





# INTEROFFICE MEMO

*Gary Grief, Executive Director*

*LaDonna Castañuela, Charitable Bingo Operations Director*

**To:** Robert G. Rivera, Chairman  
Cindy Fields, Commissioner  
Mark A. Franz, Commissioner  
Clark E. Smith, Commissioner  
Jamey Steen, Commissioner

**From:** Bob Biard, General Counsel

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

**Date:** February 6, 2024

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

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



**Date: FEBRUARY 6, 2024**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE STATE OFFICE</b>
	<b>§</b>	
	<b>§</b>	<b>OF</b>
<b>THE REVOCATION OF CERTAIN</b>	<b>§</b>	
<b>LOTTERY RETAILER LICENSES</b>	<b>§</b>	<b>ADMINISTRATIVE HEARINGS</b>

**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 6, 2024**

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. 24-0018**

**Date: FEBRUARY 6, 2024**

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 6<sup>TH</sup> day of FEBRUARY 2024.

Entered this 6<sup>TH</sup> day of FEBRUARY 2024.

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ROBERT G. RIVERA, CHAIRMAN

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CINDY FIELDS, COMMISSIONER

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MARK A. FRANZ, COMMISSIONER

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CLARK E. SMITH, COMMISSIONER

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JAMES H. C. STEEN, COMMISSIONER

Date: FEBRUARY 6, 2024

**ATTACHMENT A**

<b>TAB NO.</b>	<b>SOAH DOCKET NO.</b>	<b>TICKET SALES AGENT NAME</b>	<b>TICKET SALES AGENT ADDRESS</b>	<b>LOTTERY LICENSE NO.</b>
A.	362-24-03550	Shirjen International LLC d/b/a Humble Express	213 1 <sup>st</sup> St. East Humble, TX 77338	146140
B.	362-24-03551	In the Vortex Inc. d/b/a Fast Fuel	1903 Vincennes Bridge St. Sugar Land, TX 77478	188208
C.	362-24-04050	Qaaf Inc. d/b/a The King Mart	3818 Wetmore Knoll San Antonio, TX 78247	177882
D.	362-24-04054	Diamond Food LLC d/b/a Diamond Food Mart #4	2347 Vance Jackson Rd. San Antonio, TX 78213	193461
E.	362-24-04507	DSD Petroleum Inc. d/b/a Shop N Go	1820 N. Pine St. Kountze, TX 77625	179806
F.	362-24-04512	Aastha Investment LLC d/b/a Quick Food Mart	2436 Sam Rayburn Hwy. Melissa, TX 75454	191406
G.	362-24-04843	Splendora 2090 Operating LLC d/b/a Pop In #1	6464 Savoy Dr., Ste. 670 Houston, TX 77036	181163





**SOAH Docket No. 362-24-03550****Suffix: TLC**

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# **BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS**

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
V.  
SHIRJEN INTERNATIONAL LLC D/B/A HUMBLE EXPRESS,  
RESPONDENT**

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## **DEFAULT DISMISSAL ORDER**

On November 30, 2023, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter. Attorney Kyle Wolfe appeared for the staff (Staff) of the Texas Lottery Commission. Shirjen International LLC d/b/a Humble Express (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1, 2, and 3 were admitted showing proof of adequate notice to Respondent.<sup>1</sup> Staff thereafter moved for a default dismissal. Staff's motion is

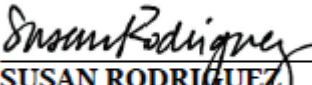
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<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

**GRANTED**, and the factual allegations detailed in the Notice of Hearing and the incorporated documents are deemed admitted.<sup>2</sup>

Respondent may file a motion to set aside this default within fifteen days of the date of this order.<sup>3</sup> Such motion must demonstrate 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 the motion should be denied, this case will be remanded to the Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**SIGNED DECEMBER 4, 2023**

  
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**SUSAN RODRIGUEZ**  
**ADMINISTRATIVE LAW JUDGE**  
**STATE OFFICE OF ADMINISTRATIVE HEARINGS**

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<sup>2</sup> 1 Tex. Admin. Code § 155.501(d)(1).

<sup>3</sup> 1 Tex. Admin. Code § 155.501(e).

<sup>4</sup> Tex. Gov't Code § 2001.056.



FILED  
362-24-03551  
12/1/2023 4:50 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

ACCEPTED  
362-24-03551  
12/1/2023 4:52:06 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

**SOAH Docket No. 362-24-03551**

**Suffix: TLC**

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# **BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS**

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
v.  
IN THE VORTEX INC D/B/A FAST FUEL,  
RESPONDENT**

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## **ORDER GRANTING MOTION FOR DEFAULT**

On November 30, 2023, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter. Attorney Kyle Wolfe appeared for the staff (Staff) of the Texas Lottery Commission. In the Vortex Inc. d/b/a Fast Fuel (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1, 2, and 3 were admitted showing proof of adequate notice to Respondent.<sup>1</sup> Staff thereafter moved for a default dismissal. Staff's motion is **GRANTED**, and the

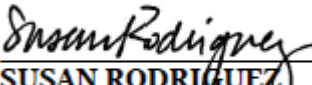
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<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

factual allegations detailed in the Notice of Hearing and the incorporated documents are deemed admitted.<sup>2</sup>

Respondent may file a motion to set aside this default within fifteen days of the date of this order.<sup>3</sup> Such motion must demonstrate 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 the motion should be denied, this case will be remanded to the Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**SIGNED DECEMBER 1, 2023**

  
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**SUSAN RODRIGUEZ**  
**ADMINISTRATIVE LAW JUDGE**  
**STATE OFFICE OF ADMINISTRATIVE HEARINGS**

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<sup>2</sup> 1 Tex. Admin. Code § 155.501(d)(1).

<sup>3</sup> 1 Tex. Admin. Code § 155.501(e).

<sup>4</sup> Tex. Gov't Code § 2001.056.



FILED  
362-24-04050  
12/8/2023 8:40 AM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

ACCEPTED  
362-24-04050  
12/8/2023 8:41:54 am  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

**SOAH Docket No. 362-24-04050**

**Suffix: TLC**

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# **BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS**

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
v.  
QAAF INC DBA THE KING MART,  
RESPONDENT**

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## **DEFAULT DISMISSAL ORDER**

On December 7, 2023, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Tyler Vance appeared on behalf of the staff (Staff) of the Texas Lottery Commission. Qaaf Inc d/b/a The King Mart (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1, 2, and 3 were admitted. Collectively, these exhibits showed proof of adequate notice to Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion was

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<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

**GRANTED**, and the factual allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.<sup>2</sup>

**Respondent may file a motion to set aside the default within 15 days of the date of this order.**<sup>3</sup> 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, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Board for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**Signed DECEMBER 8, 2023.**

ALJ Signature:

A handwritten signature in cursive script that reads "Rebecca S. Smith". The signature is written in dark ink and is positioned above a horizontal line.

Rebecca Smith

Presiding Administrative Law Judge

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<sup>2</sup> 1 Tex. Admin. Code § 155.501(d)(1).

