



**CHARITABLE BINGO OPERATIONS DIVISION**  
**Texas Lottery Commission**

**2007 ANNUAL REPORT**

# A MESSAGE FROM THE CHAIRMAN AND THE DIRECTOR

We strive to provide consistent, effective, and efficient regulation to the charitable bingo industry in Texas.

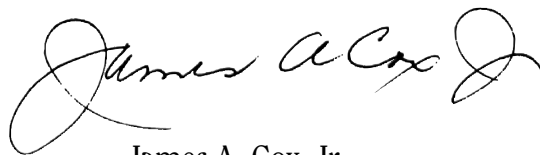
On behalf of the Commissioners and the Charitable Bingo Operations Division (CBOD) of the Texas Lottery Commission, we are pleased to present the Charitable Bingo Operations Division 2007 Annual Report.

In 2007, based upon the recommendations of the 2006 Internal Audit, certain responsibilities previously performed by the Audit Services Department were transferred to the Licensing Services Department and the Special Projects section of the Accounting Services Department. We anticipate the transfer of responsibilities will result in increased efficiency, fiscal accountability, and customer responsiveness. In addition, the new structure will enhance consistency and fairness of regulatory activities and further the promotion and maintenance of the integrity of the charitable bingo industry throughout Texas.

In 2007 total gross receipts were over \$661 million—the highest they have been since 1991 when total gross receipts exceeded \$673 million. In 2007, pull-tab sales exceeded regular bingo sales for the second time in the history of charitable bingo in Texas. The increase in gross receipts continues to be attributable to the September 2002 action by the Commission when it approved the sale of sign-up board tickets, tip board tickets, event tickets, multiple-part event tickets, and multiple-part instant tickets.

Total prizes paid to players in 2007 exceeded \$493 million, the highest in the history of charitable bingo in Texas. The increase in prizes paid to players is attributable to pull-tab prizes that were the highest since the inception of the sale of pull-tabs in Texas in 1986.

We strive to provide consistent, effective, and efficient regulation to the charitable bingo industry in Texas. We will continue to develop and implement policies and procedures that benefit licensees, the charitable organizations that benefit from authorized bingo activities in Texas, and ultimately the citizens of Texas.



James A. Cox, Jr.  
*Chairman*



Philip D. Sanderson  
*Director*

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# CHARITABLE BINGO OPERATIONS DIVISION



## Texas Lottery Commission

### *Agency Core Values*

***Integrity and Responsibility***—The Commission works hard to maintain the public trust by protecting and ensuring the security of our lottery games, systems, drawings and operational facilities. We value and require ethical behavior by our employees, licensees and vendors. We promote the integrity of charitable bingo in Texas for the benefit of charitable organizations.

***Innovation***—we strive to incorporate innovation into our products to provide the citizens of Texas with the best entertainment experience available through our products. We pursue the use of technology that enhances the services that we provide to our customers and reduces our operating expenses.

***Fiscal Accountability***—we emphasize fiscal accountability by ensuring that all expenditures directly or indirectly generate revenue, enhance security, fulfill regulatory requirements, improve customer service and/or boost productivity. We recognize our responsibility in generating revenue for the state of Texas without unduly influencing players to participate in our games. We maximize benefits to charities through the continual examination and review of charitable bingo operations.

***Customer Responsiveness***—The Commission takes pride in providing exemplary service to the people of Texas through the courteous dissemination of clear and accurate information about our products, services and regulatory functions. We seek and respond to feedback expressed by our employees, retailers, licensees and the playing and non-playing public. We apply this feedback in the development of our products and in the services that we provide.

***Teamwork***—we are committed to creating an environment of mutual respect where open, honest communication is our cornerstone. We embrace the diversity of our team and individual perspectives in working together to achieve our common goals.

***Excellence***—we strive for excellence by taking a position of leadership on issues that impact the Commission and achieve challenging goals by focusing on our core values.



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## *Agency Vision*

To be the preeminent Lottery and Charitable Bingo agency through innovative leadership.

## *Charitable Bingo Mission Statement*

Provide authorized organizations the opportunity to raise funds for their charitable purposes by conducting bingo. Determine that all charitable bingo funds are used for a lawful purpose. Promote and maintain the integrity of the charitable bingo industry throughout Texas.

## *Charitable Bingo Operations Division Regulatory Objective*

Charitable Bingo is an important fund-raising activity for a variety of Texas nonprofit organizations. The Charitable Bingo Operations Division of the Texas Lottery Commission is charged with the strict control and close supervision of bingo conducted in this state so that bingo is fairly conducted and the proceeds from bingo are used for an authorized purpose. Our goal is to achieve voluntary compliance and assist licensees through training and education.

We will strive for the highest levels of professionalism, conducting our regulatory activities fairly, competently and consistently. We will develop clear regulatory requirements in an open environment, encouraging two-way communication.

# CHARITABLE BINGO OPERATIONS DIVISION

## *The Commissioners and Director*

The three-member [Texas Lottery Commission](#) sets policy, promulgates rules for the agency, and performs all other duties required by law. The Governor of Texas appoints Commission members, with advice and consent of the state senate, to staggered six-year terms. One member must have experience in the bingo industry.

The director of the Charitable Bingo Operations Division is appointed by and reports to the three-member Commission.



### **James A. Cox, Jr. of Austin, Chair**

Mr. Cox is a certified public accountant and former president and chief executive officer of Hydrolab Corporation. He previously served as president of the Resort and Aviation Groups of the Estate of Howard Hughes, and as an accounting and auditing partner of Deloitte & Touche. He was a member of the Texas General Services Commission from 1999 to 2002.

Mr. Cox received a bachelor's degree and master's degree from the University of Texas at Austin. Mr. Cox is a member of the American Institute of Certified Public Accountants and the Texas Society of Certified Public Accountants.

Governor Rick Perry first appointed Mr. Cox to the Texas Lottery Commission on June 3, 2002. Mr. Cox was reappointed by Governor Perry on March 4, 2003. Governor Perry designated him as chair of the Commission on December 29, 2006.

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## **David J. Schenck, Commissioner**

Mr. Schenck is an attorney and partner with Jones Day L.L.P. He received a bachelor's degree from the State University of New York at Albany and a law degree from Baylor University School of Law. Mr. Schenck served as editor-in-chief of the Baylor Law Review and as a law clerk to Chief Judge Henry A. Politz, U.S. Court of Appeals, Fifth Circuit, prior to entering private practice. He is board certified in appellate law by the Texas Board of Legal Specialization.

Mr. Schenck has served as a member of the Rules Advisory Committee to the Fifth U.S. Circuit Court of Appeals and as an adjunct faculty member of Southern Methodist University. His many recognitions include the State Bar of Texas President's Award for 1998 and, in 2003, the Texas Access to Justice Commission's Stars of Justice Award, and a Dallas Volunteer Attorney Program's Special Service Award.

Governor Rick Perry appointed Mr. Schenck to the Texas Lottery Commission on October 17, 2007.



## **Philip D. Sanderson, Director of the Charitable Bingo Operations Division**

Phil Sanderson was appointed director of the Charitable Bingo Operations Division by the Texas Lottery Commission on May 16, 2007. Prior to that, he served as assistant director of the Charitable Bingo Operations Division from 1998 to 2007, as senior audit manager from 1995 to 1998, and as audit manager in the Houston Regional Office from 1994 to 1995.

Prior to working for the Texas Lottery Commission, he was an auditor for the Texas Alcoholic Beverage Commission from 1981 to 1994. From 1980 to 1981, he was an internal auditor for the Baylay Corporation.

He currently serves as co-chair of the Charitable Gaming Committee of the North American Gaming Regulators Association (NAGRA), a professional organization of federal, state, local, tribal, and provincial government agencies primarily responsible for regulation of legalized gaming activities.



# CHARITABLE BINGO OPERATIONS DIVISION

## *Bingo Advisory Committee*

The BAC must represent a balance of interests in the charitable bingo industry in Texas.

The purpose of the [Bingo Advisory Committee](#) (BAC) is to advise the Texas Lottery Commission on the needs and problems of the state's charitable bingo industry; comment on rules involving bingo during their development and before final adoption, unless an emergency requires immediate action by the Commission; report annually to the Commission on the committee's activities; and other duties as assigned. The BAC is composed of nine individuals representing the following interest groups: the public, conductors that are not licensed commercial lessors, conductors that are licensed commercial lessors, commercial lessors, licensed manufacturers, licensed distributors, and system service providers. Each member of the BAC is appointed for a three-year term. The three-member Texas Lottery Commission appoints members of the BAC. Appointments to the BAC must represent a balance of interests in the charitable bingo industry in Texas. The first Bingo Advisory Committee was appointed on March 25, 1995. The BAC meets on a quarterly basis or at the call of the Commission.

## *Bingo Advisory Committee Work Plan*

The BAC adopted a work plan on March 29, 2006, which defines the functions and duties of the BAC. [BAC work groups](#) are formed to research bingo-related issues and to make recommendations to the Commission. Workgroups are composed of members of the BAC, staff of the Charitable Bingo Operations Division and/or Texas Lottery Commission, and may include individuals from the general public.



# 2007 ANNUAL REPORT



## *Terminology in the 2007 Annual Report*

*Act*—refers to the [Bingo Enabling Act](#), TEX. OCC. CODE ANN § 2001.

*Commission*—refers to the three member Texas Lottery Commission.

*Conductor*—a licensed authorized organization that holds a license to conduct bingo, also referred to as a licensed authorized organization.

