

1 The Texas Lottery Commission (Commission or TLC) adopts amendments to 16 TAC §§
2 401.158 (Suspension or Revocation of License), 401.160 (Standard Penalty Chart), and 401.355
3 (Restricted Sales) without changes to the proposed text as published in the March 21, 2025 issue
4 of the *Texas Register* (50 TexReg 2015). The purpose of the amendments is to promote and ensure
5 integrity, security, honesty, and fairness in the operation and administration of the Texas Lottery
6 by prohibiting the use of lottery ticket courier services that, by any remote means, such as
7 telephone, Internet application, or mobile application, accept and fulfill, for a fee or compensation,
8 orders to purchase lottery tickets on behalf of another person not present to effect an in-person sale
9 (couriers). The TLC intends to exercise this authority through administrative enforcement
10 proceedings to revoke the lottery ticket sales agent license of a retailer that works in concert with
11 a courier, whether under a common ownership arrangement or otherwise.

12 Two entities provided written comments to the proposal and those same commenters and
13 one other provided oral comments at a public comment hearing held on April 3, 2025. Comments
14 in support of the proposal were provided by the Texas Food and Fuel Association, which represents
15 the wholesale and retail levels of the food and petroleum industries in Texas, and whose members
16 own, operate, or supply more than 16,500 retail convenience stores in Texas.

17 Comments opposed to the proposal were provided by the Coalition of Texas Lottery
18 Couriers (comprised of couriers Jackpocket, Jackpot.com, and Lotto.com) (CTLTC). At the hearing,
19 Lotto.com was separately identified as joining in the oral comments of the CTLTC.

20 COMMENT: The CTLTC's written comments assert that couriers do not violate
21 prohibitions on the following:

22 -- A person playing a lottery game by telephone (State Lottery Act (Texas Government
23 Code ch. 466) (SLA) Section 466.015(b)(4));

1 -- Advertisements that unduly influence a person to purchase a lottery ticket (SLA Section
2 466.110);

3 -- The purchase of a ticket by officers and employees of TLC vendors, TLC employees,
4 and the immediate family members of those individuals (SLA Section 466.254);

5 -- Selling a ticket at a price greater than that fixed by the TLC (SLA Section 466.302);

6 -- The sale of a ticket by an unauthorized person (SLA Section 466.303);

7 -- Selling a ticket at an unauthorized location (SLA Section 466.304);

8 -- The sale of lottery tickets on credit or using other unauthorized methods of payment
9 (SLA Sections 466.305, 466.3052);

10 -- The sale of lottery tickets to persons younger than 18 years of age (SLA Section
11 466.3051);

12 -- Establishing a group purchase or pooling arrangement for financial gain (SLA Section
13 466.3054);

14 -- Influencing the selection of a winner of a lottery game (SLA Section 466.307);

15 -- Claiming a lottery prize by fraud (SLA Section 466.308);

16 -- Inducing another person to assign or transfer a right to claim a prize (SLA Section
17 466.310); or

18 -- Using an unauthorized quick response (QR) code to enter draw game plays (TLC Rule
19 401.304(b)(1)(F)).

20 The CTLC/Lotto.com provided the following additional comments at the public comment hearing:

21 -- The commenters disagree with the fiscal impact statement in the proposal preamble that
22 there is no anticipated significant financial impact for state or local governments as a result of the
23 proposed amendments. The commenters stated that, collectively, couriers contribute in excess of

1 \$100 million of Texas Lottery sales and that if the ban is implemented the state stands to lose
2 hundreds of millions of dollars of funds.

3 -- The commenters disagree with the Commission's concern that courier operations present
4 opportunities to violate prohibitions on ticket purchase by Commission employees or vendors,
5 stating that this prohibition is not a restriction on retailers.

6 -- The commenters disagree with the Commission's concern that courier operations present
7 opportunities to violate prohibitions on influencing the selection of a winner of a lottery game,
8 stating that neither retailers nor couriers can do that.

9 -- The commenters state that no responsible courier has ever been cited for credit card
10 orders, that there have been no documented instances of access by minors to courier systems, and
11 that there have been no concerns expressed by the Texas Lottery about responsible courier
12 advertising.

13 -- The commenters support state regulation of couriers and asks the Commission to allow
14 the Legislature to determine whether couriers should be regulated or banned before taking action.

