. Lilly Food is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.155(a) states, in pertinent part:

After a hearing, the director shall deny an application for a license or the commission shall suspend or revoke a license if the director or commission, as applicable, finds that the applicant or sales agent:

...

(5) has violated this chapter or a rule adopted under this chapter.

4. Tex. Gov't Code §466.308(a) states:

A person commits an offense if the person intentionally or knowingly:

(1) claims a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation; or

(2) aids or agrees to aid another person or persons to claim a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation.

5. Tex. Gov't Code §466.310(a) states:

A person commits an offense if the person:

(1) induces another person to assign or transfer a right to claim a prize;

(2) offers for sale the right to claim a prize; or

(3) offers, for compensation, to claim the prize of another person.

6. Tex. Gov't Code §466.402(b) states:

The payment of a prize in an amount of \$600 or more may be made only by the director.

7. 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

Without limiting the commission's ability to consider factors listed in §401.153(b) of this title as grounds for suspension or revocation of a license issued under this subchapter, the commission may also suspend or revoke a license for reasons including, but not limited to, any of the following:

...

(31) licensee intentionally or knowingly claims a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation; or aids or agrees to aid another person or persons to claim a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation;

...

(33) licensee:

- (A) induces another person to assign or transfer a right to claim a prize;
- (B) initiates or accepts an offer to sell the right to claim a prize;
- (C) initiates or accepts an offer of compensation from another person to claim a lottery prize, or
- (D) purchases a lottery ticket from a person who is not a licensed lottery retailer.

8. 16 Tex. Admin. Code §401.360 states:

Retailers may pay any lottery prize of less than \$600, after complying with established validation procedures. However, if a retailer validates a ticket of up to \$600, that retailer shall pay the prize amount on the ticket. Prizes of \$600 or more shall be paid by the Texas Lottery by mail or at a designated lottery claim center.

9. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license from the Texas Lottery.

10. The Texas Lottery Ticket Sales Agent License of Lilly Food is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Lilly Food's violation of Tex. Gov't Code §§ 466.308(a), 466.310(a) and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(31) and (33), 401.360, and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, Lilly Food agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Consent Order (Order) consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date the Order is signed by the Commission.

3. Lilly Food agrees that, as a result of its violation of Tex. Gov't Code §§ 466.308(a), 466.310(a) and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(31) and (33), 401.360, and 401.366, its Ticket Sales Agent License will be suspended for a period of ninety (90) consecutive days. The suspension period will begin within seven (7) days from the date the Order is signed by the Commission. During the period of suspension, Lilly Food agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, Lilly Food is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Lilly Food's Ticket Sales Agent License is posted.

5. Lilly Food agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of Lilly Food's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Lilly Food acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. Lilly Food agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that Lilly Food has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Lilly Food, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. Lilly Food agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Lilly Food will be charged for tickets sold on or before that date. Lilly Food will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

Peace Sutra Inc.
d/b/a Lilly Food

By:

Raju Lama
Owner

11-25-22

DATE

Texas Lottery Commission
Lottery Operations Division

By:

Robert Tirloni
Director

12/5/2022

DATE

Commission Order No. 23-0009

Date: FEBRUARY 15, 2023

Case No. 2023-24

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
PEACE SUTRA INC.	§	
D/B/A LILLY FOOD	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 187959	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of the Texas Lottery Ticket Sales Agent License of Peace Sutra Inc. d/b/a Lilly Food (Lilly Food), the license is suspended for a period of ninety (90) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order (Order) is signed by the Commission. During the period of suspension, Lilly Food shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Lilly Food shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Lilly Food's Texas Lottery Ticket Sales Agent License is posted.

Commission Order No. 23-0009

Date: FEBRUARY 15, 2023

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on the sole issue of compliance with this Order, it is found that Lilly Food has failed to comply with the terms of this Order, disciplinary action shall be taken against Lilly Food, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Lilly Food shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and Lilly Food will be charged for the tickets sold on or before that date. Lilly Food will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Commission Order No. 23-0009

Date: FEBRUARY 15, 2023

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin,
Texas, on the 15TH day of FEBRUARY, 2023.

Entered this 15TH day of FEBRUARY, 2023.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 23-0010

Date: FEBRUARY 15, 2023

Case No. 2023-28

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
MPSUY CORPORATION	§	
D/B/A RACEWAY #6918	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 179448	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and MPSUY Corporation d/b/a Raceway #6918 (Raceway #6918) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. Raceway #6918 holds Texas Lottery Ticket Sales Agent License No. 179448.
2. Paresh Dalal is the president of Raceway #6918, which is located at 4600 Matlock Rd., Arlington, TX 76018.
3. On May 10, 2022, the Commission received a complaint that Raceway #6918 charges customers a fee for using debit cards for lottery ticket purchases. The Commission initiated an investigation into this complaint.
4. On May 24, 2022, Mr. Dalal admitted to a Commission investigator that he charges a fee for debit card purchases of lottery tickets.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. Raceway #6918 is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.155(a) states, in pertinent part:

After a hearing, the director shall deny an application for a license or the commission shall suspend or revoke a license if the director or commission, as applicable, finds that the applicant or sales agent:

...

(5) has violated this chapter or a rule adopted under this chapter.

4. Tex. Gov't Code §466.302(a) states:

A person commits an offense if the person intentionally or knowingly sells a ticket at a price the person knows is greater than that fixed by the commission or by the lottery operator authorized to set that price.

5. 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

Without limiting the commission's ability to consider factors listed in §401.153(b) of this title as grounds for suspension or revocation of a license issued under this subchapter, the commission may also suspend or revoke a license for reasons including, but not limited to, any of the following:

...

(22) licensee intentionally or knowingly sells a ticket at a price the licensee knows is greater than the price set by the executive director.

(23) licensee charges a fee for lottery ticket purchases using a debit card and/or requires a minimum dollar amount for debit card purchases of only lottery tickets.

6. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license from the Texas Lottery.

7. The Texas Lottery Ticket Sales Agent License of Raceway #6918 is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Raceway #6918's violation of Tex. Gov't Code §466.302(a) and 16 Tex. Admin. Code §§ 401.158(b)(22) and (23) and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, Raceway #6918 agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Consent Order (Order) consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date the Order is signed by the Commission.

3. Raceway #6918 agrees that, as a result of its violation of Tex. Gov't Code §466.302(a) and 16 Tex. Admin. Code §§ 401.158(b)(22) and (23) and 401.366, its Ticket Sales Agent License will be suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date the Order is signed by the Commission. During the period of suspension, Raceway #6918 agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, Raceway #6918 is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Raceway #6918's Ticket Sales Agent License is posted.

5. Raceway #6918 agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of Raceway #6918's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Raceway #6918 acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

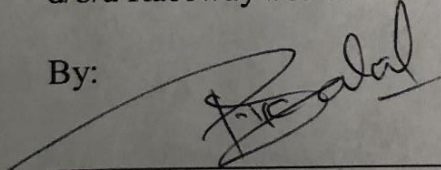
7. Raceway #6918 agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that Raceway #6918 has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Raceway #6918, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. Raceway #6918 agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Raceway #6918 will be charged for tickets sold on or before that date. Raceway #6918 will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

MPSUY Corporation
d/b/a Raceway #6918

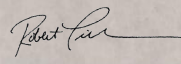
By:


Paresh Dalal
President

12/21/2022
DATE

Texas Lottery Commission
Lottery Operations Division

By:


Robert Tirloni
Director

12/30/2022

DATE

Commission Order No. 23-0010

Date: FEBRUARY 15, 2023

Case No. 2023-28

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
MPSUY CORPORATION	§	
D/B/A RACEWAY #6918	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 179448	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of the Texas Lottery Ticket Sales Agent License of MPSUY Corporation d/b/a Raceway #6918 (Raceway #6918), the license is suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order (Order) is signed by the Commission. During the period of suspension, Raceway #6918 shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Raceway #6918 shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Raceway #6918's Texas Lottery Ticket Sales Agent License is posted.

Commission Order No. 23-0010

Date: FEBRUARY 15, 2023

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on the sole issue of compliance with this Order, it is found that Raceway #6918 has failed to comply with the terms of this Order, disciplinary action shall be taken against Raceway #6918, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Raceway #6918 shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and Raceway #6918 will be charged for the tickets sold on or before that date. Raceway #6918 will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Commission Order No. 23-0010

Date: FEBRUARY 15, 2023

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 15TH day of FEBRUARY, 2023.

