

TRANSCRIPT OF PROCEEDINGS  
BEFORE THE  
TEXAS LOTTERY COMMISSION  
AUSTIN, TEXAS  
COMMISSION MEETING

DECEMBER 5, 2024

10:00 a.m.

AT

GEORGE H. W. BUSH BUILDING  
1801 Congress Avenue  
Austin, Texas 78701

Transcript prepared by Rev.com and Commission staff from an audiovisual recording.

## APPEARANCES

CHAIRMAN:	Robert G. Rivera
COMMISSIONERS:	Cindy Lyons Fields Mark A. Franz Clark E. Smith James H. C. Steen
GENERAL COUNSEL:	Robert F. Biard
EXECUTIVE DIRECTOR:	Ryan Mindell
CHARITABLE BINGO OPERATIONS DIRECTOR:	LaDonna Castañuela
CONTROLLER:	Sergio Rey
PRODUCTS MANAGER:	William Russ
MCCONNELL & JONES LLP:	Liz Meyers
BINGO ADVISORY COMMITTEE CHAIRMAN:	William "Trace" Smith III
DIRECTOR OF ADMINISTRATION:	Angela Zgabay-Zgarba
GOVERNMENTAL AFFAIRS DIRECTOR:	Nelda Treviño
LOTTERY OPERATIONS DIRECTOR:	Robert Tirloni
BERRY DUNN:	Austin Elmore Minty Patel
DIRECTOR OF THE HOBBY SCHOOL OF PUBLIC AFFAIRS, UNIVERSITY OF HOUSTON:	Dr. Pablo Pinto

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 C. To receive legal advice regarding pending or contemplated litigation or settlement offers, or other legal advice, pursuant to §551.071(1) and (2) of the Texas Government Code, including but not limited to legal advice regarding the following items:  
Pending litigation regarding Fun 5's Scratch Ticket Game #1592, including Travis County District Court Docket No. D-1-GN-14-005114 (Steele, et al. v. GTECH Corp.)  
Lottery Operations and Services Contract.  
 Legal advice regarding Texas Government Code Chapters 466 (State Lottery Act) and 467 (Texas Lottery Commission), the Bingo Enabling Act, the Open Meetings Act, the Public Information Act, the Administrative Procedure Act, employment and personnel law, procurement and contract law, evidentiary and procedural law, ethics laws, and general government law.  
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## 1 PROCEEDINGS

2 THURSDAY, DECEMBER 5, 2024 (10:00 a.m.)

## 3 AGENDA ITEM I.

4 [The meeting started with Chairman Rivera and Commissioners Smith and  
5 Steen in attendance.]6 CHAIRMAN RIVERA: Good morning. I'd like to call this meeting  
7 of the Texas Lottery Commission to order. Today is December the 5th. It  
8 is 10:00 a.m. We have a quorum, and we have other Commissioners that  
9 will be joining us here shortly. We will start our meeting with the  
10 Pledge of Allegiance to the United States and Texas flags.

11 (Pledges recited)

12 [Commissioner Franz joined the meeting after pledges were recited.]

## 13 AGENDA ITEM XVII.

14 CHAIRMAN RIVERA: All right. See, we're already picking up  
15 steam. We are going to go into Executive Session to start the meeting.  
16 So, I move that the Texas Lottery Commission go into Executive Session  
17 to deliberate personnel matters and receive legal advice. Is there a  
18 second?

19 COMMISSIONER FRANZ: Second.

20 CHAIRMAN RIVERA: We have a second. All in favor say "aye."

21 (Chorus of "Ayes")

22 CHAIRMAN RIVERA: Okay. The Texas Lottery Commission will go  
23 into Executive Session at 10:01 a.m., December 5, 2024. Hopefully we'll  
24 be back not too long, so I appreciate everyone's patience and we'll see  
25 everyone soon.26 [Commissioner Fields joined the meeting during Executive Session.]  
27

## 1 AGENDA ITEM XIV.

2 CHAIRMAN RIVERA: Okay. The Texas Lottery Commission is out of  
3 Executive Session at 10:40 a.m. We will start with Ryan. We're going to  
4 take things a little out of order, and so we're going to go to the  
5 Executive Director's report. Ryan?

6 MR. MINDELL: Good morning, Chairman and Commissioners. For  
7 the record, my name's Ryan Mindell, Executive Director. I have two brief  
8 updates for you this morning. First is an update on the LaFleur's Lottery  
9 Conference that was held right here at the AT&T Center, November 19th  
10 and 20th, with the Texas Lottery as co-host. The conference was very  
11 successful. We had the second largest attendance at the LaFleur's  
12 conference ever, and the largest attendance we've ever had at a Texas  
13 Lottery conference. We had to have an overflow room and that was well  
14 attended. There was a number of great presentations and panels, including  
15 from our very own Steve Helm, Dale Bowersock and Delayna Bradshaw, who  
16 each excelled. I moderated a panel discussion with the Dallas Cowboys,  
17 Texas Rangers, San Antonio Spurs and Austin FC, which helped show  
18 lotteries around the country what sports teams are looking for in their  
19 lottery partners. And I was part of a discussion on bulk purchasing  
20 activities with two other lottery directors, showing that this activity  
21 is continuing to proliferate around the country. We're continuing to  
22 monitor it very closely here in Texas. Overall, I received an enormous  
23 amount of positive feedback about how the conference went and I wanted  
24 to share that with you.

25 The other item I had is that, recently, the Texas Lottery was  
26 recognized by the Austin American Statesmen as a Greater Austin Top

1 Workplace, the second time we've been awarded this recognition. In my  
2 opinion, this shows the positive and collaborative culture at this  
3 agency, focusing on doing things the right way, ultimately supporting  
4 our good causes.

5 Having won the regional best workplace award, we have been  
6 submitted for the national award. We'll find out the results on that in  
7 March. That's all I had to update you on this morning. Happy to answer  
8 any questions you may have.

9 CHAIRMAN RIVERA: Okay. Commissioners, any discussion  
10 regarding Ryan's report? Okay.

11 AGENDA ITEM XVIII.

12 CHAIRMAN RIVERA: We also wanted to discuss what we discussed  
13 in Executive Session, so with that I'll hand it over to Cindy.

14 COMMISSIONER FIELDS: In Executive Session we went through the  
15 performance evaluation for Ryan Mindell. He's been on the job -- how  
16 long have you been on the job?

17 MR. MINDELL: Since April.

18 COMMISSIONER FIELDS: Since April -- and I think -- along with  
19 Jan's excellent help, we completed the performance evaluation -- you  
20 were exemplary in every area, and I think it just reiterates that we  
21 made the right choice even though we had a lot of great candidates when  
22 this job was posted. I think we made the right decision. Thank you for  
23 doing a good job. So, with that -

24 CHAIRMAN RIVERA: Commissioners, do you have any comments  
25 you'd like to make regarding Ryan's performance?



1           COMMISSIONER STEEN: I would just add that we appreciate your  
2 hard work and integrity and -- just keep on it. We've got a lot more  
3 work to do.

