



A Message from LaDonna Castañuela,  
Director of the Charitable Bingo Operations Division  
RE: Bingo-related Game Machine Information

All,

The purpose of this communication is to provide clarification regarding various issues observed by TDLR investigators and auditors in relation to some charitable bingo operations.

### **Cash or Gift Certificates awarded as prizes from a game machine**

When cash or gift certificates, including gift certificates for bingo, are awarded as a game machine prize, it is a violation of Texas Penal Code, §47.02, Gambling.

Both the Texas Supreme Court and the Attorney General have determined that gift certificates function as cash or cash equivalent. See *Hardy v. State*, 102 S.W. 3d 123 (Tex. 2003) and GA-0812. In accordance with the Texas Penal Code §47.02, if a game machine issues as a prize any amount of cash or cash equivalent such as a gift certificate, the game machine constitutes a gambling device. If department staff suspects a violation, it will be reported to local law enforcement.

### **Second Game of Chance**

Occupations Code, §2001.416 does not allow a game of chance other than bingo, door prizes, or a raffle under Occupations Code, Chapter 2002, to be conducted or allowed during a bingo occasion. Allowing players to operate game machines that are located in a bingo hall during a bingo occasion constitutes a violation of Occupations Code, §2001.416.

Further, a prohibited second game of chance may not award bingo products or gift certificates as prizes. 16 Texas Administrative Code §141.211(f).

### **Fraudulent Award of Prizes**

If a bingo hall provides a guaranteed winning bingo product, it is a violation of Occupations Code, §2001.552, Fraudulent Award of Prizes; Offense, a third-degree felony, and a violation of department rules. Such activities will be referred to local law enforcement.

Charitable bingo makes a positive impact in our communities, however charitable bingo that does not comport with the law damages the reputation of all of us.

I hope you find this information helpful. If you have any questions about charitable bingo operations, please call 800-BINGO-77, or email [bingo.services@lottery.state.tx.us](mailto:bingo.services@lottery.state.tx.us).

LaDonna Castañuela, Director  
Charitable Bingo Operations Division  
Texas Department of Licensing and Regulation

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