<sup>3</sup> 1 Tex. Admin. Code § 155.501(e).

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).





FILED  
362-24-04054  
12/8/2023 8:25 AM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

ACCEPTED  
362-24-04054  
12/8/2023 8:27:31 am  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

**SOAH Docket No. 362-24-04054**

**Suffix: TLC**

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# **BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS**

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
v.  
DIAMOND FOOD LLC DBA DIAMOND FOOD MART #4,  
RESPONDENT**

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## **DEFAULT DISMISSAL ORDER**

On December 7, 2023, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Tyler Vance appeared on behalf of the staff (Staff) of the Texas Lottery Commission. Diamond Food LLC d/b/a Diamond Food Mart #4 (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1, 2, and 3 were admitted. Collectively, these exhibits showed proof of adequate notice to Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion

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<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

was **GRANTED**, and the factual allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.<sup>2</sup>

**Respondent may file a motion to set aside the default within 15 days of the date of this order.**<sup>3</sup> 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, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Board for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**Signed DECEMBER 8, 2023.**

ALJ Signature:



Rebecca Smith

Presiding Administrative Law Judge

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<sup>2</sup> 1 Tex. Admin. Code § 155.501(d)(1).

<sup>3</sup> 1 Tex. Admin. Code § 155.501(e).

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).



FILED  
362-24-04507  
12/14/2023 3:36 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Tippie , CLERK

ACCEPTED  
362-24-04507  
12/14/2023 3:44:27 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Tippie , CLERK

**SOAH Docket No. 362-24-04507**

**Suffix: TLC**

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# **BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS**

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
V.  
DSD PETROLEUM INC D/B/A SHOP N GO,  
RESPONDENT**

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## **DEFAULT DISMISSAL ORDER**

On December 14, 2023, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Kyle Wolfe appeared on behalf of the staff (Staff) of the Texas Lottery Commission. DSD Petroleum Inc. d/b/a Shop N Go (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1, 2, and 3 were admitted. Collectively, these exhibits showed proof of adequate notice to Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion

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<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

was **GRANTED**, and the factual allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.<sup>2</sup>

**Respondent may file a motion to set aside the default within 15 days of the date of this order.**<sup>3</sup> 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, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Board for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**Signed December 14, 2023**

ALJ Signature:



Sarah Starnes

Presiding Administrative Law Judge

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<sup>2</sup> 1 Tex. Admin. Code § 155.501(d)(1).

<sup>3</sup> 1 Tex. Admin. Code § 155.501(e).

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).



FILED  
362-24-04512  
12/14/2023 3:37 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Tippie, CLERK

SOAH Docket No. 362-24-04512

Suffix: TLC

ACCEPTED  
362-24-04512  
12/14/2023 3:44:56 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Tippie, CLERK

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# BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS

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TEXAS LOTTERY COMMISSION,  
PETITIONER  
V.  
AASTHA INVESTMENT LLC D/B/A QUICK FOOD MART,  
RESPONDENT

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## DEFAULT DISMISSAL ORDER

On December 14, 2023, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Kyle Wolfe appeared on behalf of the staff (Staff) of the Texas Lottery Commission. Aastha Investment LLC d/b/a Quick Food Mart (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1, 2, and 3 were admitted. Collectively, these exhibits showed proof of adequate notice to Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion was **GRANTED**, and the factual allegations detailed in

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<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).



the Notice of Hearing and the documents incorporated within that notice are deemed admitted.<sup>2</sup>

**Respondent may file a motion to set aside the default within 15 days of the date of this order.**<sup>3</sup> 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, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Board for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**Signed December 14, 2023**

ALJ Signature:

A handwritten signature in dark ink, reading "Sarah Starnes", is written over a horizontal line.

Sarah Starnes

Presiding Administrative Law Judge

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<sup>2</sup> 1 Tex. Admin. Code § 155.501(d)(1).

<sup>3</sup> 1 Tex. Admin. Code § 155.501(e).

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).



FILED  
362-24-04843  
1/16/2024 2:21 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

ACCEPTED  
362-24-04843  
1/16/2024 2:24:20 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

**SOAH Docket No. 362-24-04843**

**Suffix: TLC**

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# **BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS**

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
V.  
SPLENDORA 2090 OPERATING LLC D/B/A POP IN #1,  
RESPONDENT**

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## **DEFAULT DISMISSAL ORDER**

On December 21, 2023, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Tyler Vance appeared on behalf of the staff (Staff) of the Texas Lottery Commission. SPLENDORA 2090 OPERATING LLC d/b/a POP IN #1 (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1-3 were admitted, including Staff's notice of hearing which set the hearing by Zoom videoconference and provided instructions for participating in the hearing. Collectively, these exhibits and orders showed proof of adequate notice to Respondent.<sup>1</sup> Upon

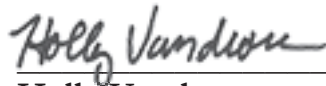
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<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

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

**Respondent may file a motion to set aside the default within 15 days of the date of this order.**<sup>3</sup> 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, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Board for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**Signed January 16, 2024**



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Holly Vandrovce  
Administrative Law Judge

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<sup>2</sup> 1 Tex. Admin. Code § 155.501(d)(1).

<sup>3</sup> 1 Tex. Admin. Code § 155.501(e).

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).



**Commission Order No. 24-0019**

**Date: FEBRUARY 6, 2024**

**SOAH Docket No. 362-24-03751**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>HI MANGS INC.</b>	<b>§</b>	
<b>D/B/A BABAS DRIVE WAY</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 186255</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and Hi Mangs Inc. d/b/a Babas Drive Way (Babas Drive Way) 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. Babas Drive Way holds Texas Lottery Ticket Sales Agent License No. 186255.
2. Hammad Manganhar is the president of Babas Drive Way, which is located at 900 Hooks Ave., Donna, TX 78537.
3. While conducting an investigation, a Commission investigator was notified that Babas Drive Way allows purchases of lottery tickets with a credit card. The Commission initiated an investigation into this matter.
4. On April 13, 2023, Yesenia Trejo Ayala, a Babas Drive Way employee, allowed the investigator to purchase lottery tickets with a credit card. The investigator was also charged a \$0.50 fee for the purchase.

**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. Babas Drive Way 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. 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.

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:

...

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

...

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

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 close supervision over the lottery.



11. The Texas Lottery Ticket Sales Agent License of Babas Drive Way is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Babas Drive Way's violation of Tex. Gov't Code §§ 466.302(a) and .3052(a) and 16 Tex. Admin. Code §§ 401.158(b)(22), (27) and 401.366.

### **MEMORANDUM OF AGREEMENT**

1. By signing this Memorandum of Agreement, Babas Drive Way 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. Babas Drive Way agrees that, as a result of its violation of Tex. Gov't Code §§ 466.302(a) and .3052(a) and 16 Tex. Admin. Code §§ 401.158(b)(22), (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, Babas Drive Way 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, Babas Drive Way 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 Babas Drive Way's Ticket Sales Agent License is posted.