4           COMMISSIONER FRANZ: Yeah, I would just add just how much I  
5 have appreciated the regular communication and the -- as we worked  
6 through Sunset, which was a whole, it's almost like a whole extra job  
7 that you took on and the way that you approached that with our  
8 instructions saying, let's see how we can make this agency better --and  
9 you approached it that way and I think we've had some great results out  
10 of Sunset and all of the progress we've made already on those Sunset  
11 recommendations even before it's finalized. So, I appreciate your work  
12 on that and how you've worked with us, too, so.

13           COMMISSIONER SMITH: I echo everything that my colleagues have  
14 said, keep it up. I'm in obviously a little bit of a different position  
15 from them having just joined shortly before your being elevated to your  
16 position. I just appreciate, as the new Commissioner, everything you've  
17 done to bring me on board and to catch me up to speed and to keep me up  
18 to speed on everything. So, keep it up.

19           CHAIRMAN RIVERA: Before we take a vote, just -- Ryan, I want  
20 to express just how grateful I am of your leadership, your hands-on  
21 approach, your level of just open transparency towards the stewardship  
22 of the agency. Since you have joined as an employee, you've been  
23 dedicated, you've been forthright and just truly earnest in your day-  
24 to-day approach to management and to helping lead the agency in a variety  
25 of different positions before you were selected for the role that you  
26 have now. So, I know that all employees are grateful for you at the helm

1 and also for the trajectory and path that you've chosen over the years  
2 in terms of the ability to serve in different roles and functions and  
3 that's something that the agency is definitely appreciative and grateful  
4 for, for having that kind of just hands-on leadership over the years and  
5 earned that level of trust, not only with your employees but  
6 Commissioners and all that interact with the agency. So, we're grateful  
7 that you're helping to guide and steer and lead, Ryan. So, thank you.  
8 Cindy?

9 COMMISSIONER FIELDS: So, with that I move that the Commission  
10 approve the performance evaluation for Ryan Mindell.

11 CHAIRMAN RIVERA: I'll second. All in favor say "aye."

12 (Chorus of "Ayes")

13 CHAIRMAN RIVERA: Okay. The motion is approved. Ryan?

14 MR. MINDELL: Thank you, Chairman and Commissioners. I really  
15 appreciate those words and I appreciate the trust that each of you show  
16 in me, as well as the trust that all the staff show and all the  
17 stakeholders that we have. So, I just want to make sure I stated that.  
18 Thank you all.

19 CHAIRMAN RIVERA: Okay, good job.

20 AGENDA ITEM II.

21 CHAIRMAN RIVERA: Next item, number two -- back to our  
22 regularly scheduled agenda -- is the Bingo Advisory Committee report.  
23 Trace Smith, your item.

24 MR. SMITH: Good morning, Commissioners, Bingo Commissioner  
25 Fields, and Chairman. Yesterday, the Bingo Advisory Committee met and  
26 had several important items on their agenda. The first of those was the

1 rule review. Steve Fenoglio presented items for discussion and  
2 consideration by staff, and we listened very intently.

3 I also attended the public comment hearing at 1:00 of which  
4 there were no new comments. During the legislative update, we learned  
5 of two bills pertaining to bingo, House Bill 487 and Senate Bill 517,  
6 which are identical bills by Tepper and Middleton in reference to eight-  
7 liners and redemption and gambling.

8 The next item was the Bingo Service Portal Input Subcommittee.  
9 This is in regard to the management action 2.5 from Sunset, "Consult the  
10 Bingo Advisory Committee to seek input related to licensees' experience  
11 and suggestions for the Bingo Service Portal." With staff's help, the  
12 subcommittee chairman, Mr. Pennie, has been directed to have this input  
13 and the recommendations by January 10th for consideration by the Bingo  
14 Advisory Committee at their February 5th meeting. The BAC will then  
15 present this to the Commissioners' meeting on February 6th.

16 The industry is also helping assist the staff with the Bingo  
17 Service Portal draft survey by giving input and suggestions. Our next  
18 meeting is February 5th. This concludes my report.

19 CHAIRMAN RIVERA: Okay, thank you. Commissioners, any  
20 discussion?

21 COMMISSIONER FIELDS: I attended the BAC meeting, and the BAC  
22 members are engaged and are working hard and working on everything that  
23 we've asked for. Thank you for your leadership and we appreciate the BAC  
24 members for representing the [inaudible 00:10:20].

25 MR. SMITH: We have a wonderful group. We're very pleased with  
26 all the selections y'all have made, so thank you very much.

1 CHAIRMAN RIVERA: Okay, awesome. Thank you very much.

2 MR. SMITH: Yes, sir.

3 AGENDA ITEM III.

4 CHAIRMAN RIVERA: Okay, next item is lottery security study.  
5 Angela, your item.

6 MS. ZGABAY-ZGARBA: Good morning, Chairman, Commissioners. For  
7 the record, my name is Angela Zgabay-Zgarba, the Director of  
8 Administration. Item three in your notebook is a presentation of the  
9 2024 biennial security study of the Texas Lottery Commission. Government  
10 Code 466.020 requires the executive director, at least once every two  
11 years, to employ an independent firm to conduct a comprehensive study  
12 of all aspects of lottery security. It stipulates 12 specific areas that  
13 must be reviewed and one classified as "other." The Act requires copies  
14 of the study to be provided to the Commission, the Governor, and the  
15 Legislature. A copy of the public report will be placed on the agency's  
16 website and the appropriate offices notified of its availability. The  
17 2024 study was conducted by Berry Dunn, and with me today is Austin  
18 Elmore, the project manager who will present his report.

19 MR. ELMORE: Good morning, Chairman and Commissioners. Thank  
20 you, Angela. I'm Austin Elmore. I'm a Senior IT Auditor on Berry Dunn's  
21 technology assurance team and, as Angela said, project manager for this  
22 year's security study. I would like to first briefly introduce the firm  
23 and discuss the process for which we conducted the security study, and  
24 then, my colleague, Minty Patel, will present some of the results from  
25 the study.

1 Berry Dunn is a national accounting and consulting firm  
2 headquartered in Portland, Maine. Our team specializes in lottery  
3 services and have been working in the lottery industry since 1985. On a  
4 given year, we're providing approximately 50 audits to state lottery  
5 agencies and their vendors, focused on security and internal controls.

6 We work with lotteries all over the United States, Caribbean,  
7 Canada, and Europe. We have a dedicated team of 11 people who work full-  
8 time on the lottery. This is our fifth time working with the Texas  
9 Lottery on the security study. This security study consists of three  
10 phases: phase one, a planning phase; phase two, a risk phase; and phase  
11 three is an assessment phase.

12 The majority of work was completed remotely, with a portion  
13 of our phase three, control assessment, completed on-site at the Texas  
14 Lottery's headquarters. As I mentioned, this is our fifth year doing the  
15 security study for the Texas Lottery, and we want to comment on the  
16 continued success of the investment they have made into information  
17 security and the noted strengthening of controls over the past years.