15 **RESPONSE:** The Commission recognizes there are differing views on whether the
16 prohibitions noted by the CTLC are not violated by responsible couriers. However, even if some
17 couriers have implemented internal processes to demonstrate a commitment to responsible
18 operations, such actions are unregulated and voluntary, have not been reviewed by a regulatory
19 authority, and are not enforceable.

20 Regardless of the voluntary efforts of some couriers, courier activity in Texas has operated
21 without the oversight of a regulatory authority to ensure that the public is protected from potential
22 crime and other harms identified in the Commission's February 2024 Policy Statement on the
23 Prohibition of Lottery Ticket Courier Services through a common set of enforceable statutes and

1 rules. The impetus for these amendments is the need to protect against the potential for violations
2 and circumvention of state law attributable to the operation of unregulated couriers. Recent retailer
3 investigations by the Commission have raised concerns that many couriers may have allowed
4 unauthorized methods of entering a draw game play, including quick response (QR) codes not
5 approved by the Commission, and potentially other electronic methods of entering a draw ticket
6 play. In addition, unregulated courier operations provide opportunities for other illegal and
7 fraudulent activities to flourish, including money laundering, the sale of fictitious tickets, and false
8 representations of a courier's association with the TLC. The Commission's base of knowledge
9 continues to grow with time and experience, and has informed the Commission's decision to
10 exercise discretionary authority under the SLA to determine that the operation of unregulated
11 couriers poses a threat to the integrity, security, honesty, and fairness in the operation and
12 administration of the Texas Lottery.

13 Accordingly, after the amendments take effect, the Commission will revoke the license of
14 any retailer that works with or assists a courier service, to ensure that all aspects of ticket purchases
15 and sales comply with state law and agency regulation and remain within a clearly defined, secure
16 and enforceable legal framework.

17 Regarding items specifically noted in the oral comments of CTLC/Lotto.com, the
18 commenters assert certain of the Commission's concerns are misplaced, either because responsible
19 couriers do not commit particular violations or because the commenters are not aware of any
20 instances where the Commission has identified violations or expressed concerns.

21 First, with respect to the fiscal impact statement in the proposal preamble, the Commission
22 does not anticipate a significant financial impact solely from the implementation of this rule. There
23 are various economic factors which may negatively impact consumer purchase behavior. In this

1 situation, if couriers are prohibited, consumers continue to have alternative options to purchase
2 lottery tickets.

3 With respect to SLA Section 466.254 (Purchase of Ticket by or Payment of Prize to Certain
4 Persons), the Commission's concern is that the insertion of a courier in the ticket purchase
5 transaction, where the end-use customer does not interface directly with a retailer, provides a buffer
6 from regulatory oversight, creating additional opportunities for a person subject to the prohibition
7 on purchasing tickets and claiming prizes to more easily circumvent the prohibition and remain
8 undetected.

9 With respect to SLA Section 466.307 (Influencing Selection of Winner), the Commission
10 encounters instances where a retailer or a retailer employee has "pin-pricked" or micro-scratched
11 the play area of a scratch ticket to determine if a ticket is a winner, kept the winning tickets to
12 claim, and placed non-winning tickets in the store dispenser for sale to unsuspecting customers.
13 Thus, influencing the selection of a winner is a violation that retailers can and do commit from
14 time to time, and couriers, as bearers of the tickets purchased by their customers, can likewise
15 commit; but, in the instance of couriers, there is no regulatory oversight or enforcement mechanism
16 to protect customers. A lottery ticket is a bearer instrument, and in the hands of an unregulated
17 courier, with no regulatory oversight, there is arguably greater potential to influence the selection
18 of a winner and remain undetected than with a licensed retailer.

19 In summary, the lack of regulatory oversight and enforcement mechanisms for courier
20 operations threatens the integrity, security, honesty, and fairness of the Texas Lottery. The
21 opposing commenters urge the Commission to allow the legislative process in Texas to proceed
22 rather than act to prohibit courier operations. Given the current unregulated state of courier activity,

1 the Commission believes prohibition is appropriate at this time. If the Texas Legislature enacts
2 laws addressing lawful courier operations, the Commission stands ready to implement them.

3 These amendments are adopted under Texas Government Code §466.015(c)(15)(A), which
4 authorizes the Commission to adopt rules to promote and ensure the integrity, security, honesty,
5 and fairness of the operation and administration of the lottery; and §467.102, which authorizes the
6 Commission to adopt rules for the enforcement and administration of the laws under the
7 Commission's jurisdiction.