5. Babas Drive Way 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 Babas Drive Way's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Babas Drive Way 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. Babas Drive Way 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 Babas Drive Way has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Babas Drive Way, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. Babas Drive Way 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 Babas Drive Way will be charged for tickets sold on or before that date. Babas Drive Way 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:

Hi Mangs Inc.  
d/b/a Babas Drive Way

Texas Lottery Commission  
Lottery Operations Division

By:



12/5/2023

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Hammad Manganhar  
President

DATE

By:



12/5/2023

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Robert Tirloni  
Director

DATE

**Commission Order No. 24-0019**

**Date: FEBRUARY 6, 2024**

**SOAH Docket No. 362-24-03751**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>HI MANGS INC.</b>	<b>§</b>	
<b>D/B/A BABAS DRIVE WAY</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 186255</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**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 Hi Mangs Inc. d/b/a Babas Drive Way (Babas Drive Way), 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, Babas Drive Way 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, Babas Drive Way 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 Babas Drive Way's Texas Lottery Ticket Sales Agent License is posted.

**Commission Order No. 24-0019**

**Date: FEBRUARY 6, 2024**

(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 Babas Drive Way has failed to comply with the terms of this Order, disciplinary action shall be taken against Babas Drive Way, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Babas Drive Way 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 Babas Drive Way will be charged for the tickets sold on or before that date. Babas Drive Way 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. 24-0019**

**Date: FEBRUARY 6, 2024**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin,  
Texas, on the 6<sup>TH</sup> day of FEBRUARY, 2024.

Entered this 6<sup>TH</sup> day of FEBRUARY, 2024.

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ROBERT G. RIVERA, CHAIRMAN

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CINDY FIELDS, COMMISSIONER

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MARK A. FRANZ, COMMISSIONER

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CLARK E. SMITH, COMMISSIONER

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JAMES H. C. STEEN, COMMISSIONER



**Commission Order No. 24-0020**

**Date: FEBRUARY 6, 2024**

**Case No. 2023-896**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>MINERAL WELLS OPERATIONS LLC</b>	<b>§</b>	
<b>D/B/A AMT FOOD AND GAS #2</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 192367</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and Mineral Wells Operations LLC d/b/a AMT Food and Gas #2 (AMT Food and Gas) 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. AMT Food and Gas holds Texas Lottery Ticket Sales Agent License No. 192367.
2. Natasa Lalani is a managing member of AMT Food and Gas, which is located at 1502 Mineral Wells Hwy., Weatherford, TX 76086.
3. On February 18, 2023, the Commission received a complaint that AMT Food and Gas accepted a credit card for the purchase of Texas Lottery tickets. The Commission initiated an investigation into this complaint.
4. On March 3, 2023, Asif Sarfani, an AMT Food and Gas employee, admitted to a Commission investigator that he allowed the purchase of Texas 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. AMT Food and Gas 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 §466.3052(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.

4. 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.

5. 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.

6. 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).

7. 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.).

8. 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 close supervision over the lottery.

9. The Texas Lottery Ticket Sales Agent License of AMT Food and Gas is subject to suspension or revocation pursuant to Tex. Gov’t Code §466.155(a)(5) as a result of AMT Food and Gas’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, AMT Food and Gas 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. AMT Food and Gas 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 this Memorandum of Agreement and Consent Order is signed by the Commission. During the period of suspension, AMT Food and Gas 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, AMT Food and Gas 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 AMT Food and Gas's Ticket Sales Agent License is posted.

5. AMT Food and Gas 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 AMT Food and Gas's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. AMT Food and Gas 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. AMT Food and Gas 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 AMT Food and Gas has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against AMT Food and Gas, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. AMT Food and Gas 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 AMT Food and Gas will be charged for tickets sold on or before that date. AMT Food and Gas 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:

Mineral Wells Operations LLC  
d/b/a AMT Food and Gas #2

Texas Lottery Commission  
Lottery Operations Division

By:



12/8/2023

Natasa Lalani  
Managing Member

DATE

By:



12/8/2023

Robert Tirloni  
Director

DATE

**Commission Order No. 24-0020**

**Date: FEBRUARY 6, 2024**

**Case No. 2023-896**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>MINERAL WELLS OPERATIONS LLC</b>	<b>§</b>	
<b>D/B/A AMT FOOD AND GAS #2</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 192367</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**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 Mineral Wells Operations LLC d/b/a AMT Food and Gas #2 (AMT Food and Gas), 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, AMT Food and Gas 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, AMT Food and Gas 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 AMT Food and Gas's Texas Lottery Ticket Sales Agent License is posted.

**Commission Order No. 24-0020**

**Date: FEBRUARY 6, 2024**

(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 AMT Food and Gas has failed to comply with the terms of this Order, disciplinary action shall be taken against AMT Food and Gas, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that AMT Food and Gas 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 AMT Food and Gas will be charged for the tickets sold on or before that date. AMT Food and Gas 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. 24-0020**

**Date: FEBRUARY 6, 2024**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin,  
Texas, on the 6<sup>TH</sup> day of FEBRUARY, 2024

Entered this 6<sup>TH</sup> day of FEBRUARY, 2024.

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ROBERT G. RIVERA, CHAIRMAN

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CINDY FIELDS, COMMISSIONER

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MARK A. FRANZ, COMMISSIONER

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CLARK E. SMITH, COMMISSIONER

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JAMES H. C. STEEN, COMMISSIONER





**Commission Order No. 24-0021**

**Date: FEBRUARY 6, 2024**

**Case No. 2024-28**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>PRASLA OPERATING LLC</b>	<b>§</b>	
<b>D/B/A AURORA STORE 105</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 180103</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and Prasla Operating LLC d/b/a Aurora Store 105 (Aurora Store) 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. Aurora Store holds Texas Lottery Ticket Sales Agent License No. 180103.
2. Shamsuddin Maredia is a managing member of Aurora Store, which is located at 2601 Harvey Rd., College Station, TX 77845-3829.
3. On January 10, 2023, the Commission received a complaint that Aurora Store charged a customer's credit card for a Texas Lottery ticket without the customer's knowledge. The Commission initiated an investigation into this complaint.
4. The investigation revealed that on January 10, 2023, an Aurora Store employee charged a customer's credit card for a \$50 lottery ticket without the customer's knowledge, and the employee kept the ticket.

**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. Aurora Store 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 close supervision over the lottery.

10. The Texas Lottery Ticket Sales Agent License of Aurora Store is subject to suspension or revocation pursuant to Tex. Gov’t Code §466.155(a)(5), as a result of Aurora Store’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, Aurora Store 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. Aurora Store 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, Aurora Store 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, Aurora Store 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 Aurora Store's Ticket Sales Agent License is posted.