18 This was the first security study where the Lottery was fully  
19 integrated into the new George H.W. Bush facility. We were able to learn,  
20 observe, and test the controls and processes at the new facilities, such  
21 as the new draw studio and claim center, in full operation.

22 Many of the upgrades have allowed the Lottery to strengthen  
23 and mature an already strong internal control environment. We spent phase  
24 one, the planning phase, understanding the new changes that were made  
25 and how these changes impacted risk and internal controls. In phase two,  
26 we interviewed approximately 25 managers and high-level personnel

1 throughout nearly every department of the Lottery, and identified 181  
2 risks, which were based on best practices and current procedures. From  
3 those 181 risks and through our meetings we identified approximately 200  
4 internal controls that were in place throughout the agency to mitigate  
5 those risks.

6 We provided the Texas Lottery with a detailed report that  
7 broke down all of the risk and what those results were. This also included  
8 an assessment of key vendors, including IGT.

9 In the third phase, we came in and tested those 200 controls  
10 for operating effectiveness throughout the two-year period since the  
11 last security study was performed in 2022. We tested this through  
12 inspection of documents, sampling, interviews, and observation of system  
13 configurations and lottery operations. While we were doing this, we were  
14 also looking for opportunities for improvement based on our industry  
15 experience and best practice as suggested by several government  
16 frameworks and compliance standards. I will now hand it to Minty to  
17 discuss the results of the study.

18 MS. PATEL: Thank you, Austin. Good morning, Chairman and  
19 Commissioners. My name is Minty Patel. I'm a Senior IT and Security  
20 Auditor on Berry Dunn's technology assurance team and acted as a  
21 technical lead for this year's security study.

22 This year's security study reflected an agency settling into  
23 a post-Covid work environment and a lot of changes from the relocation  
24 of the headquarters, including a transition to a hybrid workforce and  
25 moving critical backend and database systems to the cloud to help

1 streamline data management, enhance security, and bring best-in-class  
2 systems to the Lottery.

3           As a result of our phase three testing, we noted four  
4 findings. The findings have no impact on the integrity of the lottery  
5 games or pose a risk or fraud or a security incident. The findings noted  
6 were as a result of migrating to the cloud database platform and were  
7 low risk administrative processes that were not completed due to staffing  
8 constraints.

9           We also provided Lottery with eight best practice  
10 recommendations; six were moderate risk and two were low risk. We noted  
11 no high-risk items. None of our noted risk or findings would impact the  
12 security or integrity of any of the games, systems, or products within  
13 the Texas Lottery. Other recommendations and best practices focused on  
14 process improvements to enhance efficiency within the new systems that  
15 were put in place, while other recommendations focused on simply  
16 documentation enhancements.

17           We really want to thank Angela Zgabay-Zgarba, Eric Williams  
18 and Joan Kotal for helping us through the security study. A special thank  
19 you also goes to Jason Cannaday who coordinated on-site work and came  
20 in to work with us. We would also like to acknowledge Dawn Espinosa and  
21 her team at IGT for the help on the vendor side.

22           Everyone at the Lottery is committed to this biennial security  
23 study, and were helpful, friendly, and very responsive to our requests.  
24 Thank you to all of them for their hard work and thank you to the Lottery  
25 for working with our firm this year. And this is all we have to present  
26 to you. Thank you very much.

1           CHAIRMAN RIVERA: Okay, thank you. Commissioners, any  
2 discussion? Angela, can you kind of bring us from last time that you  
3 presented to today in terms of the items in the transition of moving to  
4 the new building that were of a concern that you mentioned previously  
5 and kind of where we are today, then?

6           MS. ZGABAY-ZGARBA: Yeah, the last time this study was  
7 conducted we were in the middle of the move and so now that we are in  
8 the building and things have settled in -- their team was here,  
9 basically, from the spring through the summer. And so, I think that,  
10 although they identified a few items as they mentioned and that are in  
11 the report in front of you -- we take everything seriously that they  
12 mentioned, and we look at them and we try to make improvements where we  
13 can.

14           And then, sometimes things are identified that the State may  
15 do things a little different way and we work with them, too. So, you  
16 know, we work closely with DIR, for example, on IT. And of course, Jason  
17 could speak more to that than me, but I would say that we have now  
18 settled in fully into this building and the changes that are being made.  
19 So.

20           CHAIRMAN RIVERA: Do you see anything glaring that we need to  
21 ask for help on? Anything that needs to be improved immediately? Anything  
22 that you feel is a red flag that needs to be addressed today?

23           MS. ZGABAY-ZGARBA: I don't see anything that's a red flag  
24 that needs to be addressed today that is high priority, no. There are  
25 certainly things we're still working -- you know, TFC controls the badges  
26 and, as I said, DIR controls some of the security stuff, so there's



1 certainly still some things we're working on, but no, there's nothing  
2 that I see today that's high priority.

3 CHAIRMAN RIVERA: Okay. Commissioners, any other discussion?  
4 Okay. We appreciate your work and diligence, and this is obviously  
5 incredibly important to us and so I appreciate y'all traveling in from  
6 Portland to be here. So, thank you.

7 MS. PATEL: Thank you.

8 CHAIRMAN RIVERA: Okay.

9 MS. ZGABAY-ZGARBA: Thankfully they were not in the lake of  
10 snow effect.

11 MR. ELMORE: That is right.

12 CHAIRMAN RIVERA: Okay, Angela, thank you.

13 MS. ZGABAY-ZGARBA: Thank you.

14 AGENDA ITEM IV.

15 CHAIRMAN RIVERA: Alrighty. Next item, demographic report on  
16 lottery players. Robert, your item.

17 MR. TIRLONI: Good morning, Mr. Chairman, Commissioners. For  
18 the record, I'm Robert Tirloni, Director of Lottery Operations.  
19 Commissioners, Section 466.021 of the State Lottery Act requires the  
20 executive director to employ an independent firm to conduct a demographic  
21 study of Texas Lottery players every two years. The results of the study  
22 must be presented to you all, the Commission, to the Governor, and to  
23 the Legislature before the convening of each regular legislative session.

24 Item four today is the 2024 demographic study. I'm very happy  
25 to have Dr. Pablo Pinto, distinguished professor from the Hobby School  
26 of Public Affairs at the University of Houston with us today. Dr. Pinto

1 is also the director of the Center for Public Policy at U of H. Dr.  
2 Pinto will present to you the high-level results of this most recent  
3 demographic study and, with that, I will turn it over to you, Dr. Pinto.

4 DR. PINTO: Thank you, Robert. Good morning, Chairman and  
5 Commissioners, my pleasure of being here to present the results from our  
6 study. We prepared a short slide presentation with the results, as I  
7 think this is easiest way to go through this. It's a very thick report  
8 and it goes into the overall level of play but also individual, like  
9 games, and what's the incidence by different demographic groups. So next  
10 slide we can go through.

11 So, the first step is to talk about the survey details. Next  
12 slide we can go through. So, we have a representative sample of close  
13 to 1,700 respondents, representative of the adult population in Texas  
14 (18+). We conducted a web-based sampling of respondents. It's a  
15 representative sample, it matches closely the population of Texas on  
16 demographics that are relevant demographics that we care about. And given  
17 the number of respondents, the margin of error is 2.4 +/- percentage  
18 points at a 95 confidence level.