*Distributor*—a person who obtains, by purchase or otherwise, bingo equipment or supplies for use in bingo in Texas and sells or furnishes the items to another person for use, resale, display or operation, and holds a distributor’s license issued by the Texas Lottery Commission.

*Lessor*—a person licensed to lease premises for the purpose of conducting bingo, also referred to as a licensed commercial lessor.

*Licensed authorized organization “Conductor”*—an authorized organization that holds a license to conduct bingo.

*Licensed commercial lessor “Lessor”*—a person licensed to lease premises and act as a commercial lessor.

*Manufacturer*—a person who assembles from raw materials or subparts a completed piece of bingo equipment or supplies for use in bingo games in Texas or a person who converts, modifies, adds to, or removes parts from any bingo equipment, item, or assembly to further its promotion or sale for or use in a bingo games in Texas, and holds a manufacturer’s license issued by the Texas Lottery Commission.

*Person*—an individual, partnership, corporation, or other group.

*Rule or Rules*—refers to [Charitable Bingo Administrative Rules](#), 16 TEX ADMIN CODE (TAC).

*System service provider*—a person who sells or supplies automated bingo services for the use of a licensed authorized organization, and holds a system service provider’s license issued by the Texas Lottery Commission.

# CHARITABLE BINGO OPERATIONS DIVISION

The increase  
in total gross  
receipts from  
2002 forward  
is attributable  
to pull-tab  
sales.

## *Data in the 2007 Annual Report*

Data included in the 2007 Annual Report is for calendar years, unless indicated otherwise, and is unaudited. In some instances data for ten years (1998—2007) is included to provide a benchmark measurement for comparison and analysis. In some instances, data is included from 1982 through 2007 to provide an expanded basis for comparison and to show trends from the inception of bingo in Texas through 2007.

## *Gross Receipts*

The following table shows gross receipts from 1998 through 2007 and is based on figures reported by licensed authorized organizations:

### *Gross Receipts 1998 – 2007*

Year	Paper Card Sales	Electronic Card Sales	Pull-tab Sales	Total Gross Receipts
1998	\$431,161,924	\$75,687,551	\$99,177,810	\$606,027,285
1999	\$390,254,799	\$120,060,166	\$96,753,377	\$607,068,342
2000	\$356,410,441	\$137,005,668	\$89,353,141	\$582,769,250
2001	\$334,606,017	\$143,791,528	\$85,122,819	\$563,520,364
2002	\$319,865,576	\$148,241,778	\$88,979,503	\$557,086,857
2003	\$296,955,280	\$148,921,116	\$129,825,563	\$575,701,959
2004	\$280,367,439	\$150,549,106	\$173,835,537	\$604,752,082
2005	\$260,840,747	\$150,000,823	\$223,207,923	\$634,049,493
2006	\$251,273,670	\$153,498,545	\$253,552,957	\$658,325,172
2007	\$229,166,570	\$155,760,202	\$276,930,329	\$661,857,101

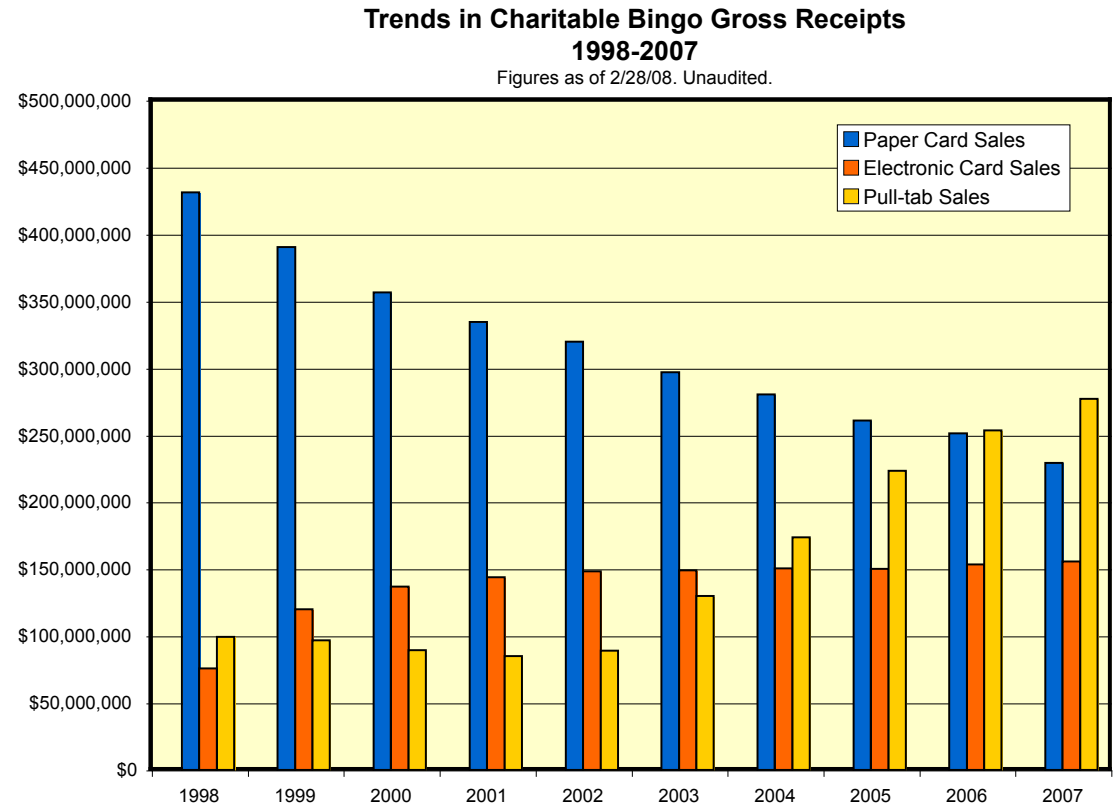
*Figures as of 02/28/08. Unaudited.*

# 2007 ANNUAL REPORT

Total gross receipts of \$661,857,101 in 2007 were the highest since 1991, when gross receipts were \$673,472,508.

## Gross Receipts (cont'd)

The following chart shows trends in gross receipts from 1998 – 2007:



The increase in total gross receipts from 2002 forward is attributable to pull-tab sales. In September 2002, the Commission authorized additional the types of pull-tab tickets that could be sold in Texas to include sign-up board tickets, tip board tickets, event tickets, multiple part event, and multiple part instant tickets. Since that time, pull-tab sales have shown steady yearly increases even though there has been some fluctuation in pull-tab sales from quarter to quarter. In 2006, the trend continued and for the first time since pull-tabs were authorized for sale in Texas, pull-tab sales surpassed card sales—in 2007, pull-tab sales surpassed card sales for the second time.

Total gross receipts of \$661,857,101 in 2007 were the highest since 1991, when total gross receipts were \$673,472,508. Attendance in 2007 was 18,166,171 the lowest since 1983, 1984, and 1985 when attendance was 900, 15,292, and 239,703 respectively. Attendance figures for 1982 are not available. Pull-tab sales have driven the increase in gross receipts in spite of declining attendance.

# CHARITABLE BINGO OPERATIONS DIVISION

## Gross Receipts (cont'd)

While pull-tab sales have shown yearly increases since 2003, the percentage increases have declined each year from 2004 through 2007.

The following table compares all categories of gross receipts and the changes from year to year from 1982 through 2007 and is based on figures reported by licensed authorized organizations:

### Changes in Bingo Gross Receipts by Category 1982-2007

Year	Card Sales	% Change Card Sales	Electronic Card Sales	% Change Electronic Card Sales	Pull-Tab Sales	% Change Pull-tab Sales	Total Gross Receipts	% Change Total Gross Receipts
1982	\$66,488,368		-		-		\$66,488,368	
1983	\$163,172,680	145.42%	-		\$87		\$163,172,767	145.42%
1984	\$217,137,488	33.07%	-		\$4,676,582		\$221,814,070	35.94%
1985	\$243,420,805	12.10%	-		\$11,872,941	153.88%	\$255,293,746	15.09%
1986	\$289,108,477	18.77%	-		\$13,548,709	14.11%	\$302,657,186	18.55%
1987	\$331,938,566	14.81%	-		\$36,086,789	166.35%	\$368,025,355	21.60%
1988	\$365,110,091	9.99%	-		\$101,901,561	182.38%	\$467,011,652	26.90%
1989	\$419,677,774	14.95%	-		\$130,997,997	28.55%	\$550,675,771	17.91%
1990	\$467,113,452	11.30%	-		\$154,335,596	17.82%	\$621,449,048	12.85%
1991	\$499,971,275	7.03%	-		\$173,501,233	12.42%	\$673,472,508	8.37%
1992	\$503,400,917	0.69%	-		\$164,719,328	-5.06%	\$668,120,245	-0.79%
1993	\$500,434,638	-0.59%	-		\$151,592,343	-7.97%	\$652,026,981	-2.41%
1994	\$496,971,984	-0.69%	-		\$141,599,698	-6.59%	\$638,571,682	-2.06%
1995	\$498,377,085	0.28%	-		\$139,807,479	-1.27%	\$638,184,564	-0.06%
1996	\$485,532,608	-2.58%	\$3,806,301		\$121,926,846	-12.79%	\$611,265,755	-4.22%
1997	\$449,141,019	-7.50%	\$42,783,034	1024.01%	\$104,888,564	-13.97%	\$596,812,617	-2.36%
1998	\$431,161,924	-4.00%	\$75,687,551	76.91%	\$99,177,810	-5.44%	\$606,027,285	1.54%
1999	\$390,254,799	-9.49%	\$120,060,166	58.63%	\$96,753,377	-2.44%	\$607,068,342	0.17%
2000	\$356,410,441	-8.67%	\$137,005,668	14.11%	\$89,353,141	-7.65%	\$582,769,250	-4.00%
2001	\$334,606,017	-6.12%	\$143,791,528	4.95%	\$85,122,819	-4.73%	\$563,520,364	-3.30%
2002	\$319,865,576	-4.41%	\$148,241,778	3.09%	\$88,979,503	4.53%	\$557,086,857	-1.14%
2003	\$296,955,280	-7.16%	\$148,921,116	0.46%	\$129,825,563	45.91%	\$575,701,959	3.34%
2004	\$280,367,439	-5.59%	\$150,549,106	1.09%	\$173,835,537	33.90%	\$604,752,082	5.05%
2005	\$260,840,747	-6.96%	\$150,000,823	-0.36%	\$223,207,923	28.40%	\$634,049,493	4.84%
2006	\$251,273,670	-3.67%	\$153,498,545	2.33%	\$253,552,957	13.59%	\$658,325,172	3.83%
2007	\$229,166,570	-8.80%	\$155,760,202	1.47%	\$276,930,329	9.22%	\$661,857,101	0.54%