8 §401.158. Suspension or Revocation of License.

9 (a) The commission may suspend or revoke any license issued under this subchapter if the
10 commission finds that any factor listed as grounds for denial of a license under §401.153(b) of this
11 title (relating to Qualifications for License) or any factor listed in subsection (b) of this section
12 apply to the licensee. The commission shall inform the sales agent in writing of the decision to
13 suspend or revoke a license for any of these reasons. In addition, in the event of a license
14 suspension under this section, the director of the Lottery Operations Division shall also inform the
15 licensee of the terms under which the suspended license may be reissued.

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

19 (1) licensee engages in telecommunication or printed advertising that the director
20 determines to have been false, deceptive or misleading;

21 (2) licensee conditions redemption of a lottery prize upon the purchase of any other item
22 or service;

1 (3) licensee imposes a restriction upon the redemption of a lottery prize not specifically
2 authorized by the director;

3 (4) licensee fails to follow instructions and procedures for the conduct of any lottery game,
4 lottery special event or promotion;

5 (5) licensee and/or its employee(s) exhibit discourteous treatment including, but not limited
6 to, abusive language toward customers, commission employees or commission vendors;

7 (6) licensee fails to establish or maintain reasonable security precautions regarding the
8 handling of lottery tickets and other materials;

9 (7) licensee fails to deface a validated ticket;

10 (8) licensee sells a draw game ticket for a draw that has already taken place;

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

14 (10) licensee violates any directive or instruction issued by the director of the Lottery
15 Operations Division;

16 (11) licensee violates any express term or condition of its license not specifically set forth
17 in this subchapter;

18 (12) licensee sells a scratch ticket from a game that has closed after the date designated for
19 the end of the game;

20 (13) licensee refuses to refund or properly cancel a Pick 3 or Daily 4 ticket;

21 (14) licensee fails to return an exchange ticket to a prize claimant claiming a prize on a
22 multi-draw ticket if an exchange ticket is produced by the licensee's terminal;

1 (15) licensee fails to keep accurate and complete records of all tickets that have not been
2 sold from confirmed, active, and settled packs;

3 (16) licensee fails to meet any requirement under §401.368 of this title (relating to Lottery
4 Ticket Vending Machines), if the licensee has been supplied with a self-service lottery ticket
5 vending machine by the commission;

6 (17) licensee fails to take readily achievable measures within the allowed time period to
7 comply with the barrier removal requirements regarding the ADA;

8 (18) licensee fails to prominently post license;

9 (19) licensee sells tickets that were assigned to another licensed location;

10 (20) licensee knowingly sells a ticket or pays a lottery prize to another person who is:

11 (A) an officer or an employee of the commission;

12 (B) an officer, member, or employee of a lottery operator;

13 (C) an officer, member, or employee of a contractor or subcontractor that is
14 excluded by the terms of its contract from playing lottery games;

15 (D) the spouse, child, brother, sister, or parent of a person described by
16 subparagraph (A), (B), or (C) of this paragraph who resides within the same household as that
17 person;

18 (21) licensee endangers the security and/or integrity of the lottery games operated by the
19 commission;

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

1 (23) licensee charges a fee for lottery ticket purchases using a debit card, requires an
2 additional purchase with a debit card, and/or requires a minimum dollar amount for debit card
3 purchases of only lottery tickets.

4 (24) licensee sells tickets at a location that is not licensed;

5 (25) licensee intentionally or knowingly sells a ticket by extending credit or lends money
6 to enable a person to buy a ticket;

7 (26) licensee intentionally or knowingly sells a ticket and accepts anything for payment not
8 specifically allowed under the State Lottery Act;

9 (27) licensee sells tickets over the telephone or Internet, or via mail order sales; or
10 establishes or promotes a group purchase or pooling arrangement under which tickets are
11 purchased on behalf of the group or pool and any prize is divided among the members of the group
12 or pool, and the licensee intentionally or knowingly:

13 (A) uses any part of the funds solicited or accepted for a purpose other than
14 purchasing tickets on behalf of the group or pool; or

15 (B) retains a share of any prize awarded as compensation for establishing or
16 promoting the group purchase or pooling arrangement;

17 (28) licensee intentionally or knowingly alters or forges a ticket;

18 (29) licensee intentionally or knowingly influences or attempts to influence the selection
19 of a winner of a lottery game;

