



INTEROFFICE MEMO

Gary Grief, Executive Director Tyler Vance, Acting Charitable Bingo Operations Director

To: Robert G. Rivera, Chairman
Cindy Fields, Commissioner
Mark A. Franz, Commissioner
Erik C. Saenz, Commissioner
Jamey Steen, Commissioner

From: Bob Biard, General Counsel *RB*

Date: June 10, 2021

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

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

Commission Order No. 21-0024

Date: JUNE 10, 2021

IN THE MATTER OF

**THE REVOCATION OF CERTAIN
LOTTERY RETAILER LICENSES**

§
§
§
§
§

BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

ORDER OF THE COMMISSION

During an open meeting in Austin, Texas, the Texas Lottery Commission (Commission) heard the license revocation cases listed on Attachment A hereto, in which the Texas Lottery Ticket Sales Agent (Respondent) in each referenced case did not appear at the scheduled hearing before the State Office of Administrative Hearings (SOAH) to respond to the allegations set forth in the Commission's notice of hearing.

I. Findings of Fact

1. Timely and adequate notice of the hearings in the referenced cases before SOAH was provided to each Respondent, pursuant to Tex. Gov't Code §§ 2001.051 and 2001.052, and 1 Tex. Admin. Code §§ 155.401 and 155.501(b). Each notice of hearing included a disclosure in at least 12-point, bold-face type, that the factual allegations listed in the notice could be deemed admitted, and the relief sought in the notice of hearing might be granted by default against the party that fails to appear at hearing.

2. After timely and adequate notice was given in each case, each case was heard by a SOAH Administrative Law Judge (ALJ). In each case, the Respondent did not appear at the hearing.

3. The Commission, by and through its attorney of record, filed a motion in each case requesting the ALJ issue a conditional order of default dismissal and remand to the Commission for informal disposition, in accordance with Tex. Gov't Code §2001.058(d-1) and 1 Tex. Admin. Code §155.501(d)-(e).

Commission Order No. 21-0024

Date: JUNE 10, 2021

4. The ALJ dismissed the referenced cases from the SOAH docket and remanded these cases to the Commission for informal disposition under Tex. Gov't Code §2001.056, provided the Respondent in each case did not file a motion to set aside the default within 15 days from the date of the ALJ's order remanding case to the Commission.

5. In each case, Respondent did not file a motion to set aside the default within 15 days from the date of the ALJ's order.

II. Conclusions of Law

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code §466.155 (State Lottery Act) and 16 Tex. Admin. Code Chapter 401 (Commission Rules).

2. The Respondent in each of the cases listed on Attachment A violated the State Lottery Act and the Commission's Rules as set forth in the Commission's notice of hearing applicable to such Respondent. Specifically, each Respondent failed to deposit money due to the State received from lottery ticket sales under the State Lottery Act, in violation of Tex. Gov't Code §466.351 and 16 Tex. Admin. Code §§ 401.351 and 401.352.

3. The relief sought by the Commission Staff is fair, reasonable, and adequately protects the public.

III. Order

NOW, THEREFORE, IT IS ORDERED that, after review and due consideration of the administrative record, each of the cases listed on Attachment A hereto, which is incorporated into this Order for all purposes, is hereby disposed by default, and:

1. All allegations set forth in each notice of hearing in the cases listed on Attachment A are deemed admitted; and

Commission Order No. 21-0024

Date: JUNE 10, 2021

2. The Texas Lottery Ticket Sales Agent License for each Respondent in the cases listed on Attachment A is hereby revoked.

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 10TH day of JUNE, 2021.