5. Aurora Store 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 Aurora Store's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Aurora Store 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. Aurora Store 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 Aurora Store has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Aurora Store, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. Aurora Store 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 Aurora Store will be charged for tickets sold on or before that date. Aurora Store 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:

Prasla Operating LLC  
d/b/a Aurora Store 105

Texas Lottery Commission  
Lottery Operations Division

By:



1-16-2024

Shamsuddin Maredia  
Managing Member

DATE

By:



1/17/2024

Robert Tirloni  
Director

DATE

**Commission Order No. 24-0021**

**Date: FEBRUARY 6, 2024**

**Case No. 2024-28**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>PRASLA OPERATING LLC</b>	<b>§</b>	
<b>D/B/A AURORA STORE 105</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 180103</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**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 Prasla Operating LLC d/b/a Aurora Store 105 (Aurora Store), 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, Aurora Store 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, Aurora Store 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 Aurora Store's Texas Lottery Ticket Sales Agent License is posted.

**Commission Order No. 24-0021**

**Date: FEBRUARY 6, 2024**

(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 Aurora Store has failed to comply with the terms of this Order, disciplinary action shall be taken against Aurora Store, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Aurora Store 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 Aurora Store will be charged for the tickets sold on or before that date. Aurora Store 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. 24-0021**

**Date: FEBRUARY 6, 2024**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 6<sup>TH</sup> day of FEBRUARY, 2024.

Entered this 6<sup>TH</sup> day of FEBRUARY, 2024.

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ROBERT G. RIVERA, CHAIRMAN

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CINDY FIELDS, COMMISSIONER

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MARK A. FRANZ, COMMISSIONER

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CLARK E. SMITH, COMMISSIONER

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JAMES H. C. STEEN, COMMISSIONER





**Commission Order No. 24-0022**

**Date: FEBRUARY 6, 2024**

**Case No. 2024-30**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>ARHAN LLC</b>	<b>§</b>	
<b>D/B/A MONTE CARLO MARKET</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 173076</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and Arhan LLC d/b/a Monte Carlo Market (Monte Carlo Market) 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. Monte Carlo Market holds Texas Lottery Ticket Sales Agent License No. 173076.
2. Hari BK is a managing member of Monte Carlo Market, which is located at 408 E. Rundberg Ln., Austin, TX 78753.
3. On March 14, 2023, the Commission received a complaint that on March 4, 2023, a Monte Carlo Market employee paid a customer \$110 for a Texas Lottery scratch ticket with a prize value of \$1,000. The Commission initiated an investigation into this complaint.
4. On March 23, 2023, a Commission investigator presented to Dilip Chand, a Monte Carlo Market employee, two Texas Lottery scratch tickets with prize values of \$1,000 and \$3 for payment. Mr. Chand paid the investigator for the \$3 prize-winning ticket but retained the \$1,000 prize-winning ticket. He told the investigator that the \$1,000 prize had already been paid even though the ticket's validation receipt stated, "cashing limit exceeded."

## 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. Monte Carlo Market 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. 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:

. . .

(9) licensee fails to follow validation procedures, including, but not limited to, paying a claim without validating the ticket, failing to pay a valid prize after validating a customer's winning ticket, or retaining a customer's winning ticket that has not been validated.

. . .

(21) licensee endangers the security and/or integrity of the lottery games operated by the commission.
5. 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.
6. 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).

7. 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.).

8. 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 close supervision over the lottery.

9. The Texas Lottery Ticket Sales Agent License of Monte Carlo Market is subject to suspension or revocation pursuant to Tex. Gov’t Code §466.155(a)(5), as a result of Monte Carlo Market’s violation of 16 Tex. Admin. Code §§ 401.158(b)(9) and (21) and 401.366.

### **MEMORANDUM OF AGREEMENT**

1. By signing this Memorandum of Agreement, Monte Carlo Market 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. Monte Carlo Market agrees that, as a result of its violation of 16 Tex. Admin. Code §§ 401.158(b)(9) and (21) 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, Monte Carlo Market 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, Monte Carlo Market 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 Monte Carlo Market's Ticket Sales Agent License is posted.

5. Monte Carlo Market 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 Monte Carlo Market's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Monte Carlo Market 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. Monte Carlo Market 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 Monte Carlo Market has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Monte Carlo Market, up to and including revocation of its Texas Lottery Ticket Sales Agent License.


8. Monte Carlo Market 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 Monte Carlo Market will be charged for tickets sold on or before that date. Monte Carlo Market 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:

Arhan LLC  
d/b/a Monte Carlo Market

Texas Lottery Commission  
Lottery Operations Division

By:

 01-09-024  
\_\_\_\_\_  
Hari BK DATE  
Managing Member

By:

 1/10/2024  
\_\_\_\_\_  
Robert Tirloni DATE  
Director

**Commission Order No. 24-0022**

**Date: FEBRUARY 6, 2024**

**Case No. 2024-30**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>ARHAN LLC</b>	<b>§</b>	
<b>D/B/A MONTE CARLO MARKET</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 173076</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**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 Arhan LLC d/b/a Monte Carlo Market (Monte Carlo Market), 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, Monte Carlo Market 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, Monte Carlo Market 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 Monte Carlo Market's Texas Lottery Ticket Sales Agent License is posted.

**Commission Order No. 24-0022**

**Date: FEBRUARY 6, 2024**

(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 Monte Carlo Market has failed to comply with the terms of this Order, disciplinary action shall be taken against Monte Carlo Market, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Monte Carlo Market 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 Monte Carlo Market will be charged for the tickets sold on or before that date. Monte Carlo Market 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. 24-0022**

**Date: FEBRUARY 6, 2024**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 6<sup>TH</sup> day of FEBRUARY, 2024.

Entered this 6<sup>TH</sup> day of FEBRUARY, 2024.

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ROBERT G. RIVERA, CHAIRMAN

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CINDY FIELDS, COMMISSIONER

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MARK A. FRANZ, COMMISSIONER

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CLARK E. SMITH, COMMISSIONER

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JAMES H. C. STEEN, COMMISSIONER



**Commission Order No. 24-0023**

**Date: FEBRUARY 6, 2024**

**Case No. 2024-56**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>RK NEIGHBORHOOD FOOD MART LLC</b>	<b>§</b>	
<b>D/B/A NEIGHBORHOOD FOOD MART</b>	<b>§</b>	
<b>AND GAS STATION</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 183387</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and RK Neighborhood Food Mart LLC d/b/a Neighborhood Food Mart and Gas Station (Neighborhood 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. Neighborhood Food Mart holds Texas Lottery Ticket Sales Agent License No. 183387.
2. Amit Giri is a managing member of Neighborhood Food Mart, which is located at 55 E. Caldwood Dr., Beaumont, TX 77707.
3. On May 5, 2023, the Commission received a complaint that Neighborhood Food Mart charged a fee to purchase Texas Lottery tickets with a debit card. The Commission initiated an investigation into this complaint.
4. On May 16, 2023, a Commission investigator attempted to purchase a lottery ticket at Neighborhood Food Mart with a debit card. Navjot Kaur, a Neighborhood Food Mart employee, told the Commission investigator that there was a \$.25 fee to purchase tickets with a debit 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. Neighborhood 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 §466.302(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 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 close supervision over the lottery.