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

1 (31) licensee intentionally or knowingly tampers with, damages, defaces, or renders
2 inoperable any vending machine, electronic computer terminal, or other mechanical device used
3 in a lottery game, or fails to exercise due care in the treatment of commission property;

4 (32) licensee:

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

6 (B) initiates or accepts an offer to sell the right to claim a prize;

7 (C) initiates or accepts an offer of compensation from another person to claim a
8 lottery prize; or

9 (D) purchases, for anything of value, a lottery ticket from a person who is not a
10 licensed lottery retailer;

11 (33) licensee intentionally or knowingly makes a statement or entry that the person knows
12 to be false or misleading on a required report;

13 (34) licensee fails to maintain or make an entry the licensee knows is required to be
14 maintained or made for a required report;

15 (35) licensee knowingly refuses to permit the director of the Lottery Operations Division,
16 the executive director, commission, the lottery operator, the employees or agents of the lottery
17 operator, or the state auditor to examine the agent's books, records, papers or other objects, or
18 refuses to answer any question authorized under the State Lottery Act;

19 (36) licensee intentionally or knowingly makes a material and false or incorrect, or
20 deceptive statement, written or oral, to a person conducting an investigation under the State Lottery
21 Act or a commission rule;

22 (37) licensee commits an offense of conspiracy as defined in the State Lottery Act;

1 (38) licensee sells or offers for sale any interest in a lottery of another state or state
2 government or an Indian tribe or tribal government, including an interest in an actual lottery ticket,
3 receipt, contingent promise to pay, order to purchase, or other record of the interest;

4 (39) licensee intentionally or knowingly sells or offers to sell a ticket to a person that the
5 licensee knows is younger than 18 years (revocation only);

6 (40) licensee incurs four (4) notices of nonsufficient fund transfers or non-transfer of funds
7 within a 12-month period (revocation only);

8 (41) licensee fails to pay the full amount of money owed to the commission after a
9 nonsufficient funds transfer or non-transfer of funds to the commission's account (revocation
10 only);

11 (42) licensee knowingly sells tickets to, works with, or otherwise assists a lottery ticket
12 courier service (revocation only); or

13 (43) licensee has violated a provision of the State Lottery Act, Government Code, Chapter
14 466, or a commission rule adopted under the State Lottery Act.

15 (c) For purposes of this chapter, the term “lottery ticket courier service” means a service that, by
16 any remote means, such as telephone, Internet application, or mobile application, accepts and
17 fulfills, for a fee or compensation, orders to purchase lottery tickets on behalf of another person
18 not present to effect an in-person sale.

19 §401.160. Standard Penalty Chart.

20 (a) The commission, through the director of the Lottery Operations Division, may offer settlements
21 to persons charged with violating the provisions of the State Lottery Act or rules of the
22 commission. Settlement of those cases, unless otherwise provided for elsewhere in this rule, shall

1 be in compliance with the following standard penalty chart. A settlement will be in the form of an
2 Agreement and Consent Order of the commission.

3 (b) A repeat violation by a licensee justifies the penalty for a second or third violation if it occurs
4 within 12 months of the first violation. Violations need not be the same or similar in nature to
5 previous violations to be considered repeat violations.

6 (c) A penalty for an alleged repeat violation shall not be assessed unless the alleged violation
7 occurs after the licensee has been notified, in writing, of the first alleged violation.
8 Notwithstanding the preceding sentence, if an alleged violation is discovered during an undercover
9 operation, then no notice of any prior alleged violations may be necessary to assess a penalty for
10 a repeat violation. The requirement that written notice be given to a licensee shall not be interpreted
11 to require that a notice of hearing for the violation be delivered to the licensee.

12 (d) The list of violations in the standard penalty chart is not an exclusive list of violations of the
13 commission or rules of the commission. The commission is authorized to assess penalties for any
14 violation of any of the foregoing statutes or rules for which a penalty is not provided on the chart.
15 Any penalty assessed for a violation not provided for on the standard penalty chart shall be
16 approved by the director of the Lottery Operations Division or his/her designee prior to its
17 assessment.

18 (e) Any person responsible for assessing a penalty for a violation may deviate from the standard
19 penalty chart if mitigating circumstances are involved and consideration will be given to all the
20 factors listed in subsection (g) of this section. If a recommendation deviating from the standard
21 penalty chart is made, it must be made in writing and be filed with the case report. Final approval
22 shall be made by the director of the Lottery Operations Division or his/her designee.