Entered this 10TH day of JUNE, 2021.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 21-0024

Date: JUNE 10, 2021

ATTACHMENT A

TAB NO.	SOAH DOCKET NO.	TICKET SALES AGENT NAME	TICKET SALES AGENT ADDRESS	LOTTERY LICENSE NO.
A.	362-21-1323	Akshar Innovation LLC d/b/a Sunshine Corner Stop	P.O. Box 95 Newton, TX 75951	156203
B.	362-21-1405	Lancaster Smoke Shop LLC d/b/a Lancaster Smoke Shop	3530 Lancaster Ave. Fort Worth, TX 76103	186554

Commission Order No. 21-0025

Date: JUNE 10, 2021

Case No. 2021-242

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
SUNSUNNY INC.	§	
D/B/A SAMMY FOOD MART	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 185383	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and Sunsunny Inc. d/b/a Sammy Food Mart (Sammy Food Mart) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. Sammy Food Mart holds Texas Lottery Ticket Sales Agent License No. 185383.
2. Sunil Shrestha is the president of Sammy Food Mart, which is located at 2018 Paisley Dr., Arlington, TX 76015.
3. On June 23, 2020, the Commission received a complaint that Sammy Food Mart charged an additional \$1 for two \$5 Texas Lottery scratch tickets purchased with a debit card. Based on an internal review, the Commission initiated an investigation into this complaint.
4. On June 30, 2020, Mr. Shrestha confirmed the additional charge of \$0.50 for each lottery ticket purchased with a debit card.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. Sammy Food Mart is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.302(a) states:

A person commits an offense if the person intentionally or knowingly sells a ticket at a price the person knows is greater than that fixed by the commission or by the lottery operator authorized to set that price.

4. 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

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

...
(22) licensee intentionally or knowingly sells a ticket at a price the licensee knows is greater than the price set by the executive director.¹

...
(23) licensee charges a fee for lottery ticket purchases using a debit card and/or requires a minimum dollar amount for debit card purchases of only lottery tickets.²

5. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license from the Texas Lottery.

6. The Texas Legislature has mandated that the Commission "exercise strict control and close supervision over all lottery games conducted in this state to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the lottery." Tex. Gov't Code §466.014(a).

7. Under Texas law, an employer is liable, vicariously, for the acts of its servants committed in the course and scope of their employment. *GTE Southwest, Inc. v. Bruce*, 998 S.W.2d 605, 617–18 (Tex. 1999). An employee is acting within the scope of their employment if they are

¹ Renumbered from §401.158(b)(23) effective on August 30, 2020.

² New §401.158(b)(23) effective August 30, 2020.

performing duties generally assigned to them, regardless of whether the employee acted intentionally and unlawfully. *Fink v. Anderson*, 477 S.W.3d 460, 468 (Tex. App.— Houston [1st Dist.] 2015, no pet.).

8. The State Lottery Act recognizes that a sales agent's unlicensed employees may lawfully perform lottery-related duties of their licensee employers, including selling and handling lottery tickets and handling the revenue generated from ticket sales. Tex. Gov't Code §§ 466.201(a)(7), 466.303(a), 466.305(a), 466.3051(a), and 466.353(a). Thus, the Commission's ability to attribute employee violations committed within the course and scope of their employment to their licensee employer is within the Commission's implied authority and is reasonably necessary to fulfill the Commission's express duty to exercise strict control and supervision over the lottery.

9. The Texas Lottery Ticket Sales Agent License of Sammy Food Mart is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Sammy Food Mart's violation of Tex. Gov't Code §466.302(a) and 16 Tex. Admin. Code §§ 401.158(b)(22)-(23) and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, Sammy Food Mart agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Order consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date it is signed by the Commission.

3. Sammy Food Mart agrees that, as a result of its violation of Tex. Gov't Code §466.302(a) and 16 Tex. Admin. Code §§ 401.158(b)(22)-(23) and 401.366, its Ticket Sales Agent License will be suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date this Memorandum of Agreement and Consent Order is signed by the Commission. During the period of suspension, Sammy Food Mart agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, Sammy Food Mart is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Sammy Food Mart's Ticket Sales Agent License is posted.