Entered this 15TH day of FEBRUARY, 2023.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 23-0011

Date: FEBRUARY 15, 2023

Case No. 2023-47

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
SIMRAN ENTERPRISE INC.	§	
D/B/A CORNER STOP	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 127605	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and Simran Enterprise Inc. d/b/a Corner Stop (Corner Stop) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. Corner Stop holds Texas Lottery Ticket Sales Agent License No. 127605.
2. Sayeed Momin is the owner of Corner Stop, which is located at 11402 Hughes Rd., Houston, TX 77089.
3. On May 28, 2021, a claimant presented to the Houston Claim Center a \$1,040 Texas Lottery draw ticket prize. Based on an internal review, the Commission initiated an investigation into this claim.
4. On July 1, 2021, the claimant told a Commission investigator that Corner Stop employees will sometimes print draw tickets for the claimant upon his request and he pays for those tickets at a later time.
5. On July 8, 2021, the investigator spoke to Prudabar Momin, a Corner Stop manager. Mr. Momin admitted to the investigator that employees sometimes print draw tickets for the claimant before he pays for the tickets.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).
2. Corner Stop is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.
3. Tex. Gov't Code §466.155(a) states, in pertinent part:

After a hearing, the director shall deny an application for a license or the commission shall suspend or revoke a license if the director or commission, as applicable, finds that the applicant or sales agent:

...

(5) has violated this chapter or a rule adopted under this chapter.
4. Tex. Gov't Code §466.305(a) states:

A sales agent or an employee of a sales agent commits an offense if the person intentionally or knowingly sells a ticket to another person by extending credit or lending money to the person to enable the person to purchase the ticket.
5. 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

Without limiting the commission's ability to consider factors listed in §401.153(b) of this title as grounds for suspension or revocation of a license issued under this subchapter, the commission may also suspend or revoke a license for reasons including, but not limited to, any of the following:

...

(25) licensee intentionally or knowingly sells a ticket by extending credit or lends money to enable a person to buy a ticket.
6. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license from the Texas Lottery.
7. The Texas Legislature has mandated that the Commission "exercise strict control and close supervision over all lottery games conducted in this state to promote and ensure integrity,

security, honesty, and fairness in the operation and administration of the lottery.” Tex. Gov’t Code §466.014(a).

8. Under Texas law, an employer is liable, vicariously, for the acts of its servants committed in the course and scope of their employment. *GTE Southwest, Inc. v. Bruce*, 998 S.W.2d 605, 617–18 (Tex. 1999). An employee is acting within the scope of their employment if they are performing duties generally assigned to them, regardless of whether the employee acted intentionally and unlawfully. *Fink v. Anderson*, 477 S.W.3d 460, 468 (Tex. App.— Houston [1st Dist.] 2015, no pet.).

9. The State Lottery Act recognizes that a sales agent’s unlicensed employees may lawfully perform lottery-related duties of their licensee employers, including selling and handling lottery tickets and handling the revenue generated from ticket sales. Tex. Gov’t Code §§ 466.201(a)(7), 466.303(a), 466.305(a), 466.3051(a), and 466.353(a). Thus, the Commission’s ability to attribute employee violations committed within the course and scope of their employment to their licensee employer is within the Commission’s implied authority and is reasonably necessary to fulfill the Commission’s express duty to exercise strict control and supervision over the lottery.

10. The Texas Lottery Ticket Sales Agent License of Corner Stop is subject to suspension or revocation pursuant to Tex. Gov’t Code §466.155(a)(5), as a result of Corner Stop’s violation of Tex. Gov’t Code §466.305(a) and 16 Tex. Admin. Code §§ 401.158(b)(25) and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, Corner Stop agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry

of the Consent Order (Order) consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date the Order is signed by the Commission.

3. Corner Stop agrees that, as a result of its violation of Tex. Gov't Code §466.305(a) and 16 Tex. Admin. Code §§ 401.158(b)(25) and 401.366, its Ticket Sales Agent License will be suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date the Order is signed by the Commission. During the period of suspension, Corner Stop agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, Corner Stop is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Corner Stop's Ticket Sales Agent License is posted.

5. Corner Stop agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of Corner Stop's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Corner Stop acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. Corner Stop agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that Corner Stop has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Corner Stop, up to and including revocation of its Texas Lottery Ticket Sales Agent License.


8. Corner Stop agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Corner Stop will be charged for tickets sold on or before that date. Corner Stop will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

Simran Enterprise Inc.
d/b/a Corner Stop

Texas Lottery Commission
Lottery Operations Division

By:




Sayeed Momin
President

12-15-22

DATE

By:



Robert Tirloni
Director

12.29.22

DATE

Commission Order No. 23-0011

Date: FEBRUARY 15, 2023

Case No. 2023-47

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
SIMRAN ENTERPRISE INC.	§	
D/B/A CORNER STOP	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 127605	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of the Texas Lottery Ticket Sales Agent License of Simran Enterprise Inc. d/b/a Corner Stop (Corner Stop), the license is suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order (Order) is signed by the Commission. During the period of suspension, Corner Stop shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Corner Stop shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Corner Stop's Texas Lottery Ticket Sales Agent License is posted.

Commission Order No. 23-0011

Date: FEBRUARY 15, 2023

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on the sole issue of compliance with this Order, it is found that Corner Stop has failed to comply with the terms of this Order, disciplinary action shall be taken against Corner Stop, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Corner Stop shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and Corner Stop will be charged for the tickets sold on or before that date. Corner Stop will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Commission Order No. 23-0011

Date: FEBRUARY 15, 2023

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 15TH day of FEBRUARY, 2023.

Entered this 15TH day of FEBRUARY, 2023.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 23-0012

Date: FEBRUARY 15, 2023

Case No. 2023-48

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
METALWALA BROTHERS 2 LLC	§	
D/B/A PIT STOP ONE	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 183704	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and Metalwala Brothers 2 LLC d/b/a Pit Stop One (Pit Stop One) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. Pit Stop One holds Texas Lottery Ticket Sales Agent License No. 183704.
2. Salim Metalwala is the managing member of Pit Stop One, which is located at 209 N. Bosque St., Whitney, TX 76692.
3. On June 17, 2021, Mr. Metalwala claimed a \$1,000 Texas Lottery scratch ticket prize at the Fort Worth Claim Center. Based on an internal review, the Commission initiated an investigation into this claim.
4. On July 19, 2021, Mr. Metalwala admitted to a Commission investigator that he purchased the ticket from a store customer. Mr. Metalwala also admitted to the investigator that he claimed tickets on behalf of customers in 2010 and 2011.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. Pit Stop One is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.308(a) states:

A person commits an offense if the person intentionally or knowingly:

- (1) claims a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation; or
- (2) aids or agrees to aid another person or persons to claim a lottery prize or a share of a lottery prize by means of fraud, deceit or misrepresentation.

4. Tex. Gov't Code §466.310(a) states:

A person commits an offense if the person:

- (1) induces another person to assign or transfer a right to claim a prize;
- (2) offers for sale the right to claim a prize; or
- (3) offers, for compensation, to claim the prize of another person.

5. Tex. Gov't Code §466.402(b) states:

The payment of a prize in an amount of \$600 or more may be made only by the director.

6. 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

Without limiting the commission's ability to consider factors listed in §401.153(b) of this title as grounds for suspension or revocation of a license issued under this subchapter, the commission may also suspend or revoke a license for reasons including, but not limited to, any of the following:

...

(31) licensee intentionally or knowingly claims a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation; or aids or agrees to aid another person or persons to claim a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation;

...

(33) licensee:

(A) induces another person to assign or transfer a right to claim a prize;

- (B) initiates or accepts an offer to sell the right to claim a prize;
- (C) initiates or accepts an offer of compensation from another person to claim a lottery prize, or
- (D) purchases a lottery ticket from a person who is not a licensed lottery retailer.

7. 16 Tex. Admin. Code §401.360 states:

Retailers may pay any lottery prize of less than \$600, after complying with established validation procedures. However, if a retailer validates a ticket of up to \$600, that retailer shall pay the prize amount on the ticket. Prizes of \$600 or more shall be paid by the Texas Lottery by mail or at a designated lottery claim center.

8. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license from the Texas Lottery.

9. The Texas Lottery Ticket Sales Agent License of Pit Stop One is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Pit Stop One's violation of Tex. Gov't Code §§ 466.308(a), 466.310(a), and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(31), (33), 401.360, and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, Pit Stop One agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Order consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date it is signed by the Commission.

3. Pit Stop One agrees that, as a result of its violation of Tex. Gov't Code §§ 466.308(a), 466.310(a), and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(31), (33), 401.360, and 401.366, its Ticket Sales Agent License will be suspended for a period of ninety (90) consecutive days. The suspension period will begin within seven (7) days from the date this Memorandum of Agreement and Consent Order is signed by the Commission. During the period of suspension, Pit Stop One agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, Pit Stop One is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Pit Stop One's Ticket Sales Agent License is posted.