19 So, we're going to be representing the results on the slide  
20 for our general findings. Next slide, and one more. And so, the overview  
21 is looking at the participation rates. What we see these -- in comparison  
22 to 2022, we see a decrease to the participation rates of 54.8; close to  
23 55% of Texans reported having played any other games that the Lottery  
24 has and that's a drop from 61.6% in 2022. The difference is 6.8 percentage  
25 points, which is statistically different.

1           So, it was a drop, we'll show later on a slide the overall  
2 trend.

3           We do find differences between players and non-players. And  
4 the slight differences are small but significant in statistical terms,  
5 in terms of income, employment status, home ownership, age, marital  
6 status, children in the household, race and ethnicity and, particularly,  
7 Hispanic origin.

8           The median dollar spent the trend, I mean, remains fairly  
9 constant. We're back to levels close to those in 2020, roughly the median  
10 dollar spent in lottery by any of the respondents is \$35 in 2024.

11           Next slide. So, our next analysis is the main sales districts.  
12 When we consider participation rate, the largest is McAllen, followed  
13 by San Antonio and Lubbock, and those are the highest. And in terms of  
14 expenditure, both in average expenditure per month and also in median  
15 expenditure per month, we see that Houston West sales district is the  
16 highest, at close to \$80 per month in terms of average expenditure, and  
17 \$47.50 per month in terms of median expenditure per month.

18           Now we can move into the individual results for different  
19 games. So, the top game on the slide remains Lotto Texas. The top five  
20 includes Lotto Texas at the top. Among those who play, 78.5% are playing  
21 Lotto. The next one is Texas Lottery scratch games, with a participation  
22 rate of 67%; Pick 3, 65.8%; Mega Millions, 61.4%; and Powerball, 51.9%.

23           The highest expenditure is in All or Nothing with a roughly  
24 expenditure of \$32.63 per play. The highest number of times played are  
25 Daily -- Daily 4 is 3.89 times per week and Fireball feature with Daily

1 4 is 3.3 times per week. Those are the greatest. Now in terms of game  
2 results. Next slide please.

3           The average number of times played weekly or monthly tended  
4 to be stable or up for Powerball, stable or down for a large number of  
5 games from Lotto Texas all the way through All or Nothing. And then we  
6 had mixed results for Mega Millions, Extra! feature with Lotto Texas,  
7 Daily 4, Fireball feature with Daily 4. The average amount of dollars  
8 spent per play is roughly similar to that in 2022. Next slide please.

9           So, in terms of the evolution of play, we saw a big drop in  
10 the early 2000s and we're back to rates of play similar to those in the  
11 1990s. The trend has been from 2014 onwards and we will be now on the  
12 trend that we observed from 2014 with a spike in 2022 we see a drop, but  
13 we continue seeing that increase.

14           The next slide gives you just a summary for each of the games  
15 in terms of participation rate for 2024, the rate of change in comparison  
16 to 2022, the frequency of purchase and the average number of times played  
17 per week and month and the average spend. The highlighted cells on the  
18 slide show those who are the highest for each column or the lowest for  
19 each column.

20           So, Texas Lotto was 78% participation rate, but it had a drop  
21 like of minus 3.3 in comparison to 2022, as an example. So that's pretty  
22 much what I had to report. There's more information in the full report  
23 for each game.

24           In the next slide it shows the participants in this, which is  
25 our team at the Hobby School of Public Affairs, University of Houston,  
26 Gail Buttorff, who is the Associate Director of the Center for Public

1 Policy, Jim Granato, who's the Dean of the Hobby School, myself, and  
2 Savannah Sipole, who's a Research Associate in the school and it's been  
3 a pleasure working with Robert and the team on this, as always. Thank  
4 you.

5 CHAIRMAN RIVERA: Okay, Pablo, thank you. Commissioners, any  
6 discussion? So, yes, please.

7 COMMISSIONER SMITH: I had just a question. The West Houston  
8 statistics that you showed were pretty eye-opening, the difference  
9 between the median sales versus the average sales.

10 DR. PINTO: Yeah.

11 COMMISSIONER SMITH: Were there just some absolute, I'd say  
12 whales who were purchasing massive amounts in West Houston?

13 DR. PINTO: If I have to, it's like look at the overall  
14 picture, it's not exclusive of that district, it's throughout. You tend  
15 to see that average is much higher than median. So, there's like a third  
16 of the players that play a lot and spend a lot and the rest play but  
17 just a little bit, might just show up when a big prize is at play and  
18 so on, but you see people consistently playing the play, it's much more.  
19 That brings the average up. I mean it's the typical when you have these  
20 distribution with a longer tail and as you mentioned, it's not  
21 necessarily whales, it's people that spend above the average.

22 CHAIRMAN RIVERA: Pablo, on here on page 12 and 13 is the  
23 overall summary. Am I reading this correctly, just I'll take a couple  
24 of points that the majority of the players are married? Is that a true  
25 statement?

1 DR. PINTO: Yes, married and with children in the household  
2 and, it shows, I mean, if you look at other demographics, it shows,  
3 again, if you look at age, that's the age group that has children and  
4 those are the ones who tend to play more.

5 CHAIRMAN RIVERA: So. Okay. Children under 18 living in the  
6 household --

7 DR. PINTO: Yeah.

8 CHAIRMAN RIVERA: 65%.

9 DR. PINTO: Yeah.

10 CHAIRMAN RIVERA: Okay. And then turn the page on the  
11 education.

12 DR. PINTO: Yeah.

13 CHAIRMAN RIVERA: So again, just round numbers, is this correct  
14 that 65% of the players have some level of college?

15 DR. PINTO: Yes.

16 CHAIRMAN RIVERA: Or a degree? Is that correct?

17 DR. PINTO: Yeah, that's correct.

18 CHAIRMAN RIVERA: And 40% of the players have at least a  
19 college degree and or graduate degree on top?

20 DR. PINTO: That's correct.

21 CHAIRMAN RIVERA: Okay. Okay. Commissioners, any other  
22 questions, thoughts?

23 COMMISSIONER FIELDS: Very interesting. Thank you.

24 DR. PINTO: My pleasure. Thank you.

25 CHAIRMAN RIVERA: Okay, we appreciate it. Go ahead.

1 COMMISSIONER SMITH: One other question, I don't know if y'all  
2 picked this up. Is there any particular day of the week that is played  
3 the most?

4 DR. PINTO: We haven't looked at that -- but if you're  
5 interested we can get you that information.

6 COMMISSIONER SMITH: I was just curious.

7 CHAIRMAN RIVERA: Okay, Robert and Pablo, thank you very much  
8 for your report.

9 DR. PINTO: My pleasure.

10 CHAIRMAN RIVERA: We know that this took a lot of effort on  
11 your part, so the entire study was done in November of this year, is  
12 that correct?