5. Sammy Food Mart agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of Sammy Food Mart's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Sammy Food Mart acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. Sammy Food Mart agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that Sammy Food Mart has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Sammy Food Mart, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

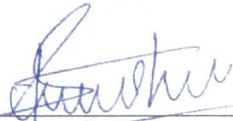
8. Sammy Food Mart agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Sammy Food Mart will be charged for tickets sold on or before that date. Sammy Food Mart will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

Sunsunny Inc.
d/b/a Sammy Food Mart

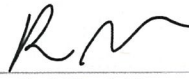
Texas Lottery Commission
Lottery Operations Division

By:

 3-23-2021
Sunil Shrestha
President

DATE

By:

 3-24-21
Ryan S. Mindell
Director

DATE

Commission Order No. 21-0025

Date: JUNE 10, 2021

Case No. 2021-242

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
SUNSUNNY INC.	§	
D/B/A SAMMY FOOD MART	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 185383	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of Sunsunny Inc. d/b/a Sammy Food Mart's (Sammy Food Mart) Texas Lottery Ticket Sales Agent License, the license is suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order is signed by the Commission. During the period of suspension, Sammy Food Mart shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Sammy Food Mart shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Sammy Food Mart's Texas Lottery Ticket Sales Agent License is posted.

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on

Commission Order No. 21-0025

Date: JUNE 10, 2021

the sole issue of compliance with this Consent Order, it is found that Sammy Food Mart has failed to comply with the terms of this Order, disciplinary action shall be taken against Sammy Food Mart, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Sammy Food Mart shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and Sammy Food Mart will be charged for the tickets sold on or before that date. Sammy Food Mart will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 10TH day of JUNE, 2021.

Entered this 10TH day of JUNE, 2021.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 21-0026

Date: JUNE 10, 2021

Case No. 2021-243

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
GEORGE INVESTMENT GOODWIN LLC	§	
D/B/A LA MEXICO	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 186587	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and George Investment Goodwin LLC d/b/a La Mexico (La Mexico) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. La Mexico holds Texas Lottery Ticket Sales Agent License No. 186587.
2. Blesson George is the managing member of La Mexico, which is located at 1300 West Loop 374, Palmview, TX 78572.
3. On June 4, 2020, the Commission received a complaint that La Mexico imposed a \$4 service fee on a purchase of \$100 in Texas Lottery scratch tickets with a debit card. Based on an internal review, the Commission initiated an investigation into this complaint.
4. On June 25, 2020, Ariana Flores, a La Mexico employee, told a Commission investigator that the card terminal automatically charges \$1 for every \$25 purchased using a debit card.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. La Mexico is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.302(a) states:

A person commits an offense if the person intentionally or knowingly sells a ticket at a price the person knows is greater than that fixed by the commission or by the lottery operator authorized to set that price.

4. 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

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

...

(22) licensee intentionally or knowingly sells a ticket at a price the licensee knows is greater than the price set by the executive director.¹

...

(23) licensee charges a fee for lottery ticket purchases using a debit card and/or requires a minimum dollar amount for debit card purchases of only lottery tickets.²

5. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license agreements with the Texas Lottery.

6. The Texas Legislature has mandated that the Commission "exercise strict control and close supervision over all lottery games conducted in this state to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the lottery." Tex. Gov't Code §466.014(a).

7. Under Texas law, an employer is liable, vicariously, for the acts of its servants committed in the course and scope of their employment. *GTE Southwest, Inc. v. Bruce*, 998 S.W.2d 605, 617–18 (Tex. 1999). An employee is acting within the scope of their employment if they are

¹ Renumbered from §401.158(b)(23) effective on August 30, 2020.

² New §401.158(b)(23) effective August 30, 2020.

performing duties generally assigned to them, regardless of whether the employee acted intentionally and unlawfully. *Fink v. Anderson*, 477 S.W.3d 460, 468 (Tex. App.— Houston [1st Dist.] 2015, no pet.).

8. The State Lottery Act recognizes that a sales agent's unlicensed employees may lawfully perform lottery-related duties of their licensee employers, including selling and handling lottery tickets and handling the revenue generated from ticket sales. Tex. Gov't Code §§ 466.201(a)(7), 466.303(a), 466.305(a), 466.3051(a), and 466.353(a). Thus, the Commission's ability to attribute employee violations committed within the course and scope of their employment to their licensee employer is within the Commission's implied authority and is reasonably necessary to fulfill the Commission's express duty to exercise strict control and supervision over the lottery.