5. Pit Stop One agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of Pit Stop One's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Pit Stop One acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. Pit Stop One agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that Pit Stop One has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Pit Stop One, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. Pit Stop One agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Pit Stop One will be charged for tickets sold on or before that date. Pit Stop One will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

Metalwala Brothers 2 LLC
d/b/a Pit Stop One

By:



1/9/2023

Salim Metalwala
Managing Member

DATE

Texas Lottery Commission
Lottery Operations Division

By:



1/9/2023

Robert Tirloni
Director

DATE

Commission Order No. 23-0012

Date: FEBRUARY 15, 2023

Case No. 2023-48

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
METALWALA BROTHERS 2 LLC	§	
D/B/A PIT STOP ONE	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 183704	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of the Texas Lottery Ticket Sales Agent License of Metalwala Brothers 2 LLC d/b/a Pit Stop One (Pit Stop One), the license is suspended for a period of ninety (90) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order is signed by the Commission. During the period of suspension, Pit Stop One shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Pit Stop One shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Pit Stop One's Texas Lottery Ticket Sales Agent License is posted.

Commission Order No. 23-0012

Date: FEBRUARY 15, 2023

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on the sole issue of compliance with this Consent Order, it is found that Pit Stop One has failed to comply with the terms of this Order, disciplinary action shall be taken against Pit Stop One, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Pit Stop One shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and Pit Stop One will be charged for the tickets sold on or before that date. Pit Stop One will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Commission Order No. 23-0012

Date: FEBRUARY 15, 2023

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 15TH day of FEBRUARY, 2023.

Entered this 15TH day of FEBRUARY, 2023.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 23-0013

Date: FEBRUARY 15, 2023

Case No. 2023-50

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
AKR STORES INC.	§	
D/B/A TEJAS #6	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 148923	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and AKR Stores Inc. d/b/a Tejas #6 (Tejas #6) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. Tejas #6 holds Texas Lottery Ticket Sales Agent License No. 148923.
2. Mohammed Tejani is the president of Tejas #6, which is located at 1175 Highway 418 W., Silsbee, TX 77656.
3. On June 27, 2022, a claimant claimed a \$2,000 Texas Lottery scratch ticket prize at the Beaumont Claim Center. Based on an internal review, the Commission initiated an investigation into this claim.
4. On June 30, 2022, the claimant told a Commission investigator that he claimed the scratch ticket prize for Saleem Tejani, a Tejas #6 manager. The claimant also told the investigator that he claimed another ticket for Saleem Tejani on November 1, 2021.
5. On August 15, 2022, Saleem Tejani admitted to the Commission investigator that he purchased both tickets from store customers and he asked the claimant to claim those tickets.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. Tejas #6 is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.310(a) states:

A person commits an offense if the person:

- (1) induces another person to assign or transfer a right to claim a prize;
- (2) offers for sale the right to claim a prize; or
- (3) offers, for compensation, to claim the prize of another person.

4. Tex. Gov't Code §466.402(b) states:

The payment of a prize in an amount of \$600 or more may be made only by the director.

5. 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

Without limiting the commission's ability to consider factors listed in §401.153(b) of this title as grounds for suspension or revocation of a license issued under this subchapter, the commission may also suspend or revoke a license for reasons including, but not limited to, any of the following:

...

(33) licensee:

- (A) induces another person to assign or transfer a right to claim a prize;
- (B) initiates or accepts an offer to sell the right to claim a prize;
- (C) initiates or accepts an offer of compensation from another person to claim a lottery prize, or
- (D) purchases a lottery ticket from a person who is not a licensed lottery retailer.

6. 16 Tex. Admin. Code §401.360 states:

Retailers may pay any lottery prize of less than \$600, after complying with established validation procedures. However, if a retailer validates a ticket of up to \$600, that retailer shall pay the prize amount on the ticket. Prizes of \$600 or more shall be paid by the Texas Lottery by mail or at a designated lottery claim center.

7. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license from the Texas Lottery.

8. The Texas Legislature has mandated that the Commission “exercise strict control and close supervision over all lottery games conducted in this state to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the lottery.” Tex. Gov’t Code §466.014(a).

9. Under Texas law, an employer is liable, vicariously, for the acts of its servants committed in the course and scope of their employment. *GTE Southwest, Inc. v. Bruce*, 998 S.W.2d 605, 617–18 (Tex. 1999). An employee is acting within the scope of their employment if they are performing duties generally assigned to them, regardless of whether the employee acted intentionally and unlawfully. *Fink v. Anderson*, 477 S.W.3d 460, 468 (Tex. App.— Houston [1st Dist.] 2015, no pet.).

10. The State Lottery Act recognizes that a sales agent's unlicensed employees may lawfully perform lottery-related duties of their licensee employers, including selling and handling lottery tickets and handling the revenue generated from ticket sales. Tex. Gov’t Code §§ 466.201(a)(7), 466.303(a), 466.305(a), 466.3051(a), and 466.353(a). Thus, the Commission's ability to attribute employee violations committed within the course and scope of their employment to their licensee employer is within the Commission's implied authority and is reasonably necessary to fulfill the Commission's express duty to exercise strict control and supervision over the lottery.

11. The Texas Lottery Ticket Sales Agent License of Tejas #6 is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Tejas #6's violation of Tex. Gov't Code §§ 466.310(a) and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(33), 401.360, and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, Tejas #6 agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Order consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date it is signed by the Commission.

3. Tejas #6 agrees that, as a result of its violation of Tex. Gov't Code §§ 466.310(a) and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(33), 401.360, and 401.366, its Ticket Sales Agent License will be suspended for a period of thirty (30) consecutive days. The suspension period will begin within seven (7) days from the date this Memorandum of Agreement and Consent Order is signed by the Commission. During the period of suspension, Tejas #6 agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, Tejas #6 is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Tejas #6's Ticket Sales Agent License is posted.

5. Tejas #6 agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of Tejas #6's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Tejas #6 acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. Tejas #6 agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that Tejas #6 has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Tejas #6, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. Tejas #6 agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Tejas #6 will be charged for tickets sold on or before that date. Tejas #6 will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

AKR Stores Inc.
d/b/a Tejas #6

Texas Lottery Commission
Lottery Operations Division

By:

Mohammed Tejana

01/10/2023

Mohammed Tejana
President

DATE

By:

Robert Tirloni

1/11/2023

Robert Tirloni
Director

DATE

TEXAS LOTTERY COMMISSION
AGENT AGREEMENT

LOTTERY COMMISSION

CLOSEN LOOPS

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission, based on the above Report, that the Commission will accept the agreement which are hereby adopted, and as reference to it fully set out and incorporated herein, as follows:

(1) IT IS ORDERED that, in line of incorporation of the Texas Lottery Ticket Sales Agent License of AKR Stores Inc. d/b/a Tejas #6 (Tejas #6), the License is assigned for a period of eight (8) years. The commission period will begin when the License is first issued by the Texas Lottery Commission. During the period of the License, the Licensee shall not be able to transfer the License to any other person or entity, and shall not be able to assign the License to any other person or entity.

IT IS FURTHER ORDERED by the Commission that, during the entire period of the License, Tejas #6 shall post a notice of incorporation in the form of a notice posted in the Commission's office to serve as a notice to the public that the License is assigned to Tejas #6.

Commission Order No. 23-0013

Date: FEBRUARY 13, 2023

Case No. 2023-50

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
AKR STORES INC.	§	
D/B/A TEJAS #6	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 148923	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of the Texas Lottery Ticket Sales Agent License of AKR Stores Inc. d/b/a Tejas #6 (Tejas #6), the license is suspended for a period of thirty (30) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order is signed by the Commission. During the period of suspension, Tejas #6 shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Tejas #6 shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Tejas #6's Texas Lottery Ticket Sales Agent License is posted.

Commission Order No. 23-0013

Date: FEBRUARY 15, 2023

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on the sole issue of compliance with this Consent Order, it is found that Tejas #6 has failed to comply with the terms of this Order, disciplinary action shall be taken against Tejas #6, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Tejas #6 shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and Tejas #6 will be charged for the tickets sold on or before that date. Tejas #6 will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Commission Order No. 23-0013

Date: FEBRUARY 15, 2023

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 15TH day of FEBRUARY, 2023.