Figures as of 2/28/2008. Unaudited.  
Source: Texas Lottery Commission

# 2007 ANNUAL REPORT

## Gross Receipts (cont'd)

The following table compares adjusted gross receipts to net proceeds and net proceeds as a percentage of gross receipts from 1998 through 2007:

### Adjusted Gross Receipts, Net Proceeds and Net Proceeds As a Percentage of Adjusted Gross Receipts 1998 – 2007

Year	Adjusted Gross Receipts	Net Proceeds	Net Proceeds As a Percentage of Adjusted Gross Receipts
1998	\$143,393,928	\$46,271,458	32.27%
1999	\$138,267,406	\$40,204,414	29.08%
2000	\$132,264,836	\$37,046,215	28.01%
2001	\$128,267,643	\$34,530,414	26.92%
2002	\$125,386,485	\$31,903,510	25.44%
2003	\$123,913,290	\$30,111,308	24.30%
2004	\$128,635,072	\$33,113,200	25.74%
2005	\$130,561,284	\$33,723,381	25.83%
2006	\$134,318,678	\$35,197,791	26.20%
2007	\$137,358,292	\$38,275,465	27.87%

Figures as of 02/28/08. Unaudited.

Adjusted gross receipts is the sum of card sale entrance fees, electronic card sales, and pull-tab bingo sales less total bingo prizes and the cost of goods purchased. Net proceeds is the sum of adjusted gross receipts plus all other income (rent income, loan proceeds, interest earned, the value of merchandise prizes donated, and prize fees withheld) less total expenses.

Adjusted gross receipts is the sum of card sale entrance fees, electronic card sales, and pull-tab bingo sales less total bingo prizes and the cost of goods purchased.



# CHARITABLE BINGO OPERATIONS DIVISION

## Prizes Paid To Players

Who yelled  
"Bingo"?  
In 2007, prizes  
paid to bingo  
players exceeded  
\$493 million.

A bingo prize may not have a value of more than \$750 for a single game. For regular bingo games, except pull-tab bingo, the total value of prizes awarded during a bingo occasion cannot exceed \$2,500. Note: A bingo occasion may not exceed four hours.

The following table shows prizes paid to players from 1998 through 2007 and is based on figures reported by licensed authorized organizations:

### Prizes Paid to Players 1998 – 2007

Year	Regular & Electronic Prizes	Pull-tab Prizes	Total Prizes
1998	\$364,286,010	\$68,590,683	\$432,876,694
1999	\$363,547,003	\$67,216,075	\$430,763,078
2000	\$351,595,336	\$62,206,343	\$413,801,679
2001	\$340,455,275	\$59,527,761	\$399,983,036
2002	\$335,116,215	\$62,804,013	\$397,920,228
2003	\$323,572,683	\$93,837,323	\$417,410,006
2004	\$317,789,253	\$127,063,799	\$444,853,052
2005	\$307,627,809	\$163,882,257	\$471,510,066
2006	\$307,784,184	\$184,397,569	\$492,181,753
2007	\$295,088,798	\$198,215,648	\$493,304,446

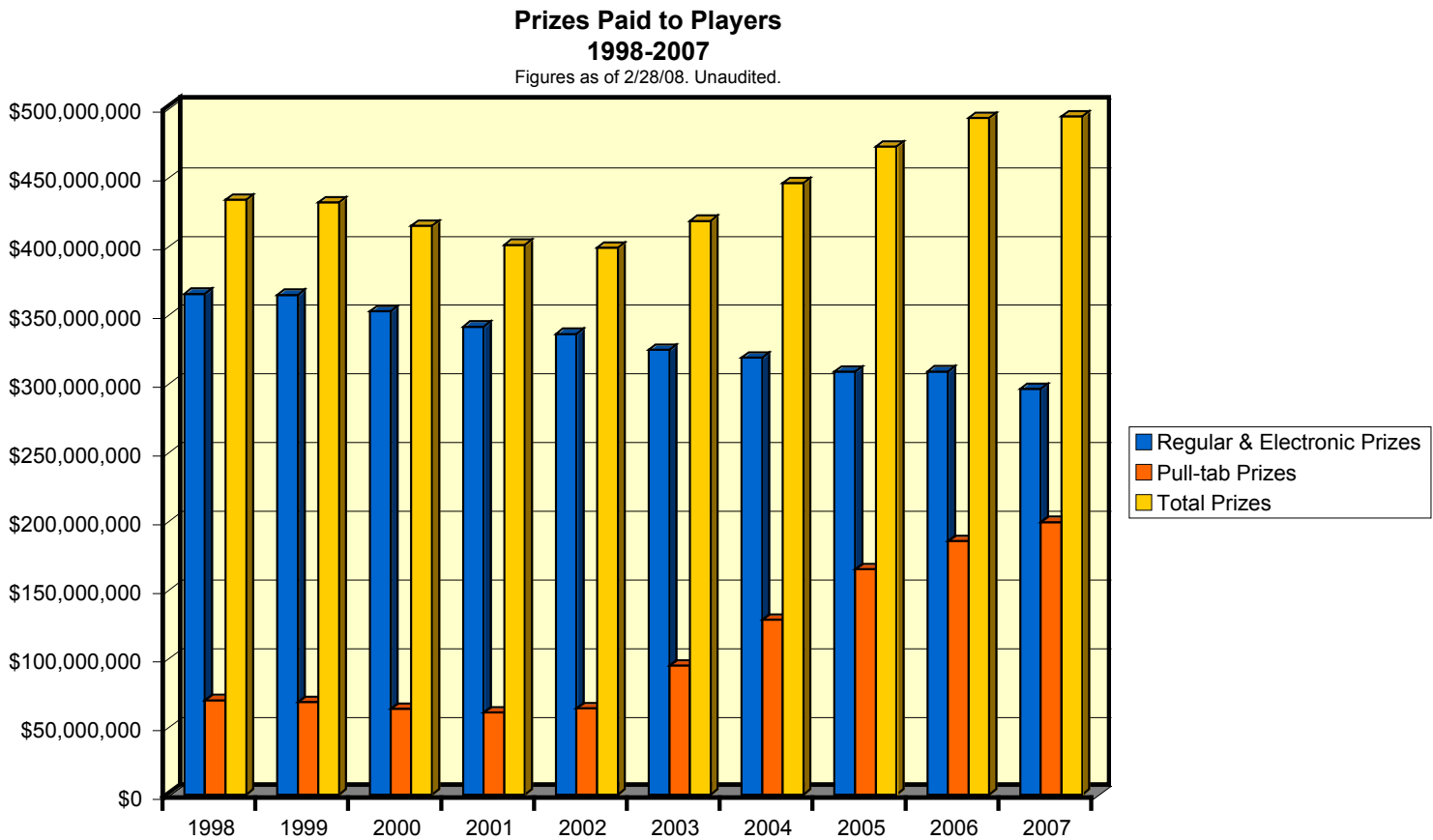
Figures as of 02/28/08. Unaudited.



# 2007 ANNUAL REPORT

## *Prizes Paid To Players (cont'd)*

The following chart shows trends in prizes paid to players from 1998 through 2007:



## *Charitable Distributions*

Before the end of each calendar quarter, a licensed authorized organization must disburse, for charitable purposes, an amount not less than 35 percent of the organization's adjusted gross receipts, derived from charitable bingo activities from the preceding quarter, less the amount of authorized expenses, not to exceed 6 percent of the gross receipts. Charitable distributions must be used for the purposes and objectives of the non-profit organization.

# CHARITABLE BINGO OPERATIONS DIVISION

## *Charitable Distributions (cont'd)*

The increases in reported charitable distributions from 2004 to 2007 are attributable to the increase in gross receipts resulting from increased pull-tab sales.