9. The Texas Lottery Ticket Sales Agent License of La Mexico is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of La Mexico's violation of Tex. Gov't Code §466.302(a) and 16 Tex. Admin. Code §§ 401.158(b)(22)-(23) and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, La Mexico agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Order consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date it is signed by the Commission.

3. La Mexico agrees that, as a result of its violation of Tex. Gov't Code §466.302(a) and 16 Tex. Admin. Code §§ 401.158(b)(22)-(23) and 401.366, its Ticket Sales Agent License will

be suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date this Memorandum of Agreement and Consent Order is signed by the Commission. During the period of suspension, La Mexico agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, La Mexico is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where La Mexico's Ticket Sales Agent License is posted.

5. La Mexico agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of La Mexico's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. La Mexico acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. La Mexico agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that La Mexico has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against La Mexico, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. La Mexico agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and La Mexico will be charged for tickets sold on or before that date. La Mexico will be credited for any tickets that have been paid for in previous

sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

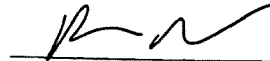
AGREED AS TO FORM AND SUBSTANCE:

George Investment Goodwin LLC
d/b/a La Mexico

Texas Lottery Commission
Lottery Operations Division

By:

By:



Blesson George
Managing Member

04/2/21
DATE

4-10-21
Ryan S. Mindell
Director
DATE

Commission Order No. 21-0026

Date: JUNE 10, 2021

Case No. 2021-243

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
GEORGE INVESTMENT GOODWIN LLC	§	
D/B/A LA MEXICO	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 186587	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of George Investment Goodwin LLC d/b/a La Mexico (La Mexico) Texas Lottery Ticket Sales Agent License, the license is suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order is signed by the Commission. During the period of suspension, La Mexico shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, La Mexico shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where La Mexico's Texas Lottery Ticket Sales Agent License is posted.

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on

Commission Order No. 21-0026

Date: JUNE 10, 2021

the sole issue of compliance with this Consent Order, it is found that La Mexico has failed to comply with the terms of this Order, disciplinary action shall be taken against La Mexico, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that La Mexico shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and La Mexico will be charged for the tickets sold on or before that date. La Mexico will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 10TH day of JUNE, 2021.

Entered this 10TH day of JUNE, 2021.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 21-0027

Date: JUNE 10, 2021

Case No. 2021-245

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
SERGIO R. MARTINEZ	§	
D/B/A E-Z STOP CONVENIENCE STORE	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 111582	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and Sergio R. Martinez d/b/a E-Z Stop Convenience Store (E-Z Stop) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. E-Z Stop holds Texas Lottery Ticket Sales Agent License No. 111582.
2. Sergio R. Martinez is the owner of E-Z Stop, which is located at 200 Western Drive, Del Rio, TX 78840-3038.
3. On June 26, 2020, the Commission received a complaint that E-Z Stop sold a Texas Lottery scratch ticket to a minor. The Commission initiated an investigation into this complaint.
4. On August 4, 2020, Mr. Martinez told a Commission investigator that his store employee sold a lottery ticket to a minor.
5. The Lottery Operations Division alleged E-Z Stop, by and through its employee, intentionally or knowingly sold the lottery ticket to a person that the employee knew to be younger than 18 years old. E-Z stop denies that the lottery ticket was intentionally sold to a person known to be younger than 18 years old.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. E-Z Stop is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.3051(a) states:

A sales agent or an employee of a sales agent commits an offense if the person intentionally or knowingly sells or offers to sell a ticket to an individual that the person knows is younger than 18 years of age.

4. 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

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

...
(26) licensee intentionally or knowingly sells a ticket to a person that the licensee knows is younger than 18 years.

5. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license agreements with the Texas Lottery.

6. The Texas Legislature has mandated that the Commission "exercise strict control and close supervision over all lottery games conducted in this state to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the lottery." Tex. Gov't Code §466.014(a).

7. Under Texas law, an employer is liable, vicariously, for the acts of its servants committed in the course and scope of their employment. *GTE Southwest, Inc. v. Bruce*, 998 S.W.2d 605, 617-18 (Tex. 1999). An employee is acting within the scope of their employment if they are

performing duties generally assigned to them, regardless of whether the employee acted intentionally and unlawfully. *Fink v. Anderson*, 477 S.W.3d 460, 468 (Tex. App.— Houston [1st Dist.] 2015, no pet.).