Entered this 15TH day of FEBRUARY, 2023.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 23-0014

Date: FEBRUARY 15, 2023

Case No. 2023-212

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
WOODLAND TRADING INC.	§	
D/B/A MARY’S FOOD MART	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 179439	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and Woodland Trading Inc. d/b/a Mary’s Food Mart (Mary’s Food Mart) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. Mary’s Food Mart holds Texas Lottery Ticket Sales Agent License No. 179439.
2. Syed Shah is the president of Mary’s Food Mart, which is located at 17420 Fife Lane, Webster, TX 77598.
3. On July 29, 2022, the Commission received a complaint that Mary’s Food Mart accepted credit cards as a form of payment for Texas Lottery tickets. The Commission initiated an investigation into this complaint.
4. On August 24, 2022, Ameenuddin Farooqui, a Mary’s Food Mart employee, allowed a Commission investigator to purchase lottery tickets with a credit card.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov’t Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. Mary's Food Mart is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.155(a) states, in pertinent part:

After a hearing, the director shall deny an application for a license or the commission shall suspend or revoke a license if the director or commission, as applicable, finds that the applicant or sales agent:

...

(5) has violated this chapter or a rule adopted under this chapter.

4. Tex. Gov't Code §466.3052(a) states:

A person commits an offense if the person intentionally or knowingly sells a ticket and the person accepts anything other than the following as payment for the ticket:

(1) United States currency;

(2) a negotiable instrument in the form of a check that meets the requirements of Section 3.104, Business & Commerce Code;

(3) a debit made through a financial institution debit card;

(4) a coupon or voucher issued by the commission for purposes of purchasing a lottery ticket; or

(5) a mail order subscription on a mail order subscription form authorized by the commission.

5. 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

Without limiting the commission's ability to consider factors listed in §401.153(b) of this title as grounds for suspension or revocation of a license issued under this subchapter, the commission may also suspend or revoke a license for reasons including, but not limited to, any of the following:

...

(27) licensee intentionally or knowingly sells a ticket and accepts anything for payment not specifically allowed under the State Lottery Act.

6. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license from the Texas Lottery.

7. The Texas Legislature has mandated that the Commission “exercise strict control and close supervision over all lottery games conducted in this state to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the lottery.” Tex. Gov’t Code §466.014(a).

8. Under Texas law, an employer is liable, vicariously, for the acts of its servants committed in the course and scope of their employment. *GTE Southwest, Inc. v. Bruce*, 998 S.W.2d 605, 617–18 (Tex. 1999). An employee is acting within the scope of their employment if they are performing duties generally assigned to them, regardless of whether the employee acted intentionally and unlawfully. *Fink v. Anderson*, 477 S.W.3d 460, 468 (Tex. App.— Houston [1st Dist.] 2015, no pet.).

9. The State Lottery Act recognizes that a sales agent’s unlicensed employees may lawfully perform lottery-related duties of their licensee employers, including selling and handling lottery tickets and handling the revenue generated from ticket sales. Tex. Gov’t Code §§ 466.201(a)(7), 466.303(a), 466.305(a), 466.3051(a), and 466.353(a). Thus, the Commission’s ability to attribute employee violations committed within the course and scope of their employment to their licensee employer is within the Commission’s implied authority and is reasonably necessary to fulfill the Commission’s express duty to exercise strict control and supervision over the lottery.

10. The Texas Lottery Ticket Sales Agent License of Mary’s Food Mart is subject to suspension or revocation pursuant to Tex. Gov’t Code §466.155(a)(5), as a result of Mary’s Food Mart’s violation of Tex. Gov’t Code §466.3052(a) and 16 Tex. Admin. Code §§ 401.158(b)(27) and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, Mary's Food Mart agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Consent Order (Order) consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date the Order is signed by the Commission.

3. Mary's Food Mart agrees that, as a result of its violation of Tex. Gov't Code §466.3052(a) and 16 Tex. Admin. Code §§ 401.158(b)(27) and 401.366, its Ticket Sales Agent License will be suspended for a period of thirty (30) consecutive days. The suspension period will begin within seven (7) days from the date the Order is signed by the Commission. During the period of suspension, Mary's Food Mart agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, Mary's Food Mart is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Mary's Food Mart's Ticket Sales Agent License is posted.

5. Mary's Food Mart agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of Mary's Food Mart's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Mary's Food Mart acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. Mary's Food Mart agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that Mary's Food Mart has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Mary's Food Mart, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. Mary's Food Mart agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Mary's Food Mart will be charged for tickets sold on or before that date. Mary's Food Mart will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

Woodland Trading Inc.
d/b/a Mary's Food Mart

By:



1.19.23

Syed Shah
President

DATE

Texas Lottery Commission
Lottery Operations Division

By:

Raymond C. Page

1/20/2023

Robert Tirloni
Director

DATE

Commission Order No. 23-0014

Date: FEBRUARY 15, 2023

Case No. 2023-212

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
WOODLAND TRADING INC.	§	
D/B/A MARY’S FOOD MART	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 179439	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of the Texas Lottery Ticket Sales Agent License of Woodland Trading Inc. d/b/a Mary’s Food Mart (Mary’s Food Mart), the license is suspended for a period of thirty (30) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order (Order) is signed by the Commission. During the period of suspension, Mary’s Food Mart shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Mary’s Food Mart shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Mary’s Food Mart’s Texas Lottery Ticket Sales Agent License is posted.

Commission Order No. 23-0014

Date: FEBRUARY 15, 2023

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on the sole issue of compliance with this Order, it is found that Mary's Food Mart has failed to comply with the terms of this Order, disciplinary action shall be taken against Mary's Food Mart, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Mary's Food Mart shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and Mary's Food Mart will be charged for the tickets sold on or before that date. Mary's Food Mart will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Commission Order No. 23-0014

Date: FEBRUARY 15, 2023

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 15TH day of FEBRUARY, 2023.

Entered this 15TH day of FEBRUARY, 2023.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Lossman, Tarah

From: Bienkowska, Dorota
Sent: Friday, January 20, 2023 11:44 AM
To: Bienkowska, Dorota
Subject: FW: Robert Tirloni out of office; Others in charge

From: Mendoza, Merry
Sent: Wednesday, January 18, 2023 2:23:04 PM
To: Stuckey, Kelly <Kelly.Stuckey@lottery.state.tx.us>; Terrell, Julie <Julie.Terrell@lottery.state.tx.us>; McCoy, Rene <Rene.McCoy@lottery.state.tx.us>; Bowersock, Dale <Dale.Bowersock@lottery.state.tx.us>; Austin, Casey <Casey.Austin@lottery.state.tx.us>; Veselka, David <David.Veselka@lottery.state.tx.us>; Simpson, MaryBeth <MaryBeth.Simpson@lottery.state.tx.us>; Daniel, Conchita <Conchita.Daniel@lottery.state.tx.us>; Perez, Liesa <Liesa.Perez@lottery.state.tx.us>; Perez, Maria <Maria.Perez@lottery.state.tx.us>; Vela, Anthony <Anthony.Vela@lottery.state.tx.us>; Briones, Angela <Angela.Briones@lottery.state.tx.us>; Anderson, Lisa <Lisa.Anderson@lottery.state.tx.us>; Thomas, Lyndi <Lyndi.Thomas@lottery.state.tx.us>; Guarnero, Annika <Annika.Guarnero@lottery.state.tx.us>; Zamora, Myra <Myra.Zamora@lottery.state.tx.us>; Rylee, Brandon <Brandon.Rylee@lottery.state.tx.us>; Directors <Directors@lottery.state.tx.us>; ManagersLO <ManagersLO@lottery.state.tx.us>
Subject: Robert Tirloni out of office; Others in charge

Robert Tirloni will be out of the office January 19-30. In his absence the following people will be in charge of Lottery Operations and will have full signature authority including jackpot estimates. They will both require MIP/ereq approval access during their allotted time in charge.

Ray Page - January 19 and 20
Heidi Moreno - January 23 - 30

Date: FEBRUARY 15, 2023

DOCKET NO. 362-22-2563

TEXAS LOTTERY COMMISSION,	§	BEFORE THE TEXAS
<i>Petitioner,</i>	§	
	§	
v.	§	
	§	
GAJERA ENTERPRISES LLC	§	
D/B/A SA FOOD MART	§	
TICKET SALES AGENT LICENSE	§	
NO. 151890,	§	
<i>Respondent.</i>	§	LOTTERY COMMISSION

ORDER OF THE COMMISSION

To: Mr. James M. Hughes
Attorney and Counselor at Law
1100 N.E. Loop 410, Suite 900
San Antonio, TX 78209
Via email at j_hughes@tetco.com

During an open meeting in Austin, Texas, the Texas Lottery Commission (Commission) finds that, after proper and timely notice was given, the above-styled case was heard by an Administrative Law Judge (ALJ) who made and filed a Proposal for Decision (PFD) containing the ALJ's Findings of Fact and Conclusions of Law. The PFD was properly served, and all parties were given an opportunity to file exceptions and replies as part of the record herein.