10. The Texas Lottery Ticket Sales Agent License of Neighborhood Food Mart is subject to suspension or revocation pursuant to Tex. Gov’t Code §466.155(a)(5), as a result of Neighborhood Food Mart’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, Neighborhood 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. Neighborhood Food Mart 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, Neighborhood 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, Neighborhood 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 Neighborhood Food Mart's Ticket Sales Agent License is posted.

5. Neighborhood 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 Neighborhood Food Mart's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Neighborhood 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. Neighborhood 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 Neighborhood Food Mart has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Neighborhood Food Mart, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. Neighborhood 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 Neighborhood Food Mart will be charged for tickets sold on or before that date. Neighborhood 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:

RK Neighborhood Food Mart LLC  
d/b/a Neighborhood Food Mart and Gas  
Station

Texas Lottery Commission  
Lottery Operations Division

By:



1/1/2024

Amit Giri  
Managing Member

DATE

By:



1/2/2024

Robert Tirloni  
Director

DATE

**Commission Order No. 24-0023**

**Date: FEBRUARY 6, 2024**

**Case No. 2024-56**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>RK NEIGHBORHOOD FOOD MART LLC</b>	<b>§</b>	
<b>D/B/A NEIGHBORHOOD FOOD MART</b>	<b>§</b>	
<b>AND GAS STATION</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 183387</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**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 RK Neighborhood Food Mart LLC d/b/a Neighborhood Food Mart and Gas Station (Neighborhood Food Mart), 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, Neighborhood 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, Neighborhood 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 Neighborhood Food Mart's Texas Lottery Ticket Sales Agent License is posted.



**Commission Order No. 24-0023**

**Date: FEBRUARY 6, 2024**

(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 Neighborhood Food Mart has failed to comply with the terms of this Order, disciplinary action shall be taken against Neighborhood Food Mart, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Neighborhood 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 Neighborhood Food Mart will be charged for the tickets sold on or before that date. Neighborhood 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. 24-0023**

**Date: FEBRUARY 6, 2024**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 6<sup>TH</sup> day of FEBRUARY, 2024.

Entered this 6<sup>TH</sup> day of FEBRUARY, 2024.

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ROBERT G. RIVERA, CHAIRMAN

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CINDY FIELDS, COMMISSIONER

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MARK A. FRANZ, COMMISSIONER

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CLARK E. SMITH, COMMISSIONER

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JAMES H. C. STEEN, COMMISSIONER



**Commission Order No. 24-0024**

**Date: FEBRUARY 6, 2024**

**Case No. 2023-931**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>GREGORIO ZAMBRANO</b>	<b>§</b>	
	<b>§</b>	
<b>BINGO WORKER REGISTRY NO. 158773</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Charitable Bingo Operations Division (Division) of the Texas Lottery Commission (Commission) and Gregorio Zambrano, Bingo Worker Registry No. 158773, 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. Gregorio Zambrano has been listed on the Registry of Approved Bingo Workers (Registry) since July 12, 2023. On August 23, 2023, the Commission sent Mr. Zambrano a Notice of Proposed Removal from the Registry and Notice of Opportunity for a Hearing, based on an offense committed on August 22, 2017.

2. On January 10, 2018, in the County Court of Wharton County, Texas, in Cause No. 66282, Mr. Zambrano was convicted of Theft of Property, a Class A Misdemeanor, and was placed on community supervision for a period of twenty-four (24) months.

3. Mr. Zambrano has provided the Commission three (3) letters of recommendation, including letters from a former employer, a former landlord, and a manager at Ben White Bingo.

**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 rules).

2. Gregorio Zambrano is obligated to follow the provisions of the Bingo Enabling Act and the Charitable Bingo rules to maintain his bingo worker listing on the Registry.

3. Tex. Occ. Code §2001.0541 provides that the Commission shall adopt rules and guidelines as necessary to comply with Tex. Occ. Code ch. 53 when using criminal history record information under the Bingo Enabling Act to issue or renew a bingo license or to list or renew the listing of an individual on the Registry.

4. Tex. Occ. Code §2001.313 states, in pertinent part:

(a) To minimize duplicate criminal history background checks by the commission and the costs incurred by organizations and individuals, the commission shall maintain a registry of individuals on whom the commission has conducted a criminal history background check and who are approved to be involved in the conduct of bingo or to act as a bingo operator.

...

(e) The commission may refuse to add an individual's name to, or remove an individual's name from, the registry established by this section if, after notice and, if requested by the individual, a hearing, the individual is finally determined to have:

...

(7) participated in any violation of this chapter or rules adopted by the commission for the administration of this chapter.

5. Tex. Occ. Code §53.021 states, in pertinent part:

(a) Subject to Section 53.0231, a licensing authority may suspend or revoke a license, disqualify a person from receiving a license, or deny to a person the opportunity to take a licensing examination on the grounds that the person has been convicted of:

(1) an offense that directly relates to the duties and responsibilities of the licensed occupation.

6. Tex. Occ. Code §53.022 states:

In determining whether a criminal conviction directly relates to the duties and responsibilities of a licensed occupation, the licensing authority shall consider each of the following factors:

- (1) the nature and seriousness of the crime;
- (2) the relationship of the crime to the purposes for requiring a license to engage in the occupation;
- (3) the extent to which a license might offer an opportunity to engage in further criminal activity of the same type as that in which the person previously had been involved;
- (4) the relationship of the crime to the ability or capacity required to perform the duties and discharge the responsibilities of the licensed occupation; and
- (5) any correlation between the elements of the crime and the duties and responsibilities of the licensed occupation.

7. Tex. Occ. Code §53.023 states:

(a) If a licensing authority determines under Section 53.022 that a criminal conviction directly relates to the duties and responsibilities of a licensed occupation, the licensing authority shall consider the following in determining whether to take an action authorized by Section 53.021:

- (1) the extent and nature of the person's past criminal activity;
- (2) the age of the person when the crime was committed;
- (3) the amount of time that has elapsed since the person's last criminal activity;
- (4) the conduct and work activity of the person before and after the criminal activity;
- (5) evidence of the person's rehabilitation or rehabilitative effort while incarcerated or after release;
- (6) evidence of the person's compliance with any conditions of community supervision, parole, or mandatory supervision; and
- (7) other evidence of the person's fitness, including letters of recommendation.

(b) The applicant has the responsibility, to the extent possible, to obtain and provide to the licensing authority the recommendations described by Subsection (a)(7).

8. 16 Tex. Admin. Code §402.702 states, in pertinent parts:

(a) The Commission shall determine, consistent with the requirements of Chapters 53 and 2001, Occupations Code, whether criminal convictions affect the eligibility of an applicant for a new or renewal license or listing in the registry of approved bingo workers under the Bingo Enabling Act (BEA). The Director of the Charitable Bingo Operations Division (Director) shall have the authority to make such determinations pursuant to this section.

...