8. The State Lottery Act recognizes that a sales agent's unlicensed employees may lawfully perform lottery-related duties of their licensee employers, including selling and handling lottery tickets and handling the revenue generated from ticket sales. Tex. Gov't Code §§ 466.201(a)(7), 466.303(a), 466.305(a), 466.3051(a), and 466.353(a). Thus, the Commission's ability to attribute employee violations committed within the course and scope of their employment to their licensee employer is within the Commission's implied authority and is reasonably necessary to fulfill the Commission's express duty to exercise strict control and supervision over the lottery.

9. The Texas Lottery Ticket Sales Agent License of E-Z Stop is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of E-Z Stop violation of Tex. Gov't Code §466.3051(a) and 16 Tex. Admin. Code §§ 401.158(b)(26) and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, E-Z Stop agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Order consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date it is signed by the Commission.

3. E-Z Stop agrees that, as a result of its violation of Tex. Gov't Code §466.3051(a) and 16 Tex. Admin. Code §§ 401.158(b)(26) and 401.366, its Ticket Sales Agent License will be

suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date this Memorandum of Agreement and Consent Order is signed by the Commission. During the period of suspension, E-Z Stop agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, E-Z Stop is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where E-Z Stop Ticket Sales Agent License is posted.

5. E-Z Stop agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of E-Z Stop Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. E-Z Stop acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. E-Z Stop agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that E-Z Stop has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against E-Z Stop, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. E-Z Stop agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and E-Z Stop will be charged for tickets sold on or before that date. E-Z Stop will be credited for any tickets that have been paid for in previous

sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

Sergio R. Martinez
d/b/a E-Z Stop

Texas Lottery Commission
Lottery Operations Division

By:

Sergio R. Martinez 5/3/21
Sergio R. Martinez
Director

By:

RM
Ryan S. Mindell
Director

5-4-21
DATE

Commission Order No. 21-0027

Date: JUNE 10, 2021

Case No. 2021-245

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
SERGIO R. MARTINEZ	§	
D/B/A E-Z STOP CONVENIENCE STORE	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 111582	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of Sergio R. Martinez d/b/a E-Z Stop Convenience Store (E-Z Stop) Texas Lottery Ticket Sales Agent License, the license is suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order is signed by the Commission. During the period of suspension, E-Z Stop shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, E-Z Stop shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where E-Z Stop Texas Lottery Ticket Sales Agent License is posted.

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on the sole issue of compliance with this Consent Order, it is found that E-Z Stop has failed to comply

Commission Order No. 21-0027

Date: JUNE 10, 2021

with the terms of this Order, disciplinary action shall be taken against E-Z Stop, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that E-Z Stop shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and E-Z Stop will be charged for the tickets sold on or before that date. E-Z Stop will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 10TH day of JUNE, 2021.

Entered this 10TH day of JUNE, 2021.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

From: Mahmoud Khraise <mahmoudkhraise@yahoo.com>
Sent: Tuesday, June 1, 2021 12:43 AM
To: Carson, Dorota
Subject: Request to reinstate.

At Yahoo! Mail you can unsubscribe from any of your Email's or deactivate your account. For more information, visit <https://help.yahoo.com/kb/mail/faq-114120021.html>