The 35 percent minimum charitable distribution is calculated as follows:

1.		Prior Quarter Gross Receipts
2.	Less	Cost of Good Purchased (Prior Quarter)
3.	Less	Prior Quarter Prizes Paid To Players
4.	Less	<u>Lease Payments To Distributor For Card-Minding Devices Only</u>
5.	Equals	Adjusted Gross Receipts (Line 1 – Lines 2, 3 and 4)
6.	Times	.35% of Adjusted Gross Receipts ((Line 5 * .35%)
7.	Less	Authorized Expenses or 6% of Prior Quarter Gross Receipts (Line 1)
8.	<b>Equals</b>	<b>Minimum Required Charitable Distribution</b>

The data in the following table compares charitable distributions required by the Bingo Enabling Act to charitable distributions reported by licensed authorized organizations from 1998 through 2008 and is based on figures reported by licensed authorized organizations:

### *Charitable Distributions Required by the Bingo Enabling Act Compared To Charitable Distributions Reported By Licensees 1998 – 2007*

Year	Required Distribution	Reported Distribution
1998	\$16,092,527	\$42,588,280
1999	\$15,511,905	\$39,995,805
2000	\$14,132,216	\$36,805,043
2001	\$13,418,658	\$34,123,897
2002	\$12,980,323	\$31,745,178
2003	\$11,707,582	\$29,885,101
2004	\$11,429,728	\$30,044,665
2005	\$10,294,508	\$30,384,530
2006	\$10,217,853	\$31,999,876
2007	\$10,288,552	\$32,042,475

*Figures as of 02/28/08. Unaudited.*

The increases in reported charitable distributions from 2004 to 2007 are attributable to the increase in gross receipts resulting from increased pull-tab sales.

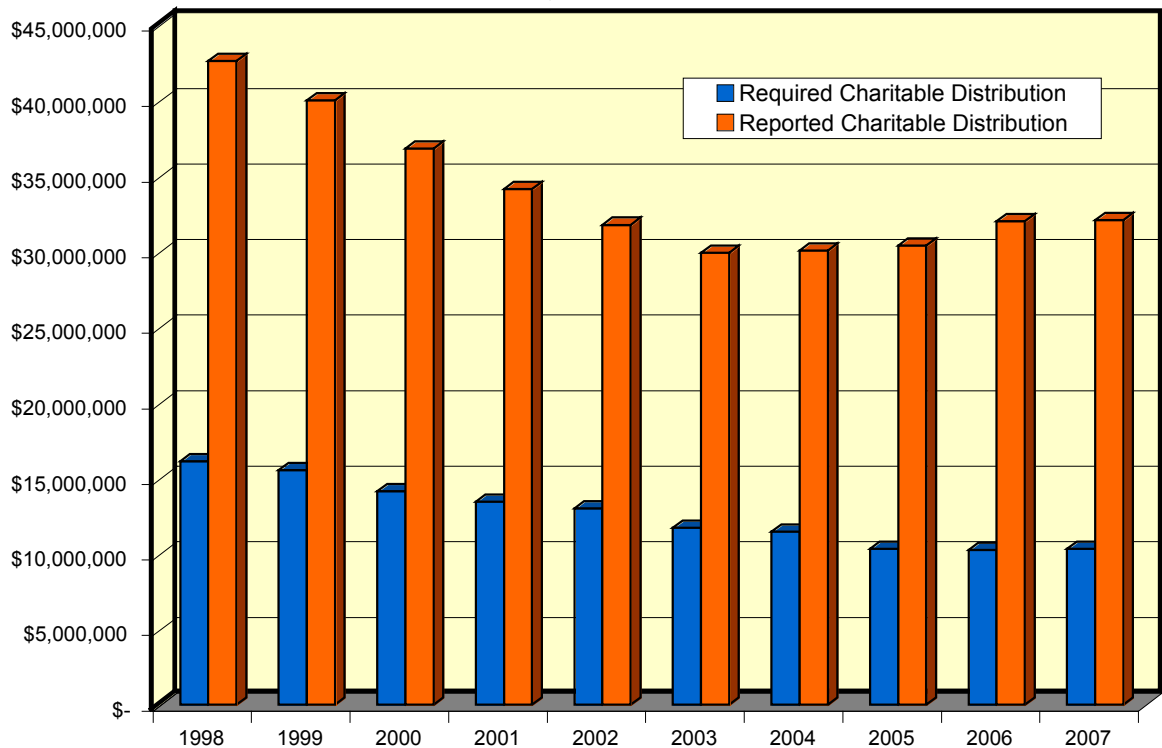
# 2007 ANNUAL REPORT

## Charitable Distributions (cont'd)

The following chart shows trends in charitable distributions required by the Act compared to charitable distributions reported by licensed authorized organizations for calendar years 1998 through 2007:

**Required Charitable Distributions Compared to Reported Charitable Distributions  
1998-2007**

Figures as of 2/28/08. Unaudited.



# CHARITABLE BINGO OPERATIONS DIVISION

## Attendance

Attendance  
has declined  
yearly since  
1991.

The figures for attendance do not reflect the number of people playing bingo in the years referenced but are the cumulative reported attendance of persons at bingo games. Attendance is reported quarterly by licensed authorized organizations that conduct bingo.

The following table shows attendance data for calendar years 1998 through 2007 and is based on figures reported by licensed authorized organizations:



### Attendance 1998 – 2007

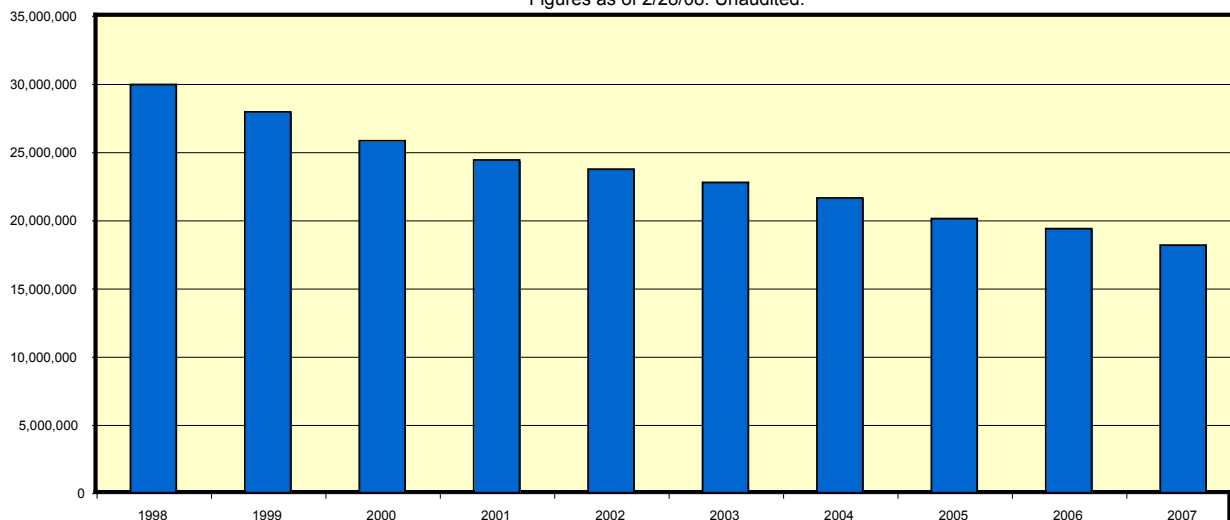
Year	Attendance
1998	29,926,084
1999	27,916,523
2000	25,820,653
2001	24,385,464
2002	23,718,342
2003	22,749,669
2004	21,594,956
2005	20,114,037
2006	19,365,514
2007	18,166,171

Figures as of 02/28/08. Unaudited.

The following chart shows trends in attendance for calendar years 1998 through 2007:

### Attendance 1998-2007

Figures as of 2/28/08. Unaudited.



# 2007 ANNUAL REPORT

## Commercial Lessor Lease Income and Rental Tax

There is a three percent tax on gross rentals received by a licensed commercial lessor for the rental of premises where bingo is conducted.

The rent charged by a licensed commercial lessor to a licensed authorized organization to conduct bingo may not exceed \$600 for each bingo occasion conducted on the lessors premises unless the licensed authorized organization subleases the premises to one or more other licensed authorized organizations to conduct bingo, in which case the rent charged by the licensed commercial lessor may not exceed \$600 for each day.

There is a 3 percent tax on gross rentals received by a licensed commercial lessor for the rental of premises where bingo is conducted.

The following table shows lease income and rental tax reported by licensed commercial lessors from 1998 through 2007:

### Commercial Lessors Lease Income & Rental Tax 1998 – 2007

Year	Lease Income	Rental Tax
1998	\$39,783,668	\$1,193,232
1999	\$40,767,176	\$1,222,756
2000	\$38,753,785	\$1,162,614
2001	\$37,733,808	\$1,134,089
2002	\$37,876,695	\$1,139,008
2003	\$36,794,616	\$1,191,095
2004	\$39,165,723	\$1,225,081
2005	\$39,089,803	\$1,250,178
2006	\$39,156,522	\$1,310,438
2007	\$39,128,799	\$1,221,487

Figures as of 02/28/08. Unaudited.



# CHARITABLE BINGO OPERATIONS DIVISION

## *Charitable Bingo Allocations to Cities and Counties*

Local jurisdictions in Texas benefit from charitable bingo activities in the form of allocations derived from bingo prize fees.

Section 2001.502 of the Act requires a licensed authorized organization to collect from every individual who wins a bingo prize a prize fee in the amount of 5 percent of the amount or value of the prize.

Local jurisdictions in Texas benefit from charitable bingo activities in the form of allocations derived from bingo prize fees. A county that imposed a gross receipts tax on the conduct of bingo as of January 1, 1993, is entitled to 50 percent of the prize fee collected under § 2001.502 of the Act, on a prize awarded at a game conducted in the county.