(c) For criminal convictions that do not fall under the categories addressed in subsection (b) of this section, the Commission may determine an applicant to be ineligible for a new or renewal license or a registry listing based on a criminal conviction for:

(1) An offense that directly relates to the duties and responsibilities of the licensed or registered activity.

...

(e) The Commission deems convictions (including deferred adjudications and/or nolo contendere pleas) for certain misdemeanor and felony offenses to directly relate to the fitness of a new or renewal applicant for a license or registry listing under the BEA. Such offenses include the following:

...

(2) Penal Code, Chapter 31, Theft.

...

(h) If the Commission determines that an applicant has a criminal conviction directly related to the duties and responsibilities of the licensed occupation, the Commission shall consider the following in determining whether to take an action against the applicant:

- (1) the extent and nature of the person's past criminal activity;
- (2) the age of the person when the crime was committed;
- (3) the amount of time that has elapsed since the person's last criminal activity;
- (4) the conduct and work activity of the person before and after the criminal activity;
- (5) evidence of the person's rehabilitation or rehabilitative efforts while incarcerated or after release;
- (6) evidence of the person's compliance with any conditions of community supervision, parole, or mandatory supervision; and
- (7) other evidence of the person's fitness, including letters of recommendation and veteran's status, including discharge status.

9. In accordance with Tex. Occ. Code §§ 53.021, 53.022 and 53.023, the Commission has discretionary authority to remove Mr. Zambrano from the Registry.

### **MEMORANDUM OF AGREEMENT**

1. By signing this Memorandum of Agreement, Gregorio Zambrano agrees to its 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. Mr. Zambrano agrees to not act as a bingo chairperson, manager, operator, bookkeeper, cashier or designated agent for any licensed bingo conductor organization for a period of three (3) years following the effective date of this Order. Mr. Zambrano may deliver prize money and sell bingo cards and pull-tabs as an usher or salesperson, but he may not be responsible for recording those transactions.

4. Mr. Zambrano 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 removal of Mr. Zambrano from the Registry, for any further violations of the Bingo Enabling Act and/or the Charitable Bingo rules.

5. Mr. Zambrano 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 him by the Commission. This Memorandum of Agreement and Consent Order shall not, however, form the basis for, nor be used as, evidence against Mr. Zambrano in any future Registry renewal applications absent other alleged violations.

6. Mr. Zambrano 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 Mr. Zambrano has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action will be taken against Mr. Zambrano, up to and including removal of Mr. Zambrano from the Registry.



AGREED AS TO FORM AND SUBSTANCE:

**Gregorio Zambrano**

By:   
Gregorio Zambrano

Date: 1/3/2024

**Texas Lottery Commission  
Charitable Bingo Operations Division**

By:   
LaDonna Castañuela, Director

Date: 1/4/2024

**Commission Order No. 24-0024**

**Date: FEBRUARY 6, 2024**

**Case No. 2023-931**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>GREGORIO ZAMBRANO</b>	<b>§</b>	
	<b>§</b>	
<b>BINGO WORKER REGISTRY NO. 158773</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**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, in lieu of removal of Gregorio Zambrano from the Registry of Approved Bingo Workers (Registry), Mr. Zambrano shall not act as a bingo chairperson, manager, operator, bookkeeper, cashier or designated agent for a licensed bingo conductor for a period of three (3) years from the date this Consent Order (Order) is signed by the Commission. Mr. Zambrano may deliver prize money and sell bingo cards and pull-tabs as an usher or salesperson, but he shall not be responsible for recording those transactions.

(2) 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 Mr. Zambrano has failed to comply with the terms of this Order, disciplinary action shall be taken against Mr. Zambrano, up to and including removal of Mr. Zambrano from the Registry.

**Commission Order No. 24-0024**

**Date: FEBRUARY 6, 2024**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin,  
Texas, on the 6<sup>TH</sup> day of FEBRUARY, 2024.

Entered this 6<sup>TH</sup> day of FEBRUARY, 2024.

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ROBERT G. RIVERA, CHAIRMAN

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CINDY FIELDS, COMMISSIONER

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MARK A. FRANZ, COMMISSIONER

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CLARK E. SMITH, COMMISSIONER

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JAMES H. C. STEEN, COMMISSIONER



Date: FEBRUARY 6, 2024

DOCKET NO. 362-24-04058

TEXAS LOTTERY COMMISSION,	§	BEFORE THE TEXAS
<i>Petitioner,</i>	§	
	§	
v.	§	
	§	
AMERICAN GI FORUM ROCKPORT,	§	
<i>Respondent.</i>	§	LOTTERY COMMISSION

**ORDER OF THE COMMISSION**

To: American GI Forum Rockport  
P.O. Box 181  
Rockport, TX 78382-0181  
*via certified and regular mail*

During an open meeting in Austin, Texas, the Texas Lottery Commission (Commission) heard the above-styled case in which American GI Forum (Respondent) 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 hearing in the referenced case before SOAH was provided to Respondent, pursuant to Tex. Gov't Code §§ 2001.051 and 2001.052 and 1 Tex. Admin. Code §§ 155.401 and 155.501(b). The 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 to Respondent, the case was heard by a SOAH Administrative Law Judge (ALJ) on November 30, 2023. The Respondent did not appear at the hearing.

**Date: FEBRUARY 6, 2024**

3. The Commission, by and through its attorney of record, filed a motion to dismiss the case from the SOAH docket and to remand the case 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).

4. On November 30, 2023, the ALJ conditionally dismissed the case from the SOAH docket and remanded the case to the Commission for informal disposition under Tex. Gov't Code §2001.056, provided Respondent did not file a motion to set aside the default no later than 15 days from the date of the ALJ's conditional order.

5. The Respondent did not file a motion to set aside the default within the 15 days of the date of the ALJ's conditional order.

## **II. 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. The Respondent violated the Bingo Enabling Act and/or the Charitable Bingo Administrative Rules as set forth in the Commission's notice of hearing.

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 of the above-styled case, this matter is hereby disposed of by default, and:

1. All allegations set forth in the Commission's notice of hearing are deemed admitted; and

**Commission Order No. 24-0025**

**Date: FEBRUARY 6, 2024**

2. The charitable bingo conductor license of American GI Forum Rockport is hereby revoked.

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 6<sup>TH</sup> day of FEBRUARY 2024.

Entered this 6<sup>TH</sup> day of FEBRUARY 2024.

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ROBERT G. RIVERA, CHAIRMAN

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CINDY FIELDS, COMMISSIONER

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MARK A. FRANZ, COMMISSIONER

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CLARK E. SMITH, COMMISSIONER

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JAMES H. C. STEEN, COMMISSIONER





FILED  
362-24-04058  
11/30/2023 12:02 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

ACCEPTED  
362-24-04058  
11/30/2023 12:28:45 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

**SOAH Docket No. 362-24-04058**

**Suffix: B**

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# **BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS**

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
v.  
AMERICAN GI FORUM ROCKPORT,  
RESPONDENT**

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## **DEFAULT DISMISSAL ORDER**

On November 30, 2023, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Tyler Vance appeared on behalf of the staff (Staff) of the Texas Lottery Commission. American GI Forum Rockport (Respondent) did not appear and was not represented at the hearing. Staff Exhibits A and B were admitted, which notified Respondent of the date and time of the hearing by Zoom videoconference and provided instructions for participating in the hearing. These exhibits showed proof of adequate notice to Respondent.<sup>1</sup> Upon establishing adequate notice, Staff

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<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

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

**Respondent may file a motion to set aside the default within 15 days of the date of this order.**<sup>3</sup> 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, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Board for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**Signed November 30, 2023**

ALJ Signature:

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

Brent McCabe

Presiding Administrative Law Judge

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<sup>2</sup> 1 Tex. Admin. Code § 155.501(d)(1).