Dear Ms Dorota,

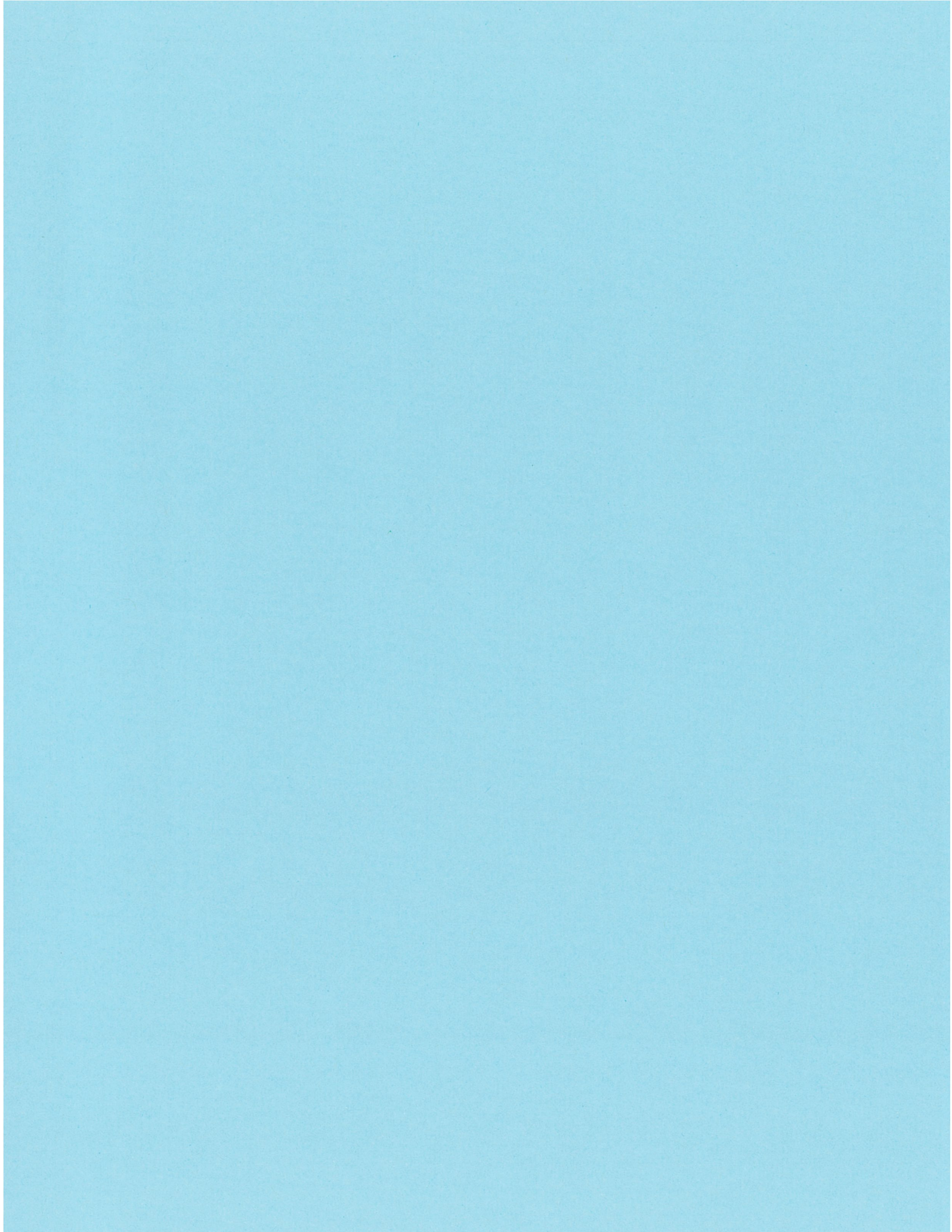
Hope this note finds you in best of health. I would like to touch base on the case presented over, it's a sincere humble request to you & the commissioner for kindly reconsidering the suspension of our lottery for 90 days.

As we have regular senior citizens, buying lottery on daily basis as we are neighborhood store & it's convenient for them to come over. Also sales of lottery is one of primary's bread winner. Due to the pandemic my business is already suffering.

I do solemnly take responsibility of wrong doing which was a mistake from my end. I ensure you all It won't ever happen again.

I really appreciate if you guys can reconsider the penalty. It will be lifesaver for my business.