A municipality that imposed a gross receipts tax on the conduct of bingo as of January 1, 1993, is entitled to 50 percent of the fee collected under § 2001.502 on a prize awarded at a game conducted in the municipality.

If a county and municipality are both entitled to a share of the fee imposed by § 2001.502 of the Act, the county is entitled to 25 percent of the fee on a prize awarded at a game conducted in the county and the municipality is entitled to 25 percent of the fee on a prize awarded at a game conducted in the municipality. All prize fees that are not allocated to local jurisdictions go to the state.

Each quarter, 2 percent of the total prize fees collected are retained in the jurisdiction's suspense account. The Commission may make refunds from the suspense account of a jurisdiction for overpayments made to those accounts and may redeem dishonored checks and drafts deposited to the credit of the jurisdiction's suspense account.



# 2007 ANNUAL REPORT

## Charitable Bingo Allocations (cont'd)

The following table shows allocations derived from bingo prize fees from 1998 through 2007:

### Allocations 1998 – 2007

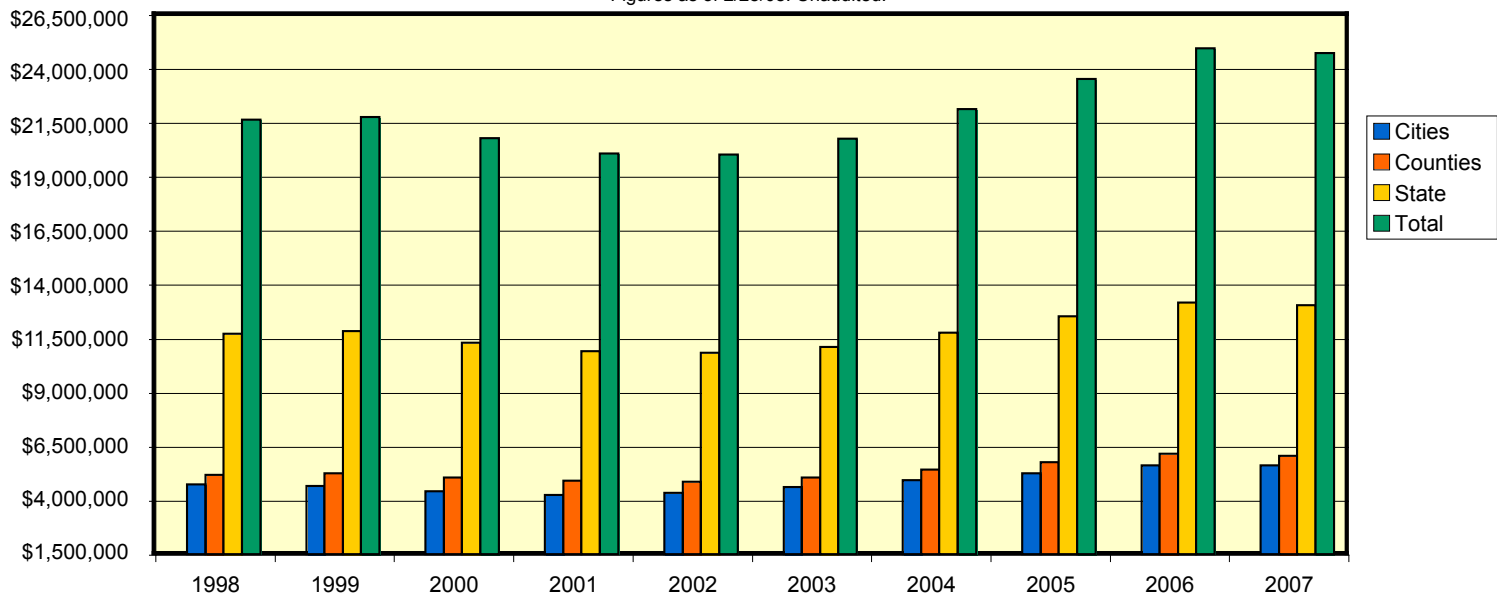
Year	Cities	Counties	State	Total
1998	\$4,723,590	\$5,171,606	\$11,722,459	\$21,617,655
1999	\$4,656,050	\$5,254,833	\$11,827,664	\$21,738,547
2000	\$4,412,510	\$5,061,768	\$11,286,557	\$20,760,835
2001	\$4,252,635	\$4,911,349	\$10,891,641	\$20,055,625
2002	\$4,334,297	\$4,848,352	\$10,828,527	\$20,011,175
2003	\$4,607,124	\$5,045,928	\$11,098,880	\$20,751,932
2004	\$4,932,543	\$5,417,226	\$11,768,608	\$22,118,377
2005	\$5,251,493	\$5,755,290	\$12,511,819	\$23,518,602
2006	\$5,608,691	\$6,151,752	\$13,166,159	\$24,926,602
2007	\$5,607,152	\$6,062,528	\$13,034,507	\$24,704,187

Figures as of 03/01/07. Unaudited.

The following chart shows trends in allocations for calendar years 1998 through 2007:

### Trends in Allocations 1998-2007

Figures as of 2/28/08. Unaudited.



# CHARITABLE BINGO OPERATIONS DIVISION

## *Licensed Organizations*

The Charitable Bingo Operations Division licenses the following types of organizations related to the regulation of charitable bingo in Texas:

- Conductor – an authorized organization that conducts bingo. This represents the largest category of licensees in the charitable bingo industry in Texas.
- Conductor/Lessor – an authorized organization that conducts bingo and leases space to other authorized conductor organizations to conduct bingo.
- Lessor – an individual or organization that leases a location for the purpose of conducting a charitable bingo game.
- Distributor – an individual or organizations that sells, distributes, or supplies equipment to organizations authorized to conduct bingo.
- Manufacturer – an individual or organization that manufactures bingo equipment and sells to licensed distributors in Texas.
- System Service Provider – an individual or organization that provides integrated electronic systems for automated bingo services to be used by an authorized organization.

The following table shows organizations by organization type that were licensed in Texas from 1998 through 2007:

### ***Organizations That Applied For and Were Issued a License 1998-2007***

*Note: Does not include temporary conductor licenses.*

Year	Conductor	Distributor	Lessor	Manufacturer	System Service Provider	Total
1998	1,616	19	491	12	2	2,140
1999	1,587	18	498	13	2	2,118
2000	1,536	17	491	13	1	2,058
2001	1,482	15	472	14	2	1,985
2002	1,447	15	461	15	2	1,940
2003	1,430	19	464	21	1	1,935
2004	1,419	18	459	18	1	1,915
2005	1,363	18	436	18	0	1,835
2006	1,318	15	425	19	0	1,777
2007	1,312	15	432	16	0	1,775

*Figures as of 03/12/08. Unaudited.*

# 2007 ANNUAL REPORT

Each license category includes licenses issued to conductors, lessors, manufacturers, and distributors, with the exception of temporary licenses, which are issued only to conductors.



## *Conductor Licenses*

Section 2001.101 of the Act defines the types authorized non-profit organizations eligible for a license to conduct bingo in Texas. Those organizations are:

- A religious society that has existed in Texas for at least eight years.
- A nonprofit organization:
  - ▼ whose predominant activities are for the support of medical research or treatment programs; and
  - ▼ that for at least three years:
    - ◇ must have had a governing body or officers elected by a vote of members or by a vote of delegates elected by the members, or
    - ◇ Must have been affiliated with a state or national organization organized to perform the same purposes as the nonprofit organization.
- A fraternal organization.
- A veteran's organization.
- A volunteer fire department.

# CHARITABLE BINGO OPERATIONS DIVISION

## Conductor Licenses (cont'd)

The following table shows licensed conductor licensees by organization type from calendar year 1998 through 2007:

**Conductor Licensees by Organization Type  
1998-2007**

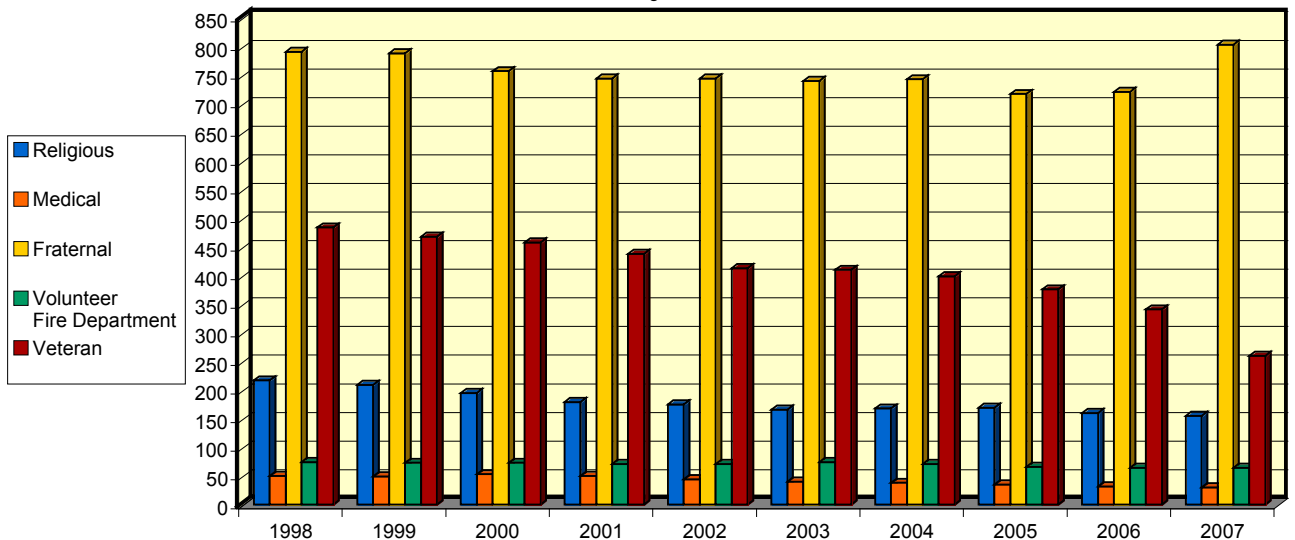
Year	Religious	Medical	Fraternal	Volunteer Fire Department	Veteran	Total
1998	217	50	791	74	484	1,616
1999	209	49	788	73	468	1,587
2000	195	53	757	73	458	1,536
2001	179	50	744	71	438	1,482
2002	175	44	744	71	413	1,447
2003	166	40	740	74	410	1,430
2004	168	38	743	71	399	1,419
2005	169	35	717	66	376	1,363
2006	160	32	721	64	341	1,318
2007	155	30	803	64	260	1,312

Figures as of 03/12/08. Unaudited.