The Commission, after review and due consideration of the PFD and exceptions and replies filed, if any, adopts the ALJ's Findings of Fact and Conclusions of Law as if fully set out and separately stated herein. All proposed Findings of Fact and Conclusions of Law not specifically adopted herein are hereby denied.

NOW, THEREFORE, IT IS ORDERED that the Texas Lottery Ticket Sales Agent License of Gajera Enterprises LLC d/b/a SA Food Mart is hereby suspended for ninety (90) days.

Commission Order No. 23-0015

Date: FEBRUARY 15, 2023

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 15TH day of FEBRUARY, 2023.

Entered this 15TH day of FEBRUARY, 2023.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

FILED
362-22-2563
11/14/2022 4:29 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

State Office of Administrative Hearings

Kristofer S. Monson
Chief Administrative Law Judge

ACCEPTED
362-22-2563
11/14/2022 4:49:25 pm
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

November 14, 2022

Kristen Guthrie

VIA EFILE TEXAS

James M. Hughes

VIA EFILE TEXAS

**RE: Docket Number 362-22-2563.TLC; Texas Lottery Commission
No. 2022-220; Texas Lottery Commission v. Gajera Enterprises
LLC d/b/a SA Food Mart**

Dear Parties:

Please find attached a Proposal for Decision in this case.

Exceptions and replies may be filed by any party in accordance with 1 Texas Administrative Code section 155.507(b), a SOAH rule which may be found at www.soah.texas.gov.

CC: Service List

**BEFORE THE
STATE OFFICE OF ADMINISTRATIVE
HEARINGS**

FILED
362-22-2563
11/14/2022 4:29 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

ACCEPTED
362-22-2563
11/14/2022 4:49:25 pm
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

**TEXAS LOTTERY COMMISSION,
PETITIONER
V.
GAJERA ENTERPRISES LLC D/B/A SA FOOD MART,
RESPONDENT**

PROPOSAL FOR DECISION

Staff of the Texas Lottery Commission (Commission) seeks a 90-day suspension of the lottery ticket sales agent's license held by Gajera Enterprises LLC d/b/a SA Food Mart (Licensee). Staff contends Licensee's managing members violated the State Lottery Act (Act)¹ and Commission rules by purchasing a ticket from a person who is not a licensed retailer; knowingly claiming a prize by means of misrepresentation; and cashing a prize over \$599. The Administrative Law Judge (ALJ) finds the violations occurred and recommends a 90-day license suspension.

¹ Tex. Gov't Code ch. 466.

I. NOTICE, JURISDICTION, AND PROCEDURAL HISTORY

Jurisdiction and notice were not disputed and are discussed only in the Findings of Fact and Conclusions of Law. State Office of Administrative Hearings ALJ Pratibha J. Shenoy convened the hearing on the merits via videoconference on September 16, 2022. Assistant General Counsel Kristen Guthrie represented Staff. Licensee appeared through its managing members, husband and wife Bharatkumar Gajera and Bhavnaben Gajera, and was represented by attorney James Hughes. The record closed that day upon the eFiling of admitted exhibits.

II. APPLICABLE LAW

The Commission's director may issue a lottery ticket sales agent's license to a person only if the director finds the person's experience, character, and general fitness are such that the person's participation as a sales agent will not detract from the integrity, security, honesty, and fairness of Lottery operations.² Licensees agree to operate in conformity with the Act, federal and Texas laws, local ordinances, Commission rules, terms and conditions related to the licensee's retailer license, the most recent Retailer Manual, and the license agreements with the Commission.³

Pursuant to the Act, a person commits an offense if the person: induces another person to assign or transfer a right to claim a prize; offers for sale the right to claim a prize; or offers, for compensation, to claim the prize of another person.⁴

² Tex. Gov't Code § 466.151(e).

³ 16 Tex. Admin. Code § 401.366.

⁴ Tex. Gov't Code § 466.310(a).

The Commission may suspend or revoke a license if the licensee purchases, for anything of value, a lottery ticket from a person who is not a licensed Lottery retailer.⁵ The Commission may also suspend or revoke a license if the licensee intentionally or knowingly claims a lottery prize by means of fraud, deceit, or misrepresentation.⁶ The payment of a prize in an amount of \$600 or more may be made only by the director of the Commission's Lottery division.⁷ By Commission rule, such payments shall be paid by mail or at a designated Lottery claim center.⁸

At a hearing, the licensee has the burden of proving by a preponderance of the evidence that the license should not be suspended or revoked.⁹ After a hearing, the Commission shall suspend or revoke a license if the sales agent has violated the Act or a Commission rule adopted under the Act.¹⁰ The Commission has promulgated a "Standard Penalty Chart" that specifies factors to be considered and penalty ranges for various violations.¹¹

III. EVIDENCE

Staff's Exhibits 1-11 were admitted without objection. Staff presented testimony from John Graham, the Acting Director of the Enforcement Division, and

⁵ 16 Tex. Admin. Code § 401.158(b)(33)(D).

⁶ 16 Tex. Admin. Code § 401.158(b)(31).

⁷ Tex. Gov't Code § 466.402(b).

⁸ 16 Tex. Admin. Code § 401.360.

⁹ Tex. Gov't Code § 466.155(c).

¹⁰ Tex. Gov't Code § 466.155(a)(5). Section 466.155 was amended effective September 1, 2021, after the time period at issue in this case. However, the subsections cited in this Proposal for Decision were unaffected.

¹¹ 16 Tex. Admin. Code § 401.160(h).

Retail Services Specialist Nancy Guerra. Mr. and Mrs. Gajera each testified on behalf of Licensee, and called as a witness Jae Kyung Lee, the purchaser of scratch ticket #2337-161300-07 (Ticket).

A. STAFF'S EVIDENCE

Mr. Graham testified that a security report flagged the Ticket because it was scanned multiple times within a short period by two retailers and was later redeemed by a licensee, all signs “something might be wrong.” The Ticket was sold on June 19, 2021, by a retailer about 1.8 miles away from Licensee’s store. On that date, the selling retailer scanned the Ticket at 8:38 a.m., 8:42 a.m., and 8:43 a.m. It was scanned at Licensee’s store at 9:09 a.m.¹² Then, on July 30, 2021, Mrs. Gajera went to the San Antonio Claim Center and redeemed the Ticket for a \$1,000 prize.

On November 3, 2021, Mr. Graham spoke with Mrs. Gajera, who stated she received the Ticket from Mr. Gajera, who had not told her where he purchased it. Mr. Graham also spoke to Mr. Gajera the same day. Per Mr. Graham, Mr. Gajera said: Mr. Lee was a friend and long-time vendor of “novelty products” for the store; Mr. Lee did not have time to cash the Ticket and asked for help; and, because Mr. Gajera had the Lottery equipment on site, he was able to scan the Ticket and confirm it was for a \$1,000 prize. Although it is disputed by Mr. Gajera (below), Mr. Graham testified that Mr. Gajera described giving Mr. Lee \$1,000 in cash and then handing the Ticket to Mrs. Gajera to redeem.

¹² Staff Ex. 4 at 17.

Mr. Graham pointed out that, on the Claim Form she submitted, Mrs. Gajera checked a box indicating she “purchased the ticket” instead of the box stating the ticket “was given to me.” Mrs. Gajera then wrote “not sure” in response to questions asking for the store name and city where the Ticket was purchased and the date she received it. The attestation Mrs. Gajera signed on the Claim Form states, in bold print, that the information on the form “identifies the person entitled to claim this prize [and] no other person is entitled to claim any part of this prize[.]”¹³

Ms. Guerra testified about the reasons the alleged conduct is harmful. When a ticket is cashed in this manner, the Lottery is unable to check for potential deficiencies, such as if the winner has delinquent child support or student loan debt that should be deducted from the winnings. Also, the prize cannot be properly reported to the IRS for tax purposes. Ms. Guerra said the Commission finds it irrelevant whether the retailer profits from this type of transaction, because retailers who directly pay out high-value tickets erode the integrity and fairness of the Lottery by helping winners avoid legitimate debt obligations. And, she said, given the volume of sales across the state, Lottery Staff cannot investigate every transaction and must rely on licensees to operate with security and honesty in conformity with the Act and Commission rules.