Thanks & Regards
Mahmoud Khraise



Commission Order No. 21-0028

Date: JUNE 10, 2021

Case No. 2021-284

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
MAHMOUD DEEB KHRAISE	§	
D/B/A T AND Z FOOD STORE	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 184730	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and Mahmoud Deeb Khraise d/b/a T and Z Food Store (T and Z Food Store) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. T and Z Food Store holds Texas Lottery Ticket Sales Agent License No. 184730.
2. Mahmoud Deeb Khraise is the owner of T and Z Food Store, which is located at 1025 S. 18th Street, Waco, TX 76706.
3. On August 4, 2020, Mr. Khraise presented to the Austin Claim Center for payment a Texas Lottery scratch ticket with a prize value of \$5,000. Based on an internal review, the Commission initiated an investigation into this claim.
4. On September 14, 2020, Mr. Khraise admitted to a Commission investigator that he purchased the scratch ticket from a customer for \$1,900.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. T and Z Food Store is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.308(a) states:

A person commits an offense if the person intentionally or knowingly:

- (1) claims a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation; or
- (2) 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.

4. Tex. Gov't Code §466.310(a) states:

A person commits an offense if the person:

- (1) induces another person to assign or transfer a right to claim a prize;
- (2) offers for sale the right to claim a prize; or
- (3) offers, for compensation, to claim the prize of another person.

5. Tex. Gov't Code §466.402(b) states:

The payment of a prize in an amount of \$600 or more may be made only by the director.

6. Tex. Gov't Code 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

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

...

(31) 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.

...

(33) 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 a lottery ticket from a person who is not a licensed lottery retailer.

7. 16 Tex. Admin. Code §401.360 states:

Retailers may pay any lottery prize of less than \$600, after complying with established validation procedures. However, if a retailer validates a ticket of up to \$600, that retailer shall pay the prize amount on the ticket. Prizes of \$600 or more shall be paid by the Texas Lottery by mail or at a designated lottery claim center.

8. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license from the Texas Lottery.

9. The Texas Lottery Ticket Sales Agent License of T and Z Food Store is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of T and Z Food Store's violation of Tex. Gov't Code §§ 466.308(a), 466.310(a), and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(31) and (33), 401.360 and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, T and Z Food Store agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Order consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date it is signed by the Commission.

3. T and Z Food Store agrees that, as a result of its violation of Tex. Gov't Code §§ 466.308(a), 466.310(a), and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(31) and (33), 401.360 and 401.366, its Ticket Sales Agent License will be suspended for a period of ninety (90) consecutive days. The suspension period will begin within seven (7) days from the date this Memorandum of Agreement and Consent Order is signed by the Commission. During the period

of suspension, T and Z Food Store agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, T and Z Food Store is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where T and Z Food Store's Ticket Sales Agent License is posted.

5. T and Z Food Store agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of T and Z Food Store's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. T and Z Food Store acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. T and Z Food Store agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that T and Z Food Store has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against T and Z Food Store, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. T and Z Food Store agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and T and Z Food Store will be charged for tickets sold on or before that date. T and Z Food Store will be credited

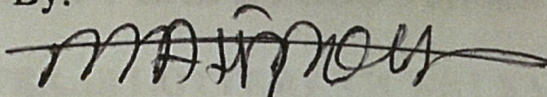
for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

Mahmoud Deeb Khraise
d/b/a T and Z Food Store

Texas Lottery Commission
Lottery Operations Division

By:

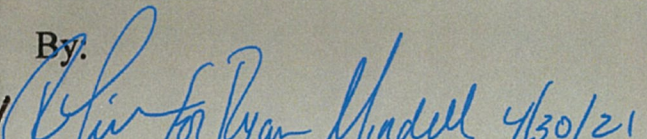


04/25/21

Mahmoud Deeb Khraise
Owner

DATE

By:



Ryan S. Mindell
Director

DATE

4/30/21

Commission Order No. 21-0028

Date: JUNE 10, 2021

Case No. 2021-284

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
MAHMOUD DEEB KHRAISE	§	
D/B/A T AND Z FOOD STORE	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 184730	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of Mahmoud Deeb Khraise d/b/a T and Z Food Store's (T and Z Food Store) Texas Lottery Ticket Sales Agent License, the license is suspended for a period of ninety (90) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order is signed by the Commission. During the period of suspension, T and Z Food Store shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, T and Z Food Store shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where T and Z Food Store's Texas Lottery Ticket Sales Agent License is posted.