The following chart shows trends in conductor licensees issued by organization type from 1998 to 2007.

**Trends in Conductor Licensees Issued by Organization by Type  
1998-2007**

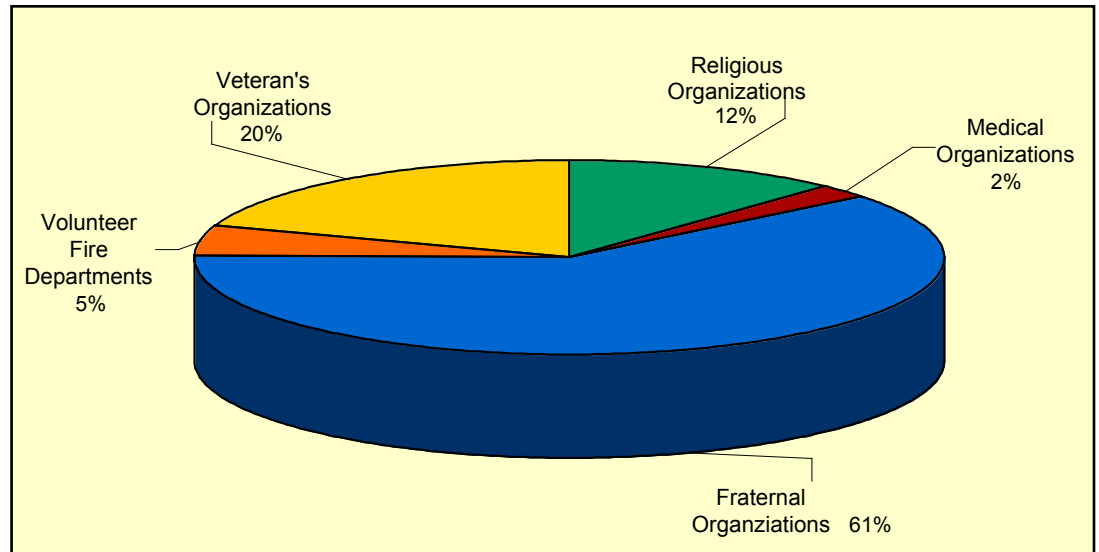
Figures as of 2/28/08. Unaudited.



# 2007 ANNUAL REPORT

## Percentage of Charitable Bingo Conductor Licensees by Organization Type 2007

Figures as of 3/12/08. Unaudited.



## *Types of Licenses*

The following table describes the types of licenses issued by the Charitable Bingo Operations Division, the purpose of each license type, and the type of licensee they are issued to:

License Type	Purpose	Issued To
Amendment	Used by an organization to amend their current conductor's or lessor's license. May include changes in playing days, times, place, organization location or members/officers/primary operator.	Conductor Lessors
Original	Used to obtain an initial license for a specific license type.	Conductor Lessor Manufacturer Distributor System Service Provider
Renewal	To renew the license.  A license may be renewed on an annual or bi-annual basis.	Conductor Lessor Manufacturer Distributor System Service Provider
Temporary	Issued to authorized conductor organizations to conduct bingo for one four-hour occasion on a specific day at a specific time. Organizations that hold an annual license to conduct bingo may obtain 12 temporary licenses per license period. Organizations that play bingo only on temporary licenses may obtain 6 temporary licenses per calendar year.	Conductors.

# CHARITABLE BINGO OPERATIONS DIVISION

## *Types of Licenses (cont'd)*

The following table shows licenses issued by license type from 1998 to 2007:

### *Licenses Issued by License Type 1998-2007*

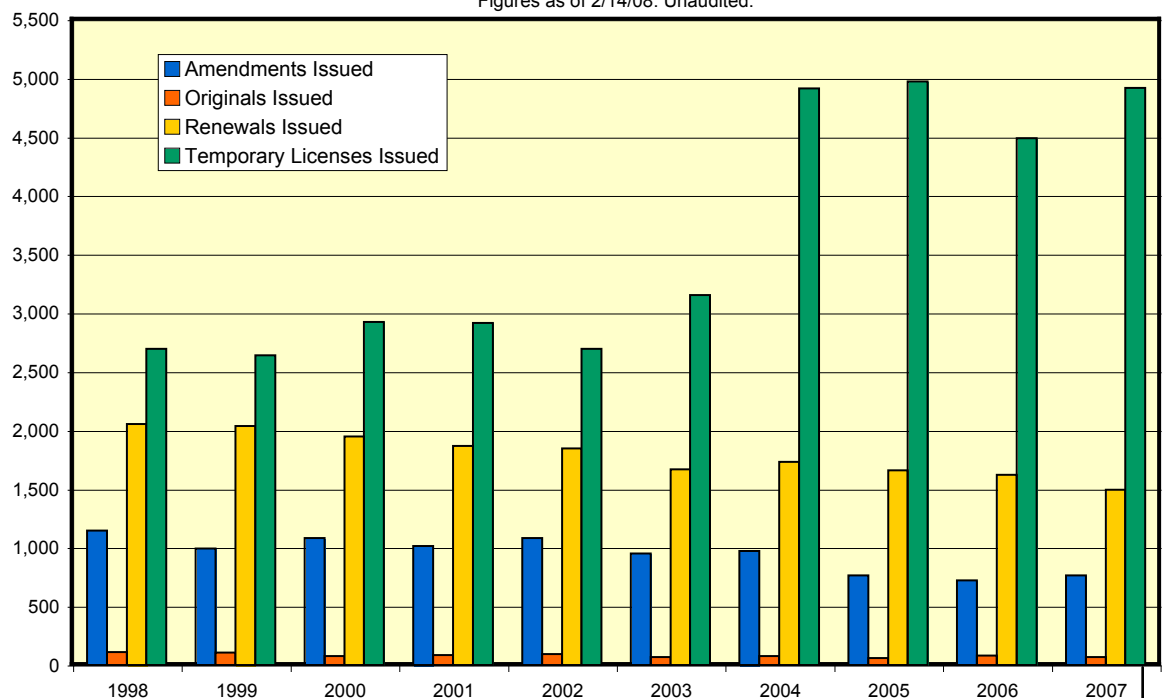
Year	Amendments Issued	Originals Issued	Renewals Issued	Temporary Licenses Issued	Total Licenses Issued
1998	1,145	112	2,056	2,696	6,009
1999	995	106	2,036	2,639	5,776
2000	1,084	78	1,947	2,922	6,031
2001	1,015	86	1,868	2,914	5,883
2002	1,084	95	1,845	2,693	5,717
2003	949	68	1,668	3,154	5,839
2004	973	76	1,731	4,916	7,696
2005	764	60	1,659	4,974	7,457
2006	723	80	1,623	4,492	6,918
2007	764	69	1,495	4,917	7,245

Figures as of 02/14/08. Unaudited.

The following table shows trends in licenses issued by license type from 1998 through 2007:

### **Trends - Licenses Issued by License Type 1998-2007**

Figures as of 2/14/08. Unaudited.