13 DR. PINTO: That's correct. So, we collected in October the  
14 data and we released the report in November.

15 CHAIRMAN RIVERA: Okay, great. Thank you very much.

16 DR. PINTO: Thank you.

17 AGENDA ITEM V.

18 CHAIRMAN RIVERA: Okay, next item, Commission Policy on  
19 Division of Responsibilities, which are several. Bob, your item.

20 MR. BIARD: Bob Biard, General Counsel, and I'm requesting  
21 your approval regarding one of the Sunset Advisory Commission's  
22 management directives to update the Commission's policy on the separation  
23 of duties between the Commission and staff. That policy is P-002 and  
24 titled "Division of Responsibilities." As stated by the Sunset Board,  
25 "TLC would need to update its existing policy to specify the Commission's  
26 role in key planning efforts. Involving Commission members earlier in

1 these planning processes specifically, instead of just approving things  
2 once finalized, would allow them more opportunities to provide input and  
3 fulfill the responsibility for establishing agency policies and  
4 providing direction."

5         The proposed provisions describe the Board's policy and  
6 planning responsibilities, and the subcommittee structure and scope of  
7 each subcommittee's responsibilities, emphasizing a subcommittee's  
8 advisory role and the need to bring recommendations to the full board  
9 for discussion and approval.

10         The revisions emphasize that all significant policies  
11 affecting the Commission or the lottery or charitable bingo industries  
12 are driven by the Commission board and that the direct reports shall  
13 implement the Commission's policies within parameters set by the board.

14         So, if the Executive Director or Bingo Director become aware  
15 of any matter that requires a significant policy decision affecting the  
16 Commission or the lottery or bingo industries, whether the matter  
17 involves a rule or potential rule, agency operations, or the structure  
18 of the lottery or charitable bingo business, the director must bring the  
19 matter to the Commissioners at the next regularly scheduled Commission  
20 meeting, unless the meeting is scheduled for that purpose, and seek  
21 direction from the Commission.

22         Since our last meeting we ran our draft changes by staff at  
23 the Texas Department of Licensing and Regulation and got their feedback,  
24 and this board's Legal Subcommittee has also reviewed the revisions to  
25 this policy, and their suggestions have all been incorporated, and I  
26 recommend approval of the revised policy. Happy to answer any questions.



1 CHAIRMAN RIVERA: Okay, Bob, thank you. Commissioners, any  
2 discussion, particularly any from our Legal Subcommittee? Clark?

3 COMMISSIONER SMITH: Great work. This is an enormously  
4 important policy to have in place. I know, as a former regulator at a  
5 different regulatory agency, how it's easy to overlook and not update a  
6 document like this, so this was a very iterative process. Appreciate the  
7 hard work that you guys have put into it, and I think it's a very good  
8 document.

9 CHAIRMAN RIVERA: Okay, Clark, thank you for serving on Legal  
10 Subcommittee. Good job. Commissioners, any other discussion? Okay, do  
11 we have a motion?

12 COMMISSIONER SMITH: I move to approve Commission policy  
13 P-002, Division of Responsibilities.

14 COMMISSIONER STEEN: I second.

15 CHAIRMAN RIVERA: Awesome. Okay, all in favor say "aye."

16 (Chorus of "Ayes")

17 CHAIRMAN RIVERA: Okay. Good job, everyone. Bob, thank you.  
18 Clark, thank you.

19 AGENDA ITEM VI.

20 CHAIRMAN RIVERA: Okay, next item is a report on lottery  
21 operations procurement. Angela, your item.

22 MS. ZGABAY-ZGARBA: Good morning again. For the record, my  
23 name is Angela Zgabay-Zgarba, the Director of Administration. Item six  
24 in your notebooks is a briefing item. This is an interim status update  
25 to let you know that the Lottery Operations and Services RFP is  
26 continuing to progress as planned and we are continuing the review of

1 proposals. As stated in Section 2.22 of the RFP, site visits will occur  
2 during the timeframe listed in the Schedule of Events and will be limited  
3 to locations in the contiguous United States. If there's any additional  
4 changes to the timeline, an amendment will be posted on the Electronic  
5 State Business Daily and the Texas Lottery's websites. And if you have  
6 any questions or comments, I'd be happy to entertain those.

7 CHAIRMAN RIVERA: Okay, Commissioners, any discussion? No?  
8 Okay. Angela, good job. Thank you very much, as always.

9 AGENDA ITEM VII.

10 CHAIRMAN RIVERA: Alrighty, next report on lottery sales and  
11 revenue. Sergio and Will, your item.

12 MR. REY: Good morning, Commissioners. For the record, Sergio  
13 Rey, Chief Financial Officer. Will Russ, Products Manager, and I will  
14 be providing a recap of our sales and revenues through the week ending  
15 November 23, 2024. It is now week 12 of fiscal year 2025. Our total  
16 sales are \$1.85-billion; this is slightly less than this time last year  
17 in fiscal year 2024. Our draw sales are just under \$350-million and  
18 roughly \$106-million less than last year. This is largely due to the big  
19 Powerball jackpot at the start of last year.

20 Our scratch ticket sales though are faring much better with  
21 a 0.5% increase over last year. Our total sales through week 12 are  
22 \$1.497-million, which is about \$7.2-million more than last year. For the  
23 specifics from our draw and scratch games, I will hand it over to Will  
24 Russ for those details.

25 MR. RUSS: Thank you, Sergio. Good morning, Mr. Chairman. Good  
26 morning, Commissioners. For the record, I am Will Russ, the Products

1 Manager, and I will be giving a more detailed view of the sales that  
2 Sergio just reported on.

3           If we look at this slide at the bottom right corner, you can  
4 see the year-over-year decline of about 99-million or 5.09%. As Sergio  
5 mentioned, the main contributor to this decline is the national draw  
6 game Powerball. Last year during this corresponding period at the  
7 beginning of fiscal '24, Powerball had an extraordinary run when the  
8 jackpot hit 1.72-billion on October 11, 2023. Immediately following that,  
9 it went on another solid run when it hit 810-million on January 1, 2024.  
10 We, unfortunately, have not had a jackpot run over 500-million this  
11 fiscal and are therefore seeing this decline.

12           The other national draw game Mega Millions has fared better  
13 thus far this fiscal with sales up about 11-million, which includes the  
14 add-on features. We started the year with an \$800-million jackpot that  
15 was hit on September 10th, which is only a few days into the year, but  
16 did provide a great starting point. Furthermore, the jackpot has not  
17 been hit since and is now at a very solid 579-million. I'll keep you  
18 informed on this roll and its sales at our next meeting.

19           Sales for our in-state draw game Lotto Texas are also slightly  
20 up. This game has been on a roll since late June and undoubtedly this  
21 is contributing to the positive sales year-over-year.

22           Our in-state jackpot game Texas Two-Step is slightly down by  
23 almost 2-million. This game, however, is also having a decent run right  
24 now with a jackpot of 925,000, which should help decrease this deficit.

25           In the middle of the slide in blue are the daily games and  
26 there's neutral news to report here. Pick-3 is slightly down, but this

1 month we resumed our monthly co-op promotions that support this game.  
2 These promotions were briefly on hold for October and November while we  
3 went through our system conversion, but returned on Sunday, December  
4 1st, to the delight of our retailers and players.