(f) The standard penalty chart does not bind an administrative law judge or the commission as to penalties for any violation determined to have occurred by the facts presented in an administrative hearing and the record of that proceeding shall be the determining factor as to the sufficiency of the penalty assessed.

(g) Based upon consideration of the following factors, the commission may impose penalties other than the penalties recommended in §401.158 of this title (relating to Suspension or Revocation of License) and/or this section:

- (1) Severity of the offense;
- (2) Danger to the public;
- (3) Number of repetition of offenses;
- (4) Number of complaints previously found justified against the licensee;
- (5) Length of time the licensee has held a license;
- (6) Actual damage, physical or otherwise, caused by the violations;
- (7) Deterrent effect of the penalty imposed;
- (8) Attempts by licensee to correct or stop violations or refusal by licensee to correct or stop violations;
- (9) Penalties imposed for related offenses;
- (10) Current employment status of any employee(s) that committed violation(s); or
- (11) Any other mitigating or aggravating circumstances.

(h) Standard Penalty Chart.

1 Figure: 16 TAC §401.160(h)

TEXAS LOTTERY COMMISSION RETAILER REGULATORY VIOLATIONS AND RELATED PENALTIES				
No.	DESCRIPTION OF VIOLATION	1st OCCURRENCE	2nd OCCURRENCE	3rd OCCURRENCE
1st Tier Violations				
1.	Licensee engages in telecommunication or printed advertising that the director determines to have been false, deceptive or misleading.	Warning Letter (Notification in writing to the licensee of the detected violation, including a warning that future violations will result in more severe administrative penalties including Suspension and/or revocation of the license.)	10-90 day Suspension	30-90 day Suspension to Revocation
2.	Licensee conditions redemption of a lottery prize upon the purchase of any other item or service.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
3.	Licensee imposes a restriction upon the redemption of a lottery prize not specifically authorized by the director.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
4.	Licensee fails to follow instructions and procedures for the conduct of any lottery game, lottery special event or promotion.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation

5.	Licensee and/or its employee(s) exhibit discourteous treatment including, but not limited to, abusive language toward customers, commission employees or commission vendors.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
6.	Licensee fails to establish or maintain reasonable security precautions regarding the handling of lottery tickets and other materials.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
7.	Licensee fails to deface a validated ticket.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
8.	Licensee sells a draw game ticket for a draw that has already taken place.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
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.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
10.	Licensee violates any directive or instruction issued by the director of Lottery Operations.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
11.	Licensee violates any express term or condition of its license not specifically set forth in this subchapter.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
12.	Licensee sells a scratch ticket from a game that has closed after the date designated for the end of the game.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
13.	Licensee refuses to refund or properly cancel a Pick 3 or Daily 4 ticket.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation

14.	Licensee fails to return an exchange ticket to a prize claimant claiming a prize on a multi-draw ticket if an exchange ticket is produced by the licensee's terminal.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
15.	Licensee fails to keep accurate and complete records of all tickets that have not been sold from confirmed, active, and settled packs.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
16.	Licensee fails to meet any requirement under §401.368, Lottery Ticket Vending Machines rule, if the licensee has been supplied with a self-service lottery ticket vending machine by the commission.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
17.	Licensee fails to take readily achievable measures within the allowed time period to comply with the barrier removal requirements regarding the ADA.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
18.	Licensee fails to prominently post license.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
19.	Licensee sells tickets that were assigned to another licensed location.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
20.	Licensee knowingly sells a ticket or pays a lottery prize to another person who is: (A) an officer or an employee of the commission; (B) an officer, member, or employee of a lottery operator; (C) an officer, member, or employee of a contractor or subcontractor that is excluded by the terms of its contract from playing lottery games; (D) the spouse, child, brother, sister, or parent of a person described by (A), (B), or (C) above who resides within the same household as that person.	Warning Letter	10-90 day Suspension	30-90 day Suspension to Revocation
2nd Tier Violations				
21.	Licensee endangers the security and/or integrity of the lottery games operated by the commission.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation

22.	Licensee intentionally or knowingly sells a ticket at a price the licensee knows is greater than the price set by the executive director.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation
23.	Licensee charges a fee for lottery ticket purchases using a debit card, requires an additional purchase with a debit card, and/or requires a minimum dollar amount for debit card purchases of only lottery tickets.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation
24.	Licensee sells tickets at a location that is not licensed.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation
25.	Licensee intentionally or knowingly sells a ticket by extending credit or lends money to enable a person to buy a ticket.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation
26.	Licensee intentionally or knowingly sells a ticket and accepts anything for payment not specifically allowed under the State Lottery Act.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation
27.	Licensee sells tickets over the telephone or Internet, or via mail order sales; or establishes or promotes a group purchase or pooling arrangement under which tickets are purchased on behalf of the group or pool and any prize is divided among the members of the group or pool, and the licensee intentionally or knowingly: (A) uses any part of the funds solicited or accepted for a purpose other than purchasing tickets on behalf of the group or pool; or (B) retains a share of any prize awarded as compensation for establishing or promoting the group purchase or pooling arrangement.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation
28.	Licensee intentionally or knowingly alters or forges a ticket.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation

29.	Licensee intentionally or knowingly influences or attempts to influence the selection of a winner of a lottery game.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation
30.	Licensee intentionally or knowingly claims a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation; or aids or agrees to aid another person or persons to claim a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation
31.	Licensee intentionally or knowingly tampers with, damages, defaces, or renders inoperable any vending machine, electronic computer terminal, or other mechanical device used in a lottery game, or fails to exercise due care in the treatment of commission property.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation
32.	Licensee: (A) induces another person to assign or transfer a right to claim a prize; (B) initiates or accepts an offer to sell the right to claim a prize; (C) initiates or accepts an offer of compensation from another person to claim a lottery prize; or (D) purchases, for anything of value, a lottery ticket from a person who is not a licensed lottery retailer.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation
33.	Licensee intentionally or knowingly makes a statement or entry that the person knows to be false or misleading on a required report.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation
34.	Licensee fails to maintain or make an entry the licensee knows is required to be maintained or made for a required report.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation
35.	Licensee knowingly refuses to permit the director of the Lottery Operations Division, the executive director, commission, the lottery operator, the employees or agents of the lottery operator, or the state auditor to examine the agent's books, records, papers or other objects, or refuses to answer any question authorized under the State Lottery Act.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation

36.	Licensee intentionally or knowingly makes a material and false or incorrect, or deceptive statement, written or oral, to a person conducting an investigation under the State Lottery Act or a commission rule.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation
37.	Licensee commits an offense of conspiracy as defined in the State Lottery Act.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation
38.	Licensee sells or offers for sale any interest in a lottery of another state or state government or an Indian tribe or tribal government, including an interest in an actual lottery ticket, receipt, contingent promise to pay, order to purchase, or other record of the interest.	10-90 day Suspension to Revocation	30-90 day Suspension to Revocation	Revocation
3rd Tier Violations				
39.	Licensee intentionally or knowingly sells or offers to sell a ticket to a person that the licensee knows is younger than 18 years.	Revocation	n/a	n/a
40.	Licensee incurs four (4) notices of nonsufficient fund transfers or non-transfer of funds within a 12-month period.	Revocation	n/a	n/a
41.	Licensee fails to pay the full amount of money owed to the commission after a nonsufficient funds transfer or non-transfer of funds to the commission's account.	Revocation	n/a	n/a
42.	Licensee knowingly sells tickets to, works with, or otherwise assists a lottery ticket courier service.	Revocation	n/a	n/a

1 §401.355 Restricted Sales.

2 (a) Retailers shall not sell lottery tickets via the Internet or by mail, phone, fax, or other similar
3 method of communications. Retailers shall not sell a lottery ticket or any other document
4 evidencing a right, privilege, or share in a lottery ticket from another jurisdiction by any means.

5 (b) Retailers shall not knowingly sell tickets to, work with, or otherwise assist a lottery ticket
6 courier service.

7 (c) Retailers shall not sell tickets to persons under the age of 18. Any ticket purchased by or sold
8 to an individual under the age of 18 years shall be void and the prize otherwise payable on the
9 ticket is treated as an unclaimed prize under Texas Government Code §466.408.

10 (d) Retailers shall not sell a ticket or pay a lottery prize to another person that the retailer knows
11 is:

12 (1) an officer or an employee of the commission;

13 (2) an officer, member, or employee of a lottery operator;

14 (3) an officer, member, or employee of a contractor or subcontractor that is excluded by
15 the terms of its contract from playing lottery games;

16 (4) the spouse, child, brother, sister, or parent of a person described by paragraph (1), (2),
17 or (3) of this subsection who resides within the same household as that person.

18 (e) Retailers shall not sell tickets from a game after the game's closing date.