<sup>3</sup> 1 Tex. Admin. Code § 155.501(e), (h).

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).





# Texas Lottery Commission

Commissioners:

Robert G. Rivera, Chairman

Cindy Fields • Mark A. Franz • Erik C. Saenz • Jamey Steen



LaDonna Castañuela  
Director

November 8, 2023

Ms. Glynn Reed  
American GI Forum Rockport  
P.O. Box 181  
Rockport, TX 78382-0181

**RE: NOTICE OF FINAL HEARING CONCERNING REVOCATION OF LICENSE  
SOAH DOCKET NO. 362-24-04058.B  
AMERICAN GI FORUM ROCKPORT, CONDUCTOR  
TAXPAYER NUMBER – 12370528916**

Dear Ms. Reed:

Be advised that a formal hearing to consider the Texas Lottery Commission's revocation of American GI Forum Rockport's charitable bingo conductor license, and/or assessment of administrative penalties, pursuant to the provisions of the Tex. Occ. Code ch. 2001, Tex. Gov't Code chs. 2001 and 2003; 1 Tex. Admin. Code ch. 155; and 16 Tex. Admin. Code chs. 401–402, will be held with the State Office of Administrative Hearings (SOAH) as follows:

**TIME OF HEARING: 10:00 a.m.**

**DATE OF HEARING: November 30, 2023**

**LOCATION OF HEARING: Zoom or Telephonic SOAH Hearing**

**Join by computer or smart device:**

**Go to <https://soah-texas.zoomgov.com> and enter the following:**

**Meeting ID: 160 405 5817**

**Video Passcode: TLB458**

**Join by telephone (audio only):**

**Call +1 669 254 5252 and enter the following:**

**Meeting ID: 160 405 5817**

**Telephone Passcode: 724834**

P.O. Box 16630 • Austin, Texas 78761-6630

Phone (512) 344-5000 • FAX (512) 478-3682 • Bingo FAX (512) 344-5142

texaslottery.com • txbingo.org

## **NOTICE OF HEARING**

### **I.**

#### **Factual Matters Asserted**

American GI Forum Rockport is licensed by the Texas Lottery Commission (Commission) as a bingo conductor under taxpayer number 12370528916.

The Charitable Bingo Operations Division (Division) conducted a compliance audit of American GI Forum Rockport for the period of January 1, 2022 through March 31, 2022 and has determined that American GI Forum Rockport violated Tex. Occ. Code ch. 2001 (Bingo Enabling Act) and/or 16 Tex. Admin. Code ch. 402 (Charitable Bingo Administrative Rules). Specifically:

- American GI Forum Rockport failed to report or properly report items to the commission on a quarterly report, in accordance with Tex. Occ. Code §2001.505(a) and 16 Tex. Admin. Code §402.600.
- American GI Forum Rockport failed to maintain or properly maintain records to substantiate the contents of its quarterly report, in accordance with Tex. Occ. Code §2001.505(b).
- American GI Forum Rockport deposited funds, other than from the conduct of bingo, in the bingo bank account, in accordance with Tex. Occ. Code §2001.451(d).
- American GI Forum Rockport failed to timely produce for inspection or audit, any book, record, document, or other form of information requested by the Commission, in accordance with Tex. Occ. Code §2001.560(c) and 16 Tex. Admin. Code §402.500(c).
- American GI Forum Rockport failed to maintain or properly maintain a cash disbursements journal, in accordance with 16 Tex. Admin. Code §402.506(e).
- American GI Forum Rockport incurred or paid item(s) of expense in connection with the conduct of a game of bingo that were not reasonable or necessarily expended for authorized expenses, in accordance with Tex. Occ. Code §§ 2001.453(1), 2001.458 and 2001.459.

As of the date of this notice of hearing, American GI Forum Rockport has not addressed the outstanding issues.

### **II.**

#### **Legal Authority and Jurisdiction**

The Texas Lottery Commission (Commission) has jurisdiction over this matter pursuant to Tex. Occ. Code ch. 2001 (Bingo Enabling Act) and 16 Tex. Admin. Code chs. 401–.402.

The State Office of Administrative Hearings (SOAH) has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 2003 and 1 Tex. Admin. Code ch. 155.

### **III. Applicable Statutes and Rules**

Tex. Occ. Code §2001.353(a) states:

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.

Tex. Occ. Code §2001.451(d) states, in pertinent part:

[A] licensed authorized organization may not commingle gross receipts derived from the conduct of bingo with other funds of the organization.

Tex. Occ. Code §2001.453 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.

Tex. Occ. Code §2001.458(a) states:

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;
- (9) health insurance or health insurance benefits for bingo chairpersons, operators, managers, salespersons, callers, cashiers, and ushers, as provided by Subsection (b);
- (10) attending a bingo seminar or convention required under Section 2001.107; and
- (11) debit card transaction fees and electronic funds transfer fees.

Tex. Occ. Code §2001.459(a) states:

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.

Tex. Occ. Code §2001.505 states:

(a) A licensed authorized organization conducting bingo shall submit quarterly to the commission a report under oath stating:

- (1) the amount of the gross receipts derived from bingo;
- (2) each item of expense incurred or paid;
- (3) each item of expenditure made or to be made, the name and address of each person to whom each item has been paid or is to be paid, and a detailed description of the merchandise purchased or the services rendered;
- (4) the net proceeds derived from bingo;
- (5) the use to which the proceeds have been or are to be applied; and
- (6) a list of prizes offered and given, with their respective values.

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

Tex. Occ. Code §2001.554(a) states, in pertinent part:

A person commits an offense and the person's license is subject to revocation under this chapter if the person:

...

- (2) fails to maintain records that fully and accurately record each transaction connected with the conducting of bingo;

...

- (5) violates this chapter or a term of a license issued under this chapter.

Tex. Occ. Code §2001.560(c) states:

The commission or a person authorized in writing by the commission may examine the books, papers, records, equipment, and place of business of a license holder and may investigate the character of the license holder's business to verify the accuracy of a return, statement, or report

made, or, if no return is made by the license holder, to ascertain and determine the amount required to be paid.

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.

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.

16 Tex. Admin. Code §402.500(c) states:

Upon request of the Commission, a licensee shall provide any information required to be maintained by the Bingo Enabling Act and the Charitable Bingo Administrative Rules. Except in cases of emergency, the Commission shall provide reasonable advance notice of the specific information and records needed and the time and location at which they must be made available.