5           Daily 4, Cash 5 and All or Nothing are all relatively flat.  
6 In conclusion for the draw games portion of the portfolio, sales are  
7 currently down about 106-million or 23.31%. You can see that number  
8 outlined in blue towards the bottom of the slide.

9           We knew that last year's jackpot on Powerball would create  
10 tough comps for us at the beginning of this year, but it's still very  
11 early and we'll be monitoring the jackpots on Mega Millions, Lotto Texas  
12 and Texas Two-Step to, hopefully, close the gap over the next few months.

13           As Sergio mentioned, scratch sales are up about 7.2-million  
14 or about a half percent.

15           During my fiscal year '24 year-end sales presentation in  
16 October, I spoke about the success we saw with our \$20 crossword game.  
17 To recap, it was the seventh best-selling game last year. In response  
18 to this player demand for an extended play game at a higher price point,  
19 we launched the \$50 Colossal Cashword on November 18th. This is another  
20 crossword style game and I've included it with your notebooks. Sales for  
21 the first few weeks have been promising, and over the next few months  
22 we'll analyze the sales data to determine if this game should become a  
23 core game that's always kept in market. I'll report more on that at our  
24 next meeting. And with that I'll wrap up. Sergio and I are available for  
25 any questions.

1           CHAIRMAN RIVERA: Okay, good job, Sergio and Will.  
2 Commissioners, any questions? All righty. We appreciate your detailed  
3 report.

4           MR. RUSS: Thank you so much.

5           CHAIRMAN RIVERA: Good job to you both.

6           MR. RUSS: Thank you.

7                           AGENDA ITEM VIII.

8           CHAIRMAN RIVERA: Okay, Sergio, next item is report on  
9 transfers to the State.

10          MR. REY: Again --

11          CHAIRMAN RIVERA: Still here.

12          MR. REY: Yeah, I'm here for a little bit. Again, Sergio Rey,  
13 Chief Financial Officer. We just highlighted our sales through week 12  
14 for the fiscal year. So, now for this agenda item I'll provide a high-  
15 level summary of the accrued revenues and transfers to our beneficiaries  
16 through October 31st, 2024.

17               Our accrued revenues transfers to the State were just over  
18 \$260-million for the first two months of the year. The Foundation School  
19 Fund has received \$256.1-million and the Texas Veterans Commission  
20 received almost \$4.7-million. In total to date, the Texas Lottery has  
21 transferred 34-billion to the State for education and \$253-million for  
22 Texas veterans.

23               The second part of this item is our discussion on our  
24 operating budget, but, for my update today, I would like to make note  
25 that in our next meeting we will provide a presentation of the agency's  
26 audited financial report. Currently, we're in the final stages of the

1 annual financial report and our external auditors, Weaver and Tidwell,  
2 are completing the final independent review of our financials. This year,  
3 our financial report, including Weaver's independent audit of our  
4 financials, is due to our oversight agencies on December 15, 2024. These  
5 agencies include the Comptroller's Office, the Legislative Budget Board,  
6 State Auditor's Office, as well as the Governor's Office.

7 In addition, the agency will also submit the annual report of  
8 non-financial data to the same oversight agencies. This is a report of  
9 specific schedules required by Government Code 2101, which is due on  
10 December 30th. Commissioners, this concludes my presentation on this  
11 item. I'd be happy to answer any questions.

12 CHAIRMAN RIVERA: Okay. Commissioners, any questions,  
13 discussion?

14 AGENDA ITEM IX.

15 CHAIRMAN RIVERA: Okay, Sergio, you have completed 67% of what  
16 you're here to do, so, last item, agency Sunset review.

17 MR. REY: Third time's a charm. The following is an update of  
18 the agency's Sunset review. For the last couple of months, we've provided  
19 you with updates on the Sunset Advisory Commission's Staff Report, the  
20 Commission's decisions, and the additional recommendations and motions  
21 from the Commission itself. Since our last meeting, the Sunset staff  
22 continued to meet with additional members of the agency's executive  
23 leadership, as well as with Chairman Rivera. Additionally, Sunset staff  
24 met with members of the agency's courier work group to discuss the  
25 potential regulatory structure for courier services. These are the last  
26 of the meetings and document requests for the Sunset staff.

1           Now, this coming December 20th, the report and results of the  
2 Sunset Commission's request for the evaluation of the effectiveness of  
3 agency leadership, and the study of the potential regulations on lottery  
4 ticket courier companies will be submitted to the Sunset Commission and  
5 made public on their website. This is in preparation for the discussions  
6 at the January 15, 2025, Sunset Advisory Commission meeting.

7           The results and information will also be provided to the  
8 Senate Committee on State Affairs and the House Committee on Licensing  
9 and Administrative Procedures. At the January meeting, the Sunset  
10 Advisory Commission will consider the report and finalize any additional  
11 potential management recommendations and/or additional statutory  
12 recommendations to be incorporated in the agency's Sunset bill. Now this  
13 concludes my presentation here; however, Executive Director Ryan Mindell  
14 will provide additional information on the courier work group.

15           MR. MINDELL: Thank you, Sergio. And again, for the record, my  
16 name is Ryan Mindell, Executive Director. I did have a couple of items  
17 to add. First, as Sergio mentioned, the courier working group that I  
18 formed earlier this year has completed its review of the proposals that  
19 we had previously provided to the Legislature regarding either regulating  
20 or banning couriers. I provided the updated proposals to the Sunset  
21 Commission, the House Licensing and Administrative Procedures Committee,  
22 and the Senate State Affairs Committee. That work group, led so well by  
23 our Enforcement Director John Graham and staffed by a number of people  
24 across the agency, worked very hard to understand other states' approach  
25 to the courier issue, while crafting proposals that we think are a good

1 fit for Texas. We will continue to be good partners and resources to the  
2 Legislature as they examine this issue.

3 I also want to provide a quick update on our efforts related  
4 to the Commission's zero tolerance policy on selling lottery tickets to  
5 Texans under 18 years of age. At our September meeting, I shared that I  
6 instructed our lottery system vendor IGT to implement age verification  
7 functionality on our self-service vending machines. The technical  
8 approach for that has been finalized. It'll be tested this month and  
9 then implemented starting December 30th on all of our self-service  
10 vending machines at retailers across the state.

11 Also, as you know, in September, the Sunset Commission added  
12 an additional directive for the TLC to enter into an MOU with the Texas  
13 Alcoholic Beverage Commission to establish a process for sharing  
14 information between the agencies, promoting compliance of prohibitions  
15 of selling to minors, including sharing information on violations by our  
16 respective licensees. I wanted to update you that we've met with TABC  
17 and we are working to finalize that MOU. That's all I had to add. Thank  
18 you very much.

19 CHAIRMAN RIVERA: Okay, Ryan, Sergio, good job. Commissioners,  
20 any questions, discussion? Okay, Sergio, thank you very much.