# 2007 ANNUAL REPORT

The following chart shows licenses issued by organization type and license type from 1998 through 2007:

## *Organizations That Applied For and Were Issued a License 1998-2007*

Year	Conductor	Distributor	Lessor	Manufacturer	System Service Provider	Total
<b>1998</b>						
Amendment	749		15		0	764
Original	51	1	17		0	69
Renewal	1,136	12	331	16	0	1,495
Temporary	4,917				0	4,917
<b>1998 Total</b>	<b>6,853</b>	<b>13</b>	<b>363</b>	<b>16</b>	<b>0</b>	<b>7,245</b>
<b>1999</b>						
Amendment	965		30			995
Original	75	1	28	1	1	106
Renewal	1,532	21	472	10	1	2,036
Temporary	2,639					2,639
<b>1999 Total</b>	<b>5,211</b>	<b>22</b>	<b>530</b>	<b>11</b>	<b>2</b>	<b>5,776</b>
<b>2000</b>						
Amendment	1,060		24			1,084
Original	50		27	1		78
Renewal	1,470	12	453	11	1	1,947
Temporary	2,922					2,922
<b>2000 Total</b>	<b>5,502</b>	<b>12</b>	<b>504</b>	<b>12</b>	<b>1</b>	<b>6,031</b>
<b>2001</b>						
Amendment	991		24			1,015
Original	59	3	21	1		84
Renewal	1,388	13	457	11	1	1,870
Temporary	2,914					2,914
<b>2001 Total</b>	<b>5,352</b>	<b>16</b>	<b>502</b>	<b>12</b>	<b>1</b>	<b>5,883</b>
<b>2002</b>						
Amendment	1,053		31			1,084
Original	65	1	26	3		95
Renewal	1,374	15	443	12	1	1,845
Temporary	2,693					2,693
<b>2002 Total</b>	<b>5,185</b>	<b>16</b>	<b>500</b>	<b>15</b>	<b>1</b>	<b>5,717</b>

(Continued on Pg. 25)

# CHARITABLE BINGO OPERATIONS DIVISION

## *Organizations That Applied For and Were Issued a License (cont'd)* 1998-2007

Year	Conductor	Distributor	Lessor	Manufacturer	System Service Provider	Total
<b>2003</b>						
Amendment	930		19			949
Original	44	2	21	1		68
Renewal	1,235	18	399	15	1	1,668
Temporary	3,154					3,154
<b>2003 Total</b>	<b>5,363</b>	<b>20</b>	<b>439</b>	<b>16</b>	<b>1</b>	<b>5,839</b>
<b>2004</b>						
Amendment	947		26			973
Original	57	5	11	3		76
Renewal	1,266	10	441	14		1,731
Temporary	4,916					4,916
<b>2004 Total</b>	<b>7,186</b>	<b>15</b>	<b>478</b>	<b>17</b>	<b>0</b>	<b>7,696</b>
<b>2005</b>						
Amendment	747		17			764
Original	46	2	10	2		60
Renewal	1,237	11	397	14		1,659
Temporary	4,974					4,974
<b>2005 Total</b>	<b>7,004</b>	<b>13</b>	<b>424</b>	<b>16</b>	<b>0</b>	<b>7,457</b>
<b>2006</b>						
Amendment	707		16			723
Original	66		12	2		80
Renewal	1,186	18	404	15		1,623
Temporary	4,492					4,492
<b>2006 Total</b>	<b>6,451</b>	<b>18</b>	<b>432</b>	<b>17</b>	<b>0</b>	<b>6,918</b>
<b>2007</b>						
Amendment	749		15			764
Original	51	1	17			69
Renewal	1,136	12	331	16		1,495
Temporary	4,917					4,917
<b>2007 Total</b>	<b>6,853</b>	<b>13</b>	<b>363</b>	<b>16</b>	<b>0</b>	<b>7,245</b>

# 2007 ANNUAL REPORT

## *Bingo Operator Training Program*

Bingo Operator Training Programs are conducted throughout the state each year by employees of the Charitable Bingo Operations Division.

An active member of every licensed authorized organization, who is responsible for the conduct of bingo (operator), is required to attend the [Bingo Operator Training Program](#) (operator training program). Under the provisions of §§ 2001.107, 2001.437(h) and 2001.438(e) of the Act, unit managers and designated agents are also required to attend training. Other officers and members may also attend training programs. All attendees are required to read the [Act](#) and the [Rules](#) in their entirety prior to attending the training session.

The Bingo Operator Training Program is designed to include training in: the requirements of the Act and Rules; conducting bingo games; record keeping requirements; promotion of bingo games; licensing, audit, and accounting requirements; filing quarterly reports, and the administration and operation of bingo activities.

Training programs are conducted throughout the state each year by employees of the Charitable Bingo Operations Division. [Schedules](#) of operator training programs and online [registration](#) are available on the Web site.

The following table shows the number of operator training programs conducted and the number of individuals attending the operator training programs from 2000 through 2007:

### *Operator Training Programs and Attendance 2000 – 2007*

Year	Number of Training Programs Conducted	Number Attending
2000	36	1,733
2001	35	896
2002	45	1,747
2003	39	1,446
2004	41	1,687
2005	38	1,471
2006	40	1,562
2007	31	1,328
<b>Total</b>	<b>305</b>	<b>11,870</b>

*Figures as of 02/08/08. Unaudited.*

# CHARITABLE BINGO OPERATIONS DIVISION

## *Audit Activity*

In 2007, the Audit Services Department of the Charitable Bingo Operations Division conducted a variety of audit activities including compliance audits, books and records inspections, and compliance reviews.

The Act and Rules require certain records be maintained. Licensees are not required to maintain records in a specific format but they are required to maintain the information that is included on the forms suggested by the Commission. Books and records inspections are conducted to determine if the required records and information are being maintained. These inspections are a limited review of a licensee's records. The inspections are limited to a minimum of one quarter and designed to be a review of the records for compliance with the Act and Rules.

Compliance audits and compliance reviews are conducted to determine if the records, books, and accounts of the organization accurately reflect financial and fiscal operations, if effective accounting controls are maintained, and to determine if funds are received and used for purposes authorized by the Act and Rules. Compliance reviews are conducted on one quarter of an organization's records. Compliance audits are conducted on four quarters of an organization's records.

The following table shows audit activities in calendar year 2007:

### *Audit Activities 2007*

Activity	Number	Hours
Bingo Complaint	64	614
Books and Records Inspections	1	25
Compliance Audit	27	2,032
Compliance Review	13	406

*Figures as of 02/13/08. Unaudited.*

In 2007, the responsibility of conducting pre-licensing interviews and site inspections was transferred to the Licensing Services Department as part of the recommendations of the August 2006 "Internal Audit of the Charitable Bingo Regulation-Audit Service."

# 2007 ANNUAL REPORT

## *Audit Activity (cont'd)*

In 2007, the responsibility of conducting pre-licensing interviews and site inspections was transferred to the Licensing Services Department as part of the recommendations of the August 2006 “Internal Audit of Charitable Bingo Regulation-Audit Services.”

Pre-licensing interviews are conducted for members of organizations prior to the issuance of the organization’s original license to conduct charitable bingo in Texas. The purpose of the interview is to ensure the individual designated as the primary operator of the organization’s bingo activities has read and is familiar with the requirements of the Act and the Rules.

Site inspections include conductor location verification inspections and lessor location verifications, which are performed to ensure that both conductors and lessors meet the location requirements of the Act.

The following table shows data related to site inspections and pre-licensing interviews conducted in 2007:

### ***State Inspections & Pre-licensing Interviews Conducted by Audit Services Department and the Licensing Services Department 2007***

Activity	Number	Hours
Pre-Licensing Interview	36	88
Site Inspection	30	143

*Figures as of 02/13/08. Unaudited.*



# CHARITABLE BINGO OPERATIONS DIVISION

## *Final Administration Actions in 2007*

Organization Name	Violation/Deficiency	Administrative Action
Evening Optimist Club of Pecos Texas, Inc. Pecos, Texas	Failed to: <ul style="list-style-type: none"> <li>• Post the required bond.</li> <li>• Provide verification of exemption from taxation from the IRS.</li> <li>• Provide documentation requested by the Commission</li> </ul>	Conductor original application denied January 8, 2007. No hearing was requested.
Women of the Moose 1731 Texarkana, Texas	Failed to: <ul style="list-style-type: none"> <li>• Have at least one of the persons designated by the Act to complete the required eight-hour operator training program.</li> <li>• Submit supplemental information requested by the Commission.</li> </ul>	Conductor renewal application denied February 2, 2007. No hearing requested.
Clear Creek Easy Does It, Inc. Seabrook, Texas	Failed to: <ul style="list-style-type: none"> <li>• Provide information and forms requested by the Commission.</li> <li>• Submit the required bond.</li> <li>• Provide evidence of exemption from taxation.</li> </ul>	Conductor original application denied March 19, 2007. No hearing requested.
Ysleta del Sur Pueblo Volunteer Fire Department, Inc. El Paso, Texas	Failed to: <ul style="list-style-type: none"> <li>• Provide a form requested by the Commission.</li> <li>• Submit the required bond.</li> <li>• Include the name and address of the licensed commercial lessor of the premises where the organization proposed to conduct bingo.</li> <li>• Provide proof the organization is actively providing fire-fighting services.</li> </ul>	Conductor original application denied March 29, 2007. No hearing requested.
San Antonio Predators San Antonio, Texas	Failed to: <ul style="list-style-type: none"> <li>• File a complete application on the form prescribed by the Commission</li> <li>• Provide additional information requested by the Commission.</li> </ul>	Conductor original application denied April 12, 2007. No hearing requested.