According to Ms. Guerra, the Gajeras had multiple reasons to be well aware that they could not cash the Ticket for Mr. Lee. First, all retailers are trained when they are first licensed regarding common violations, such as purchasing a ticket from a non-licensed retailer. The Gajeras obtained their license in 2009, so they have been

¹³ Staff Ex. 5 at 21.

subject to Commission rules for a long time.¹⁴ Second, when a ticket for a prize of \$600 or more is scanned, the terminal displays a message telling the retailer the ticket cannot be cashed out and can only be redeemed by mail or at a claim center. Third, the Commission issues “Roundup” newsletters that provide periodic reminders to retailers of their obligations. A Roundup letter from September 2019 listed common violations and provided resources for more information.¹⁵ Finally, there is a hotline for retailers to call if they are in doubt about any Lottery transactions.

B. LICENSEE’S EVIDENCE

Mr. Lee testified he purchased the Ticket from another retailer and realized he would not have time to cash it at a claim center because he was about to go out of town. The Gajeras are his friends of long standing, so he asked for their help. Mr. Lee said he did not “sell” the Ticket to the Gajeras and he did not receive the \$1,000 from them until after they had cashed the Ticket. When asked why he did not respond to telephone calls and messages from Staff investigators, Mr. Lee explained that he receives numerous spam calls daily and thus does not answer the telephone.

Mrs. Gajera stated that she got the Ticket from her husband, who asked her to go cash it. She was by herself at the claim center, so she did the best she could in filling out the Claim Form and left blank anything she did not know. Upon receiving the \$1,000, she deposited it in the bank. When Mr. Lee returned from his trip and visited the store, Mrs. Gajera handed him \$1,000 in cash.

¹⁴ Staff Ex. 7 at 28.

¹⁵ Staff Ex. 6 at 24.

Mr. Gajera testified that Mr. Lee is a neighbor and has been a patron of the store for over 20 years. Mr. Gajera believed he was allowed to assist Mr. Lee with the Ticket because Mr. Lee was not a store customer (he purchased the Ticket elsewhere) and it was a “private transaction,” unrelated to Licensee’s ticket sales. Mr. Gajera emphasized that he made no profit from the Ticket redemption and did it only to help a friend. He asserted that Mr. Lee did not get the \$1,000 until after Mrs. Gajera redeemed the Ticket, and Mr. Graham was wrong if he claimed otherwise. Mr. Gajera confirmed that he received and read the Roundup letters but reiterated that he believed he was engaged in a private transaction. He acknowledged that the Lottery terminal will alert if a prize is for an amount in excess of \$599.

IV. ANALYSIS

The ALJ finds the uncontested facts establish that the Gajeras purchased a ticket from a person who was not a licensed Lottery retailer in exchange for something of value. This is a violation of the Commission rule found at 16 Texas Administrative Code section 401.158(b)(33)(D). Notably, the rule does not apply only where a licensee obtains a net benefit from the conduct, so it is immaterial that the Gajeras did not make a profit. It is sufficient that a licensee gave something of value (here, cash) to a non-licensed lottery retailer in exchange for a lottery ticket. The Gajeras have held a license for many years and knew the resources they could use to confirm whether they were in violation of the Act or Commission rules. Mr. Gajera did not seek confirmation of whether he could engage in a “private transaction” of this nature, particularly when the amount in question exceeded \$599.

Mrs. Gajera stated to Mr. Graham that Mr. Gajera gave her the ticket but did not tell her where he purchased it. Staff suggested Mrs. Gajera knew before submitting the Claim Form that her husband did not purchase the Ticket from a licensed Lottery retailer, but instead got it from Mr. Lee.¹⁶ Either way, the correct answer on the Claim Form was that Mrs. Gajera was given the Ticket, instead of the box she checked indicating that she purchased the Ticket. That is a knowing misrepresentation by which the Ticket prize was claimed, in violation of 16 Texas Administrative Code section 401.158(b)(31).

Furthermore, the Gajeras engaged in conduct that undermines the integrity and security of the Lottery. Licensees agree to follow all terms and conditions of their license agreements and to conduct Lottery sales in conformity with applicable law and Commission rules. The Commission preserves Lottery security by requiring high-value prizes to be paid by mail or through a claim center and restricting retailers to paying out prizes of no more than \$599. That prevents winners from circumventing debt collection and federal taxation.

While it is unknown whether Mr. Lee owes any delinquent amounts that should have been deducted from the Ticket prize, it is irrelevant. Because of the large volume of ticket sales, the Commission cannot directly monitor every transaction and must rely on retailers to adhere to the rules. By helping Mr. Lee redeem a prize

¹⁶ If supported by the evidence, Staff's assertion—that Mrs. Gajera knew the Ticket came from Mr. Lee before she redeemed it—would mean her statement on the Claim Form could constitute coordination with Mr. Lee to obtain the prize via fraud, deceit, or misrepresentation, and her attestation (that no other person was entitled to claim the prize) could have been false. The ALJ finds the timing is unclear. Regardless, even if she learned of Mr. Lee's involvement only after cashing the Ticket, there is no reasonable basis for Mrs. Gajera to have marked that she purchased the ticket instead of acknowledging that she received it from another person.

in excess of \$599, the Gajeras undermined the integrity, security, honesty, and fairness of the Lottery. This is in violation of the Act¹⁷ and the Commission rule found at 16 Texas Administrative Code section 401.366. If Mr. Lee could not cash the Ticket at a claim center because he was going out of town, the Gajeras could have simply advised him to redeem it by mail.

The Standard Penalty Chart classifies as second tier violations the following actions: purchasing, “for anything of value, a lottery ticket from a person who is not a licensed lottery retailer;” “intentionally or knowingly claim[ing] a lottery prize or share of a lottery prize by means of fraud, deceit, or misrepresentation;” and “endangering the security and/or integrity of the lottery games operated by the [C]ommission.” The first occurrence of a second tier violation is subject to a penalty range of a 10- to 90-day suspension up to revocation.¹⁸

Regarding the factors listed in the Standard Penalty Chart, the conduct at issue is serious and undermines the security and integrity of the Lottery, and a lengthy suspension will have a deterrent effect both on the Gajeras and other licensees.¹⁹ In Licensee’s favor, the conduct involved a single Lottery prize, and the Gajeras have held a license since 2009 without other disciplinary history.²⁰ There is no evidence of actual damage, physical or otherwise, but the Gajeras have not acknowledged they did anything wrong and continue to characterize their conduct

¹⁷ Tex. Gov’t Code § 466.151(e).

¹⁸ 16 Tex. Admin. Code § 401.160(h)(21), (31), (33).

¹⁹ 16 Tex. Admin. Code § 401.160(g)(1)-(2), (7).

²⁰ 16 Tex. Admin. Code § 401.160(g)(3)-(5).

as a private transaction.²¹ Given the conduct established by the evidence, and taking into account the factors listed in the Standard Penalty Chart, the ALJ finds Staff's request for a 90-day suspension to be reasonable and recommends it be imposed by the Commission.

V. FINDINGS OF FACT

1. Gajera Enterprises LLC d/b/a SA Food Mart (Licensee) holds Texas Lottery Ticket Sales Agent License No. 151890, first issued by the Texas Lottery Commission (Commission) in 2009.
2. Bharatkumar Gajera and Bhavnaben Gajera, who are husband and wife, are the managing members of Licensee.
3. When they obtained the license, the Gajeras were trained on Lottery rules and regulations. The Commission also issues newsletters to remind retailers of their obligations, and supports a hotline for retailers to call if they are in doubt about any Lottery transactions.
4. On June 19, 2021, Jae Kyung Lee, a longtime friend of the Gajeras, purchased scratch ticket #2337-161300-07 (Ticket) from a retailer located approximately 1.8 miles away from Licensee's store.
5. Mr. Lee is not a licensed Lottery retailer.
6. On the same date as the sale, the selling retailer scanned the Ticket three times, at 8:38 a.m., 8:42 a.m., and 8:43 a.m. Mr. Gajera then scanned the Ticket at Licensee's store at 9:09 a.m. and confirmed it was a winning ticket for a \$1,000 prize.
7. When the Ticket was scanned at Licensee's store, the Lottery terminal alerted Mr. Gajera that the Ticket could not be redeemed at Licensee's location because it was for an amount exceeding \$599.

²¹ 16 Tex. Admin. Code § 401.160(g)(6), (8).