21 AGENDA ITEM X.

22 CHAIRMAN RIVERA: All righty. Next is an item from Bob. Legal  
23 item that Bob wanted to discuss.

24 MR. BIARD: Thank you, Commissioners. Bob Biard, General  
25 Counsel. And item ten is -- I'm following up on your request at the  
26 October meeting to look into a 1990s court case referred to as Pic-a-



1 State. The name of the case is actually "Wenner", -- that's W-E-N-N-E-R  
2 versus Texas Lottery Commission. In this case the Commission refused to  
3 pay a \$10-million Lotto Texas prize to an out-of-state player named Scott  
4 Wenner. The case was in federal court because a federal statute was at  
5 issue. The Commission lost the case, and the Fifth Circuit Court of  
6 Appeals found that the winning ticket was enforceable -- and the  
7 Commission ultimately paid the player over \$3-million to settle. There  
8 is a 1997 opinion that's published at Volume 123 of the Federal 3d  
9 Reporter at page 321. That legal citation is 123 F.3d 321. In 1998 the  
10 U.S. Supreme Court declined to review this decision.

11           Just a few points about this case. First, Pic-a-State was not  
12 a party to the case. This was not a case against Pic-a-State and they  
13 did not sue the Commission. Pic-a-State operated an interstate lottery  
14 sales business where customers in one state could legally purchase  
15 tickets from any other lottery in the United States. In essence it put  
16 all the state lotteries -- which are designed to be monopolies within  
17 their own borders -- in competition with each other.

18           Congress amended the federal law to prohibit this activity,  
19 and Pic-a-State went out of business. But the player with the ticket  
20 bought the winning ticket in Pennsylvania when there was an injunction  
21 that was keeping the federal law from being enforced. I haven't seen  
22 anything that indicates Pic-a-State had an intrastate business and that  
23 -- I mean a business purchasing lottery tickets for customers in the  
24 same state as the lottery.

25           The Commission's Lottery Director at the time denied the prize  
26 claim in a document that cited about a dozen reasons, based mostly on

1 state law and Commission rules, and also two federal statutes. And one  
2 reason given was that the ticket was purchased over the telephone.

3 The court decided the case based on the federal law. So it  
4 did not consider the state law reasons that were cited to deny the claim.

5 One more point -- the telephone statute the Director cited as  
6 one reason for denying the claim was, at that time, Texas Government  
7 Code Section 466.255(a)(2). It was in the 1993 Lottery Act. It prohibited  
8 a person from purchasing a ticket over the telephone. In 1995, while  
9 this case was pending, the Legislature amended and moved that statute  
10 to a different Section at 466.3052, and made it a Class C misdemeanor  
11 for a person to intentionally sell a ticket over the telephone. So, it  
12 went from a prohibition on purchasing a ticket to a criminal offense for  
13 selling a ticket over the phone.

14 Then in 1999, which was less than a year after this case was  
15 settled, the Legislature repealed the criminal offense for sales "over  
16 the telephone" and today there is no statute specifying that sales or  
17 purchases over the telephone are prohibited. However -- at that time and  
18 up to today -- the State Lottery Act directs this Commission to adopt  
19 rules enforcing -- and this is a quote -- "prohibitions on a person  
20 playing a lottery game by telephone." That today is at 466.015(b)(4).  
21 And the Commission rules do prohibit retailers from selling tickets over  
22 the telephone. Happy to answer any questions.

23 CHAIRMAN RIVERA: Okay, Commissioners, any questions? Bob, we  
24 appreciate the clarity, as always.

25 MR. BIARD: Thank you.

26 AGENDA ITEM XI.

1           CHAIRMAN RIVERA: Okay, next item number eleven, Nelda,  
2 legislative session discussion.

3           MS. TREVIÑO: Good morning, Commissioners. For the record, I'm  
4 Nelda Treviño. I'm the Director of Governmental Affairs. The 89th  
5 Legislature will convene its regular session next month on January the  
6 14th and pre-filing of legislation began on November 12th, and we have  
7 begun the process of tracking legislation of interest to the agency.

8           In addition to legislation that may be filed related to the  
9 administration of the lottery or the regulation of charitable bingo,  
10 other legislation the agency tracks and monitor covers a variety of  
11 subjects. These measures relate to subjects regarding other gaming  
12 activities, open meetings of governmental bodies, open records and the  
13 Public Information Act, state purchasing and contracting, and matters  
14 related to the state budget and state employees.

15           We have provided you with bill tracking reports today, and I  
16 want to highlight a few bills that have been filed. These include Senate  
17 Bill 79 by Senator Bob Hall and the House Companion Bill, House Bill 389  
18 by Representative Matt Shaheen. These bills relate to a lottery game  
19 played or facilitated for play by telephone or through an internet or  
20 mobile internet application. The bill amends the State Lottery Act and  
21 directs the Commission to adopt rules regarding the enforcement related  
22 to the prohibition of this activity.

23           House Bill 839 by Representative Cody Vasut. This bill relates  
24 to the statutory limitation on the percentage of lottery sales paid as  
25 prizes. The bill amends the State Lottery Act and establishes a limit

1 on the payment of prizes in a fiscal biennium to not exceed the amount  
2 equal to 40% of lottery ticket sales.

3 House Bill 1067 by Representative Salman Bhojani, relating to  
4 the compensation paid to lottery retailers -- this bill amends the State  
5 Lottery Act and increases retailer sales commissions from 5% to 7.5%.

6 House Bill 171 by Senator José Menéndez, relating to the  
7 creation of a scratch ticket lottery game to benefit the Child Care  
8 Services program administered by the Texas Workforce Commission.

9 And then the bills that Trace mentioned earlier -- House Bill  
10 487 by Representative Carl Tepper and the Senate Companion Senate Bill  
11 517 by Senator Mayes Middleton, relating to eight-liners. This bill  
12 amends the Bingo Enabling Act as it relates to other games of chance  
13 during a bingo occasion. And lastly, it is anticipated as Sergio  
14 mentioned that the agency Sunset bill incorporating the Sunset Advisory  
15 Commission's recommendations will be filed in the near future.

16 And it is also anticipated that the proposed General  
17 Appropriations Act, commonly known as the state budget, will also be  
18 filed in the near future. We will continue to keep you posted as the  
19 process during the legislative session continues, and I'll be happy to  
20 answer any questions.

21 CHAIRMAN RIVERA: Okay, Commissioners, any discussion? Nelda,  
22 we appreciate your hard work that you do every day.

23 MS. TREVIÑO: Thank you.

24 CHAIRMAN RIVERA: Thank you very much.

25 MS. TREVIÑO: Thank you.

26

## 1 AGENDA ITEM XII.

2 CHAIRMAN RIVERA: Next item, internal auditor's report. Liz  
3 Meyers.

4 MS. MEYERS: Good morning, Mr. Chairman, Commissioners. For  
5 the record, my name is Liz Meyers. I'm the Director of Risk Advisory at  
6 McConnell-Jones, your internal auditors. Unfortunately, Darlene Brown  
7 who was expected to be here today was unable to attend, so I'm going to  
8 do the report for her.