16 Tex. Admin. Code §402.506(e) states:

All expenses from the bingo checking account must be listed on a Cash Disbursements Journal on forms provided by the Commission or in another format that shows the information for each check written, electronic fund transfers, bank fees, and cash shortages or overages. If any licensed authorized organized organization maintains its records on a commercially available accounting software package (e.g. Quicken), use of the standard accounting features of the package shall meet the requirements of this section.

(1) A Cash Disbursements Journal shall be maintained on a cash basis and include information for checks written, electronic fund transfers, bank fees and cash shortages or overages that are dated during the calendar quarter.

(2) Cash Disbursement Journal Required Information:

- (A) date of check, withdrawal or electronic funds transfer transaction;
- (B) check number, transaction number or confirmation number;
- (C) name of payee;
- (D) amount of expense;
- (E) expense category--each expense item shall correspond to the category on the Texas Bingo Quarterly Report; and
- (F) totals--Each expense category shall be totaled quarterly and match the information reported to the Commission on the Texas Bingo Quarterly Report. Any changes made on the Texas Bingo Quarterly Report shall be documented on the Cash Disbursements Journal.



16 Tex. Admin. Code §402.600(d)(1) states:

An authorized organization holding an annual license, temporary license, or a temporary authorization to conduct bingo must file on a form prescribed by the Commission or in an electronic format prescribed by the Commission a quarterly report for financial and statistical information relating to the conduct of bingo. The report and supplements must be filed with the Commission on or before the 25th day of the month following the end of the calendar quarter even if there were no games conducted during that quarter. Failure to file a required report or supplement by the due date may result in an administrative penalty.

If you do not oppose the revocation of your license, your appearance at the SOAH hearing is not required. If you do oppose the revocation of your license, you have the right to appear and present evidence. You are entitled to be represented by a lawyer at the SOAH hearing, but it is your responsibility to obtain and pay for such representation. A court reporter may be present, and a record of the proceedings will be created. It is, however, the sole and exclusive responsibility of each party to request and pay for any printed transcript.

The licensee is also advised that no settlement of this case is authorized after the hearing commences. This means that the case will go forward unless the Charitable Bingo Operations Division determines that the licensee has satisfied all requirements for the retention of the license before the hearing commences. It is the responsibility of the licensee to make all arrangements necessary to satisfy all requirements for the retention of the license and to provide proof of doing so to the Charitable Bingo Operations Division, so that this determination can be made before the hearing commences. No payment for delinquent prize fees, taxes, penalty or interest will be accepted at the location of the hearing.

The hearing is conducted under authority of Tex. Occ. Code ch. 2001, Tex. Gov't Code ch. 2001, and 16 Tex. Admin. Code §§ 401.201–.227.

All hearings are formal due process matters governed by and conducted in accordance with law, including Chapter 2001 of the Texas Occupations Code, Chapter 2001 of the Texas Government Code, the Texas Rules of Civil Procedure, the Texas Rules of Evidence, and Chapters 401 and 402 of Title 16 of the Texas Administrative Code.

**AT LEAST TEN (10) CALENDAR DAYS BEFORE THE DATE OF THE HEARING, YOU ARE REQUIRED TO FILE A WRITTEN ANSWER TO THE ALLEGATIONS IN THIS NOTICE OF HEARING WITH SOAH. SEE 16 TEX. ADMIN. CODE §401.207(d). A GENERAL DENIAL OF THE ALLEGATIONS SHALL BE A SUFFICIENT ANSWER.**

**FAILURE TO FILE A WRITTEN ANSWER BY THIS DATE AND/OR TO APPEAR AT THE HEARING MAY RESULT IN THE ALLEGATIONS BEING ADMITTED AS TRUE AND THE RELIEF REQUESTED BEING GRANTED BY DEFAULT.**

**IF YOU WISH TO HAVE AN IN-PERSON SOAH HEARING INSTEAD OF A TELEPHONIC SOAH HEARING, YOU MUST REQUEST AN IN-PERSON HEARING**

**BY FILING A MOTION FOR CONTINUANCE THAT COMPLIES WITH SOAH'S RULES OR ANY APPLICABLE EMERGENCY ORDERS.**

**ANY WRITTEN ANSWER OR MOTION FOR CONTINUANCE MUST ALSO BE SENT TO THE COMMISSION. THE ANSWER OR MOTION CAN BE SENT VIA FAX AT 512-344-5189 OR EMAIL AT [legal.input@lottery.state.tx.us](mailto:legal.input@lottery.state.tx.us).**

**PARTIES THAT ARE NOT REPRESENTED BY AN ATTORNEY MAY OBTAIN INFORMATION REGARDING CONTESTED CASE HEARINGS ON THE PUBLIC WEBSITE OF SOAH AT [WWW.SOAH.TEXAS.GOV](http://WWW.SOAH.TEXAS.GOV), OR IN PRINTED FORMAT UPON REQUEST TO SOAH.**

**FOR UNREPRESENTED PARTIES WHO CANNOT FILE DOCUMENTS ELECTRONICALLY WITH SOAH, DOCUMENTS MAY BE FILED: (1) BY MAIL ADDRESSED TO SOAH AT P.O. BOX 13025, AUSTIN, TEXAS 78711-3025; (2) BY HAND-DELIVERY TO SOAH AT 300 WEST 15TH STREET, ROOM 504; (3) BY FAX TO SOAH AT (512) 322-2061; OR (4) AT THE SOAH FIELD OFFICE WHERE THE CASE IS ASSIGNED, USING THE FIELD OFFICE ADDRESS OR FAX NUMBER, WHICH ARE AVAILABLE AT SOAH'S WEBSITE.**

**TO VIEW YOUR PUBLIC CASE FILE, GO TO THE SOAH WEBSITE ([WWW.SOAH.TEXAS.GOV](http://WWW.SOAH.TEXAS.GOV)), CLICK THE "E-SERVICES" TAB, AND THEN CLICK THE "Public and Secure Case File Search" LINK.**

The Commission reserves the right to amend this Notice of Hearing.

Respectfully,

/s/ Kristen Guthrie  
KRISTEN GUTHRIE  
Assistant General Counsel  
Texas Lottery Commission

**CERTIFICATE OF SERVICE**

I certify that on November 8, 2023, a true and correct copy of this *Notice of Final Hearing Concerning Revocation of License* has been sent to Ms. Glynn Reed, American GI Forum Rockport, at P.O. Box 181, Rockport, TX 78382-0181, via certified and regular mail.

/s/ Kristen Guthrie  
KRISTEN GUTHRIE  
Assistant General Counsel  
Texas Lottery Commission  
P.O. Box 16630  
Austin, Texas 78761-6630  
Phone: (512) 962-2435  
Fax: (512) 344-5189

cc: SOAH  
Charitable Bingo Operations Division

Mr. Jimmy McCombs  
1118 S. Houston St.  
Aransas Pass, TX 78336-2210

*via email at jemccombs999@gmail.com*