8. Lottery retailers may pay out prizes up to \$599. Prizes of \$600 or more must be paid by the director of the Commission's Lottery division via mail or at a claim center.
9. Mr. Gajera took the Ticket from Mr. Lee and gave it to Mrs. Gajera to cash.
10. On July 30, 2021, Mrs. Gajera went to the San Antonio Claim Center and redeemed the Ticket for a \$1,000 prize.
11. On the Claim Form she submitted, Mrs. Gajera marked a box indicating that she purchased the Ticket, instead of correctly noting that it had been given to her by another person. She wrote "not sure" in response to questions asking the store name and city where the Ticket was purchased and the date she received it.
12. At some point either before or after the Ticket was redeemed, the Gajeras gave Mr. Lee \$1,000 in cash.
13. The Gajeras believe they participated in a private transaction separate from Licensee's role as a lottery ticket sales agent.
14. The multiple scans of the Ticket by different retailers and its ultimate redemption by a Commission licensee flagged the transaction for further review. Staff of the Commission investigated and proposed a 90-day suspension of Licensee's license.
15. After exhausting informal remedies through the Commission, the Gajeras requested a formal hearing at the State Office of Administrative Hearings (SOAH).
16. On August 18, 2022, Staff issued its First Amended Notice of Hearing Concerning Suspension or Revocation of Lottery License (Notice of Hearing) to Licensee. The Notice of Hearing contained a statement of the time, place, and nature of the hearing; a statement of the legal authority and jurisdiction under which the hearing was to be held; a reference to the particular sections of the statutes and rules involved; and either a short plain statement of the factual matters asserted or an attachment that incorporated by reference the factual matters asserted in the complaint or petition filed with the state agency.

17. On September 16, 2022, SOAH Administrative Law Judge Pratibha J. Shenoy held the hearing on the merits via videoconference. Assistant General Counsel Kristen Guthrie represented Staff. Licensee appeared through the Gajeras and was represented by attorney James Hughes. The record closed that day upon the eFiling of admitted exhibits.
18. The Gajeras and Licensee do not have prior disciplinary history with the Commission.

VI. CONCLUSIONS OF LAW

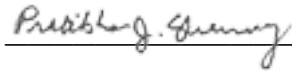
1. The Commission has jurisdiction over this matter pursuant to the State Lottery Act (Act). Tex. Gov't Code ch. 466.
2. SOAH has jurisdiction over matters related to the hearing in this proceeding, including the authority to issue a proposal for decision with findings of fact and conclusions of law. Tex. Gov't Code ch. 2003.
3. Licensee received proper and timely notice of the hearing. Tex. Gov't Code §§ 2001.051-.052.
4. Licensee had the burden of proving by a preponderance of the evidence that its license should not be suspended or revoked. Tex. Gov't Code § 466.155(c).
5. After a hearing, the Commission shall suspend or revoke a license if the Commission finds that a sales agent has violated the Act or a Commission rule adopted under the Act. Tex. Gov't Code § 466.155(a)(5).
6. Licensee is subject to sanction because, through its managing members, it purchased, for anything of value, a lottery ticket from a person who is not a licensed lottery retailer. 16 Tex. Admin. Code § 401.158(b)(33)(D).
7. Licensee is subject to sanction because, through its managing members, it knowingly claimed a prize by misrepresentation. 16 Tex. Admin. Code § 401.158(b)(31).
8. Licensee is subject to sanction because, through its managing members, it engaged in conduct that undermined the integrity, security, honesty, and

fairness of the Lottery, namely, assisting a person to cash a prize in excess of \$599, thereby preventing any delinquent child support or student debt obligations from being deducted and impeding federal tax reporting. Tex. Gov't Code §§ 466.151(e), .402(b); 16 Tex. Admin. Code §§ 401.366, .360.

9. The Commission has promulgated a Standard Penalty Chart that specifies factors to be considered and penalty ranges for various violations. 16 Tex. Admin. Code § 401.160(g)-(h).
10. The Standard Penalty Chart lists a penalty range of a 10- to 90-day suspension up to revocation for a first occurrence of the second-tier violations established by the evidence. 16 Tex. Admin. Code § 401.160(h).
11. Licensee's license should be suspended for 90 days.

SIGNED November 14, 2022.

ALJ Signature:

A handwritten signature in cursive script, appearing to read "Pratibha J. Shenoy", is written over a horizontal line.

Pratibha J. Shenoy,
Presiding Administrative Law Judge

Commission Order No. 23-0016

Date: FEBRUARY 15, 2023

Case No. 2023-76

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
	§	
VFW POST 6899 TRINITY COUNTY	§	
MEMORIAL	§	
TAXPAYER NO. 17523013989	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Charitable Bingo Operations Division (Division) of the Texas Lottery Commission (Commission) and VFW Post 6899 Trinity County Memorial (VFW Post 6899) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into the following Consent Order.

AGREED FINDINGS OF FACT

1. VFW Post 6899 previously held bingo conductor license #2818. On September 22, 2022, VFW Post 6899 surrendered that license at the request of then-chairperson Herb Henderson.
2. On September 28, 2022, VFW Post 6899 designated a new chairperson, Michael Johnson, and submitted an application for a license to conduct bingo.
3. On January 6, 2023, VFW Post 6899 submitted an application for a commercial lessor license to lease bingo premises.
4. The Division conducted a compliance audit of VFW Post 6899 for the period from July 1, 2021 through September 30, 2021 and determined the following:
 - a. VFW Post 6899 paid a total of \$1,175.24 in employee expenses that were not reasonable or necessary for the conduct of bingo, including the following amounts: \$660.24 in salary for three employees on days when no bingo was conducted due to a bingo hall closure; \$150

to a kitchen employee who was not a registered bingo worker; and \$45 and \$320 to two bingo workers without documentation to support the payments.

b. VFW Post 6899 offered or awarded prizes with an aggregate value of more than \$2,500 in 9 of 10 sampled occasion cash reports (90%).

c. VFW Post 6899 failed to maintain or properly maintain records to substantiate the contents of its quarterly report for the third quarter of 2021. Specifically, one game per occasion awarded a non-cash prize that was not included in either the prizes awarded (*line 3*) or non-cash prizes (*line 8a2*) reporting lines.

5. During the license period of November 1, 2021, through October 31, 2022, VFW Post 6899 failed to generate positive net proceeds as required by the Bingo Enabling Act. VFW Post 6899 reported negative net proceeds in the amount of \$1,920 during that time period.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Occ. Code ch. 2001 (Bingo Enabling Act), Tex. Gov't Code ch. 467, and 16 Tex. Admin. Code ch. 402 (Charitable Bingo administrative rules).

2. VFW Post 6899 is required to follow the Bingo Enabling Act and the Charitable Bingo administrative rules to maintain its license.

3. Tex. Occ. Code §2001.312 states:

A person is not eligible for a license . . . unless all required reports and requested information have been filed under this chapter.

4. Tex. Occ. Code §2001.351 states:

The commission may deny an application for a license or renewal of a license issued under this chapter for a cause that would permit or require the suspension or revocation of a license issued under this chapter.

5. Tex. Occ. Code §2001.353 states:

(a) After a hearing, the commission may suspend, revoke, or refuse to renew a license or registration issued under this chapter for:

- (1) failure to comply with this chapter or a commission rule; or
- (2) a reason that would allow or require the commission to refuse to issue or renew a license or registration of the same class.

(b) The commission may place on probation a person whose license or registration is suspended. If a license or registration suspension is probated, the commission may require the person:

- (1) to report regularly to the commission on the matters that are the basis of the probation;
- (2) to limit the person's activities under the license or registration in the manner prescribed by the commission; or
- (3) to take any other reasonable action prescribed by the commission to address the matters that are the basis of the probation.

(c) If the person fails to comply with the conditions of probation, the commission may suspend or revoke the person's license or registration.

(d) The commission by rule shall:

- (1) adopt written guidelines to ensure that probation is administered consistently; and
- (2) develop a system to track compliance with probation requirements.

6. Tex. Occ. Code §2001.420(b) states:

A person may not offer or award on a single bingo occasion prizes with an aggregate value of more than \$2,500 for all bingo games other than:

- (1) pull-tab bingo; or
- (2) bingo games that award individual prizes of \$50 or less.

7. Tex. Occ. Code §2001.451(g) states

(g) The bingo operations of a licensed authorized organization must:

- (1) result in net proceeds over the organization's license period; or
- (2) if the organization has a two-year license, result in net proceeds over each 12-month period that ends on an anniversary of the date the two-year license was issued.

8. Tex. Occ. Code §2001.453(1) states, in pertinent part:

A licensed authorized organization may withdraw funds from its bingo account only for:

- (1) the payment of necessary or reasonable bona fide expenses, including compensation of personnel, as permitted under Section 2001.458 incurred and paid in connection with the conduct of bingo.