9 With regards to the internal activities for this past fiscal  
10 period, we are in the process of the charitable bingo licensing processes  
11 engagement, and we expect to be completed in early January. And we will  
12 begin in January the advertising program audit.

13 Next, I'd like to cover the Internal Audit charter for the  
14 Lottery Commission. The charter has been updated to reflect changes to  
15 the Institute of Internal Auditors Global Standards that take effect in  
16 January of 2025. The charter contents define Internal Audit's purpose,  
17 mission, reporting relationships, independence, and requirements to  
18 abide by the ethics and professionalism standards. It also defines the  
19 working relationship with the Lottery's Audit Sub-advisory Committee and  
20 mandates from the Texas Internal Audit Act and associated requirements.  
21 The charter outlines the following: the roles and responsibilities to  
22 the TLC Commission oversight, to TLC's Audit Sub-advisory Committee, and  
23 the Internal Audit's leader and team. Additionally, the charter outlines  
24 communications with the Audit Sub-advisory Committee members,  
25 Commissioners, and senior management; a quality assurance program; scope  
26 and types of internal audit services that can be performed.

1 I'm asking for a request to approve this Internal Audit  
2 charter and that is the end of my report. And if you have any questions,  
3 I'd be happy to answer them.

4 CHAIRMAN RIVERA: Okay, Liz, thank you. Commissioners, any  
5 questions or comments specifically from the Audit Subcommittee? And  
6 Jamey?

7 COMMISSIONER STEEN: Sure. Cindy and I reviewed the charter as  
8 a part of our subcommittee meeting and recommend it to the general board.  
9 I think, obviously, you guys have seen it as well, [inaudible] to review  
10 through the meetings and recommend it. Thank you.

11 CHAIRMAN RIVERA: Okay, Cindy, anything else?

12 COMMISSIONER FIELDS: Nothing else.

13 CHAIRMAN RIVERA: Okay. Is there a motion to approve?

14 COMMISSIONER FIELDS: So moved.

15 CHAIRMAN RIVERA: Second?

16 COMMISSIONER STEEN: Second.

17 CHAIRMAN RIVERA: Alrighty. We have a motion and a second. All  
18 in favor say "aye."

19 (Chorus of "Ayes")

20 CHAIRMAN RIVERA: Okay, Liz, thank you very much for filling  
21 in today.

22 MS. MEYERS: Thank you.

23 CHAIRMAN RIVERA: Thank you.

24

## 1 AGENDA ITEM XIII.

2 CHAIRMAN RIVERA: Next item, Bingo Director's report. LaDonna,  
3 your item.

4 MS. CASTAÑUELA: Good morning, Commissioners. For the record,  
5 I'm LaDonna Castañuela, Director of Charitable Bingo Operations  
6 Division. Information regarding outputs for CBOD for October and November  
7 can be found in your notebook materials. In addition to our day-to-day  
8 activities and workload, the division is continuing its work on the  
9 bingo-related management actions in the Sunset Advisory Commission's  
10 report and decisions, including management action 2.5, requiring staff  
11 to develop a plan to prioritize the Bingo Service Portal and BOSS  
12 updates, including establishing timelines and tasks to achieve  
13 improvements.

14 The plan is due to be submitted to the Commission for approval  
15 no later than March 15, 2025, so it will be presented at your next  
16 meeting in February. The Commission's IT Director Jason Cannaday and IT  
17 staff have been working with me and CBOD staff on the plan requirements.  
18 We have and will continue to consult with the Department of Information  
19 Resources as required by the management action.

20 Work with the BAC and industry will include an online survey  
21 and other outreach, specifically seeking user feedback and suggestions  
22 for improvements for the next version of the BSP. You may remember that  
23 at its meeting in October, the BAC created a Bingo Service Portal Input  
24 Subcommittee to help us gather feedback from BSP users. Again, the plan  
25 will be presented at the Commission's Planning Subcommittee in January  
26 before it is submitted to the full Commission for approval at the

1 February meeting. That's all I have for you today, and I'm available to  
2 answer any questions.

3 CHAIRMAN RIVERA: Okay. Any thoughts?

4 COMMISSIONER FIELDS: Good job, LaDonna. You've got a lot on  
5 your plate -- you and your staff -- but they're doing it.

6 CHAIRMAN RIVERA: Okay. Commissioners, any other discussion  
7 for LaDonna? Okay, LaDonna, thank you as always.

8 AGENDA ITEM XV.

9 CHAIRMAN RIVERA: Next item is our enforcement cases. Bob.

10 MR. BIARD: Yes, Commissioners. Again, I'm Bob Biard, General  
11 Counsel. Item fifteen contains seven lottery cases, tabs A through G.  
12 These are cases where a lottery licensee violated a statute or rule. In  
13 most cases the respondent failed to appear at the hearing, all the cases  
14 this time, and it proceeds by default, or the staff and the respondent  
15 reached a settlement in the form of an agreed order. We have both of  
16 those types of cases today.

17 Tabs A through D are the "Non-sufficient fund" Lottery  
18 retailer license revocations handled in a single order. Each case was  
19 presented at the State Office of Administrative Hearings for revocation  
20 of the retailer license because the licensee failed to have sufficient  
21 funds in their bank account to cover electronic fund transfers to the  
22 Commission's account. In each case, the licensee failed to appear at the  
23 hearing and the judge remanded the case to the Commission to handle as  
24 a default matter.

25 Tabs E through G are lottery agreed orders. Tabs E and F are  
26 both debit card cases where the retailer charged an additional fee for



1 a person to buy lottery tickets with a debit card. And tab G is the case  
2 where the owner of a retail location claimed a ticket for one of their  
3 employees. And that concludes my presentation. I'm happy to answer any  
4 questions, and you may take all these items up in a single vote if you'd  
5 like.

6 CHAIRMAN RIVERA: Okay. Commissioners, any discussion? Okay,  
7 is there an order to approve tabs A through G?

8 COMMISSIONER FRANZ: I'll move.

9 CHAIRMAN RIVERA: Motion.

10 COMMISSIONER STEEN: Second.

11 CHAIRMAN RIVERA: Second. All right. All in favor say "aye."

12 (Chorus of "Ayes")

13 CHAIRMAN RIVERA: Okay.

14 MR. BIARD: Thank you.

15 AGENDA ITEM XVI.

16 CHAIRMAN RIVERA: Next item, public comment.

17 MR. BIARD: I have no request for public comment.

18 AGENDA ITEM XIX.

19 CHAIRMAN RIVERA: Okay. Commissioners, I believe this  
20 concludes our business. On behalf of all of our Commissioners, we'd like  
21 to wish everyone and all of our very dedicated and important employees  
22 a Merry Christmas, a very safe holidays, and we look forward to seeing  
23 everyone next year. So, with that, is there a motion to adjourn?

24 COMMISSIONER STEEN: So moved.

25 CHAIRMAN RIVERA: Okay, second. All in favor say "aye."

26 (Chorus of "Ayes")

CHAIRMAN RIVERA: We are adjourned.

(Meeting concluded)