# 2007 ANNUAL REPORT

## *Final Administration Actions in 2007 (cont'd)*

Organization Name	Violation/Deficiency	Administrative Action
GameTech International, Inc. (GameTech) Reno, Nevada	<p>Failed to:</p> <ul style="list-style-type: none"> <li>• Ensure that a card-minding device was not capable of playing in excess of sixty-six card faces per game.</li> <li>• Immediately notify the Commission of a defect, malfunction, or problem in a card-minding device.</li> <li>• Notify the Commission in writing within ten working days of any change to information contained in a filed application.</li> <li>• Was not eligible to be licensed as a result of one of its directors owning 10 percent or more of Game Tech shares and being a 10 percent or greater share-holder in another licensed manufacturer.</li> <li>• Specifically GameTech failed to disclose Richard T. Fedor's interest in Multimedia Games, Inc. from October 16, 2001 to May 1, 2002, from June 12, 2003 to July 12, 2003 and from July 24, 2003 to August 1, 2003. And failure to disclose Richard T. Fedor's interest in Fortunet, Inc., from May 2, 2006 to July 31, 2006.</li> </ul>	<p>Memorandum of Agreement and Consent Order, entered July 25, 2007:</p> <ul style="list-style-type: none"> <li>• Within 90 days of the date of the Order GameTech will pay an administrative penalty to the Commission in the amount of \$24,630.00.</li> <li>• Within 90 days of the date of the Order GameTech will notify in writing all owners, directors, shareholders or persons owning 10 percent or more of GameTech shares that having an equitable or credit interest in another manufacturer, distributor, or system service provider licensed or required to be licensed under the Bingo Enabling Act, is prohibited, including but not limited to engaging in the "short sale" and/or "cover short" of stock in another manufacturer, distributor, or system service provider licensed or required to be licensed under the Act.</li> </ul>

# CHARITABLE BINGO OPERATIONS DIVISION

## *Final Administration Actions in 2007 (cont'd)*

Organization Name	Violation/Deficiency	Administrative Action
<p>GameTech International, Inc. (GameTech) Reno, Nevada</p> <p>(Continued)</p>		<p>Memorandum of Agreement and Consent Order, entered July 25, 2007:</p> <ul style="list-style-type: none"> <li>• GameTech will notify the Commission in writing within 10 days of any owner, director, shareholder and/or person required to be named on the organization's application for a manufacturer's license or renewal license obtaining an equitable or credit interest in another manufacturer, distributor, or system service provider licensed or required to be licensed under the Bingo Enabling Act including but not limited to engaging in the "short sale" and "cover short" of stock in another manufacturer, distributor, or system service provider licensed or required to be licensed under the Act.</li> <li>• GameTech shall immediately remove from use or play and notify the Commission of any card-minding system it discovers with any defect, malfunction, or problems with the card minding system that affects the security, and/or integrity of the bingo game or card-minding system.</li> </ul>

# 2007 ANNUAL REPORT

## *Final Administration Actions in 2007 (cont'd)*

Organization Name	Violation/Deficiency	Administrative Action
<p>GameTech International, Inc. (GameTech) Reno, Nevada</p> <p>(Continued)</p>		<p>Memorandum of Agreement and Consent Order, entered July 25, 2007:</p> <ul style="list-style-type: none"> <li>• Within 90 days of the date of the order, GameTech will determine and notify the Commission in writing that all card-minding systems installed in the Texas market have been approved for use in Texas.</li> <li>• Annually, on February 1 of each year, GameTech will submit verified affidavits for each of its officers, directors, and persons owning 10 percent or more of GameTech shares stating that the individual and their spouse do not currently or during the preceding year have a proprietary or equitable interest in another manufacturer or distributor licensed under the Act.</li> </ul>
VFW Post 8905 Cypress, Texas	<ul style="list-style-type: none"> <li>• Conducting, promoting, or administering bingo other than under a license issued under the Bingo Enabling Act.</li> </ul>	<p>Memorandum or Agreement and Consent order entered August 22, 2007:</p> <ul style="list-style-type: none"> <li>• VFW Post 8905 will pay an administrative penalty of \$200.</li> </ul>

# CHARITABLE BINGO OPERATIONS DIVISION

## *Final Administration Actions in 2007 (cont'd)*

Organization Name	Violation/Deficiency	Administrative Action
FOE AERIE 3098 Houston, Texas	Failed to: <ul style="list-style-type: none"> <li>• Timely file quarterly reports</li> <li>• Remit estimated prize fees, penalties, and interest</li> <li>• Submit required charitable distribution</li> <li>• Submit additional bond.</li> </ul>	Conductor license revoked by Final Order of the Texas Lottery Commission on August 22, 2007.
Ysleta Del Sur Pueblo Heritage Corporation El Paso, Texas	<ul style="list-style-type: none"> <li>• Tribe did not meet the definition of a non-profit organization or a fraternal organization as defined by the Act.</li> <li>• Did not complete a written, executed, and verified application on a form prescribed by the Commission.</li> </ul>	Conductor original license application denied August 22, 2007.
Children's Advocacy Center of Hidalgo Co-Estrellas House Edinburg, Texas	Failed to: <ul style="list-style-type: none"> <li>• Notify the Commission within 15 days of a change in the membership of a unit.</li> </ul>	Memorandum of Agreement and Consent Order entered December 5, 2007: <ul style="list-style-type: none"> <li>• Organization agreed to accept warning issued by the Commission.</li> </ul>
American Legion Post 37 McAllen, Texas	Failed to: <ul style="list-style-type: none"> <li>• Notify the Commission within 15 days of a change in the membership of a unit.</li> </ul>	Memorandum of Agreement and Consent Order entered December 5, 2007: <ul style="list-style-type: none"> <li>• Organization agreed to accept warning issued by the Commission.</li> </ul>
Hidalgo Lions Club Hidalgo, Texas	Failed to: <ul style="list-style-type: none"> <li>• Notify the Commission within 15 days of a change in the membership of a unit.</li> </ul>	Memorandum of Agreement and Consent Order entered December 5, 2007: <ul style="list-style-type: none"> <li>• Organization agreed to accept warning issued by the Commission.</li> </ul>

# 2007 ANNUAL REPORT

## *Final Administration Actions in 2007 (cont'd)*

Organization Name	Violation/Deficiency	Administrative Action
Lower Rio Grande Valley Nature Center Weslaco, Texas	Failed to: <ul style="list-style-type: none"> <li>Notify the Commission within 15 days of a change in the membership of a unit.</li> </ul>	Memorandum of Agreement and Consent Order entered December 5, 2007: <ul style="list-style-type: none"> <li>Organization agreed to accept warning issued by the Commission.</li> </ul>
LULAC Information Referral Resources Assistance, Inc. McAllen, Texas	Failed to: <ul style="list-style-type: none"> <li>Notify the Commission within 15 days of a change in the membership of a unit.</li> </ul>	Memorandum of Agreement and Consent Order entered December 5, 2007: <ul style="list-style-type: none"> <li>Organization agreed to accept warning issued by the Commission.</li> </ul>
Make A Wish Foundation of The Rio Grande Valley McAllen, Texas	Failed to: <ul style="list-style-type: none"> <li>Notify the Commission within 15 days of a change in the membership of a unit.</li> </ul>	Memorandum of Agreement and Consent Order entered December 5, 2007: <ul style="list-style-type: none"> <li>Organization agreed to accept warning issued by the Commission.</li> </ul>
SPJST Lodge 183 Arlington, Texas	<ul style="list-style-type: none"> <li>Conducted or allowed a game of chance other than bingo, or a raffle to be conducted during a bingo occasion, specifically eight-liners that were not "amusement machines" but were illegal gambling devices.</li> </ul>	Memorandum of Agreement and Consent Order entered December 5, 2007: <ul style="list-style-type: none"> <li>Organization will not operate or allow to be operated in its bingo hall eight-liner devices, or any other game of chance other than bingo or a raffle conducted under the act during a bingo occasion.</li> </ul>

# CHARITABLE BINGO OPERATIONS DIVISION

## *Registry of Approved Bingo Workers*

Registry of Approved Bingo Workers is a list of persons who are approved to be involved in the conduct of bingo or to act as a bingo operator.

The Texas Lottery Commission maintains a registry of approved bingo workers. The registry is a list of persons 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. An individual may not be involved in the conduct of bingo or act as a bingo operator until he or she is listed on the registry. Once approved to be listed on the registry the individual is issued an identification card.

As of December 31, 2007, there were 18,718 individuals listed on the Registry of Approved Bingo Workers. In addition, the following occurred relative to the worker registry in 2007:

- 6,743 individuals renewed their worker registration
- 3,452 individuals submitted original applications to be added to the worker registry
- 7,839 individuals registration expired
- 63 individuals were denied registration
- 73 individuals were removed from the worker registry.

**Don't wait!  
Renew before it's too late.**

Charity Bingo Worker

Name: SMITH, JACK R.  
Number: 878351  
Expires: August 10, 2007

A registrant's listing on the Registry of Approved Bingo Workers is valid for three years. To remain on the registry, you must submit a *Request for Renewal of Registry of Approved Bingo Workers Registration* form before the expiration date listed on your identification card.

Forms are available through the Charitable Bingo Operations Division Web site at [www.txbingo.org](http://www.txbingo.org) or by calling 1-800-BINGO77 (246-4677).

Remember... only a person listed on the registry may be involved in the conduct of bingo or act as an operator at any location which bingo is lawfully conducted.

CHARITABLE BINGO  
THE TEXAS LOTTERY COMMISSION

# 2007 ANNUAL REPORT

## Significant Achievements in 2007

### Restructuring of the Charitable Bingo Operations Division

In 2007, the restructuring of the Charitable Bingo Operations Division was completed based upon the recommendations of the 2006 Internal Audit. As a result of the restructuring, responsibilities were transferred among existing departments.

### Administrative Rules Amended and New Rules Adopted

In 2007, the following Rules were amended:

Rule Number	Title	Effective Date of Amendment
§ 402.100	Definitions	September 13, 2007
§ 402.300	Pull-Tab Bingo	July 17, 2007
§ 402.400	General Licensing Provisions	March 15, 2007

The following new Rules were adopted by the Commission in 2007:

Rule Number	Title	Effective Date of Adoption
§ 402.102	Bingo Advisory Committee	September 13, 2007
§ 402.204	Prohibited Price Fixing	July 17, 2007
§ 402.505	Permissible Expense	May 10, 2007
§ 402.603	Bond or Other Security	May 10, 2007
§ 402.708	Dispute Resolution	October 14, 2007
§ 402.715	Compliance Audit	October 14, 2007