9. Tex. Occ. Code §2001.458 states, in pertinent part:

An item of expense may not be incurred or paid in connection with the conduct of bingo except an expense that is reasonable or necessary to conduct bingo, including an expense for:

- (1) advertising, including the cost of printing bingo gift certificates;
- (2) security;
- (3) repairs to premises and equipment;
- (4) bingo supplies and equipment;
- (5) prizes;
- (6) stated rental or mortgage and insurance expenses;
- (7) bookkeeping, legal, or accounting services related to bingo;
- (8) bingo chairpersons, operators, managers, salespersons, callers, cashiers, ushers, janitorial services, and utility supplies and services.
- (10) attending a bingo seminar or convention required under Section 2001.107; and
- (11) debit card transaction fees and electronic funds transfer fees.

10. Tex. Occ. Code §2001.459 states, in pertinent part:

The following items of expense incurred or paid in connection with the conduct of bingo must be paid from an organization's bingo account:

- (1) advertising, including the cost of printing bingo gift certificates;
- (2) security during a bingo occasion;
- (3) the purchase or repair of bingo supplies and equipment;
- (4) prizes, other than authorized cash prizes;
- (5) stated rental expenses;
- (6) bookkeeping, legal, or accounting services;
- (7) fees for callers, cashiers, and ushers; and
- (8) janitorial services.

11. Tex. Occ. Code §2001.505(b) states:

A license holder shall maintain records to substantiate the contents of each report.

12. Tex. Occ. Code §2001.601 states:

The commission may impose an administrative penalty against a person who violates this chapter or a rule or order adopted by the commission under this chapter.

13. Tex. Occ. Code §2001.602(a) states:

The amount of the administrative penalty may not exceed \$1,000 for each violation. Each day a violation continues or occurs may be considered a separate violation for purposes of imposing a penalty.

14. VFW Post 6899's application for a conductor license is subject to denial pursuant to Tex. Occ. Code §§ 2001.351 and 2001.353 as a result of VFW Post 6899's violations of Tex. Occ. Code §§ 2001.420(b), 2001.451(g) 2001.453(1), 2001.458, 2001.459 and 2001.505(b).

15. VFW Post 6899's application for a commercial lessor license is also subject to denial pursuant to Tex. Occ. Code §§ 2001.351 and 2001.353 as a result of VFW Post 6899's violations of Tex. Occ. Code §§ 2001.420(b), 2001.451(g), 2001.453(1), 2001.458, 2001.459 and 2001.505(b).

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, VFW Post 6899 agrees to the terms, acknowledges understanding them, and waives its right to all procedural requirements for the entry of the Consent Order (Order) consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date the Order is signed by the Commission.

3. VFW Post 6899 agrees to pay \$100.00 as an administrative penalty within thirty (30) days of the effective date of the Order.

4. VFW Post 6899 agrees to redeposit \$1,175.24 into VFW Post 6899's bingo bank account within thirty (30) days of the effective date of the Order.

5. VFW Post 6899 agrees to pay \$2,376.00 for the lessor application license fee and submit the required bond within thirty (30) days of the effective date of the Order.

6. VFW Post 6899's pending applications for a conductor license and a commercial lessor license shall be granted upon fulfilling the requirements described above in paragraphs (3), (4) and (5), provided there are no other outstanding compliance issues at that time.

7. For one (1) year following the effective date of the Order, VFW Post 6899 agrees to timely and accurately file all required application forms and supplemental information, including changes in membership, as required by the Bingo Enabling Act and the Charitable Bingo administrative rules.

8. For one (1) year following the effective date of the Order, VFW Post 6899 is required to generate positive net proceeds. To facilitate an accurate determination by the Division regarding the status of net proceeds, VFW Post 6899 must pay all bingo expenses in full within thirty (30) days of receiving an invoice for the incurred expense including, but not limited to, purchases of bingo paper and pull-tabs, purchases and leases of bingo equipment, employee expenses, rent and premises expenses, professional services, and license fees. If requested by the Division, VFW Post 6899 must provide the Division proof of payment of any bingo expenses within ten (10) days of the request. Further, VFW Post 6899 must timely and accurately complete and file all quarterly reports and supplements, as required by the Bingo Enabling Act and the Charitable Bingo Administrative Rules.

9. VFW Post 6899 agrees that if it fails to comply with any requirement of this Memorandum of Agreement and Consent Order, then, upon notice by the Division, VFW Post 6899 agrees to surrender its conductor and lessor licenses within ten (10) days of the notice without further notice or hearing.

10. VFW Post 6899 agrees that if it is required to surrender its conductor and lessor licenses pursuant to the above paragraph 9 and fails to do so within ten (10) days of being notified by the Division, VFW Post 6899's conductor and lessor licenses will be immediately revoked, and

its bond or other authorized form of security will be immediately forfeited without further notice or hearing.

11. VFW Post 6899 acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against VFW Post 6899 by the Commission. This Memorandum of Agreement and Consent Order shall not, however, form the basis for, nor be used as, evidence against VFW Post 6899 in any future renewal applications absent other alleged violations.

AGREED AS TO FORM AND SUBSTANCE:

VFW Post 6899 Trinity County Memorial

By: Michael Johnson
Michael Johnson, Bingo Chairperson

Date: 1/27/23

**Texas Lottery Commission
Charitable Bingo Operations Division**

By: LaDonna Castañuela
LaDonna Castañuela, Director

Date: 2/2/2023

Date: FEBRUARY 15, 2023

Case No. 2023-76

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
	§	
VFW POST 6899 TRINITY COUNTY	§	
MEMORIAL,	§	
TAXPAYER NO. 17523013989	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that VFW Post 6899 Trinity County Memorial (VFW Post 6899) shall pay \$100.00 as an administrative penalty within thirty (30) days following the date this Consent Order (Order) is signed by the Commission (effective date).

(2) IT IS FURTHER ORDERED by the Commission that VFW Post 6899 shall redeposit \$1,175.24 into VFW Post 6899's bingo bank account within thirty (30) days of the effective date of this Order.

(3) IT IS FURTHER ORDERED by the Commission that VFW Post 6899 shall pay \$2,376.00 for the lessor application license fee and submit the required bond within thirty (30) days of the effective date of the Order.

(4) IT IS FURTHER ORDERED by the Commission that VFW Post 6899's pending applications for a conductor license and a commercial lessor license shall be granted upon the successful completion of the requirements described in the above paragraphs (1), (2), and (3), provided that there are no other outstanding compliance issues at that time.

(5) IT IS FURTHER ORDERED by the Commission that for one (1) year following the effective date, VFW Post 6899 shall timely and accurately file all required application forms and supplemental information, including changes in membership, as required by the Bingo Enabling Act and the Charitable Bingo administrative rules.

(6) IT IS FURTHER ORDERED by the Commission that for one (1) year following the effective date, VFW Post 6899 shall timely and accurately file all quarterly reports and supplements, as required by the Bingo Enabling Act and the Charitable Bingo administrative rules.

(7) IT IS FURTHER ORDERED by the Commission that for one (1) year following the effective date, VFW Post 6899 shall generate positive net proceeds, as required by the Bingo Enabling Act and Charitable Bingo administrative rules.

(8) IT IS FURTHER ORDERED by the Commission that if VFW Post 6899 fails to comply with any requirement of this Order, then, upon notice by the Charitable Bingo Operations Division (Division), VFW Post 6899 shall surrender its conductor and lessor licenses within ten (10) days of the notice without further notice and hearing.

(9) IT IS FURTHER ORDERED by the Commission that if VFW Post 6899 is required to surrender its license pursuant to the above paragraph 8 and fails to do so within ten (10) days of being notified by the Division, VFW Post 6899's conductor and lessor licenses shall be immediately revoked, and its bond or other authorized form of security shall be immediately forfeited without further notice or hearing.

Commission Order No. 23-0016

Date: FEBRUARY 15, 2023

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin,
Texas, on the 15TH day of FEBRUARY, 2023.

Entered this 15TH day of FEBRUARY, 2023.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Lossman, Tarah

From: Medina, Marie
Sent: Thursday, February 2, 2023 11:44 AM
To: Directors
Cc: ExecutiveAssistant; Cohn, Vivian; Lossman, Tarah; Castanuela, LaDonna
Subject: FW: 2/2/23 CBOD signature authority

Follow Up Flag: Follow up
Flag Status: Flagged

-----Original Message-----

From: Castanuela, LaDonna <LaDonna.Castanuela@lottery.state.tx.us>
Sent: Thursday, February 2, 2023 11:20 AM
To: Medina, Marie <Marie.Medina@lottery.state.tx.us>
Subject: 2/2/23 CBOD signature authority

Marie, please forward this email, including these instructions, to all TLC directors and cc the EAs, Vivian, Tarah, you, and me. Thank you LDC

All,

I haven't had power here at the house since yesterday morning and cannot access several agency systems. Vivian Cohn has full signature authority for the division for the rest of the day. I will send another email tomorrow, if necessary.

LaDonna Castanuela

Sent from my iPhone