Commission Order No. 21-0028

Date: JUNE 10, 2021

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on the sole issue of compliance with this Consent Order, it is found that T and Z Food Store has failed to comply with the terms of this Order, disciplinary action shall be taken against T and Z Food Store, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that T and Z Food Store shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and T and Z Food Store will be charged for the tickets sold on or before that date. T and Z Food Store will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Commission Order No. 21-0028

Date: JUNE 10, 2021

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 10TH day of JUNE, 2021.

Entered this 10TH day of JUNE, 2021.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 21-0029

Date: JUNE 10, 2021

Case No. 2021-285

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
519 STORE INC.	§	
D/B/A TEJANO MART #519	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 188086	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and 519 Store Inc. d/b/a Tejano Mart #519 (Tejano Mart) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. Tejano Mart holds Texas Lottery Ticket Sales Agent License No. 188086.
2. Shahzad Ali is the vice president of Tejano Mart, which is located at 620 E. Ridge Rd., McAllen, TX 78503.
3. On September 13, 2020, the Commission received a complaint that Tejano Mart sold a Texas Lottery scratch ticket that had been pre-scratched in the serial number area. The Commission initiated an investigation into this complaint.
4. On October 15, 2020, Yajaira Hernandez, a Tejano Mart employee, admitted to a Commission investigator that she pre-scratched the ticket.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. Tejano Mart is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.307(a) states:

A person commits an offense if the person intentionally or knowingly influences or attempts to influence the selection of the winner of a lottery game.

4. Tex. Gov't Code 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

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

...
(30) licensee intentionally or knowingly influences or attempts to influence the selection of a winner of a lottery game.

5. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license from the Texas Lottery.

6. The Texas Legislature has mandated that the Commission "exercise strict control and close supervision over all lottery games conducted in this state to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the lottery." Tex. Gov't Code §466.014(a).

7. Under Texas law, an employer is liable, vicariously, for the acts of its servants committed in the course and scope of their employment. *GTE Southwest, Inc. v. Bruce*, 998 S.W.2d 605, 617–18 (Tex. 1999). An employee is acting within the scope of their employment if they are performing duties generally assigned to them, regardless of whether the employee acted intentionally and unlawfully. *Fink v. Anderson*, 477 S.W.3d 460, 468 (Tex. App.— Houston [1st Dist.] 2015, no pet.).

8. The State Lottery Act recognizes that a sales agent's unlicensed employees may lawfully perform lottery-related duties of their licensee employers, including selling and handling lottery tickets and handling the revenue generated from ticket sales. Tex. Gov't Code §§ 466.201(a)(7), 466.303(a), 466.305(a), 466.3051(a), and 466.353(a). Thus, the Commission's ability to attribute employee violations committed within the course and scope of their employment to their licensee employer is within the Commission's implied authority and is reasonably necessary to fulfill the Commission's express duty to exercise strict control and supervision over the lottery.

9. The Texas Lottery Ticket Sales Agent License of Tejano Mart is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Tejano Mart's violation of Tex. Gov't Code §466.307(a) and 16 Tex. Admin. Code §§ 401.158(b)(30) and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, Tejano Mart agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Order consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date it is signed by the Commission.

3. Tejano Mart agrees that, as a result of its violation of Tex. Gov't Code §466.307(a) and 16 Tex. Admin. Code §§ 401.158(b)(30) and 401.366, its Ticket Sales Agent License will be suspended for a period of thirty (30) consecutive days. The suspension period will begin within seven (7) days from the date this Memorandum of Agreement and Consent Order is signed by the

Commission. During the period of suspension, Tejano Mart agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, Tejano Mart is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Tejano Mart's Ticket Sales Agent License is posted.

5. Tejano Mart agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of Tejano Mart's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Tejano Mart acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. Tejano Mart agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that Tejano Mart has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Tejano Mart, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. Tejano Mart agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Tejano Mart will be charged for tickets sold on or before that date. Tejano Mart will be credited for any tickets that have been paid for in


previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

519 Store Inc.
d/b/a Tejano Mart #519

Texas Lottery Commission
Lottery Operations Division

By:

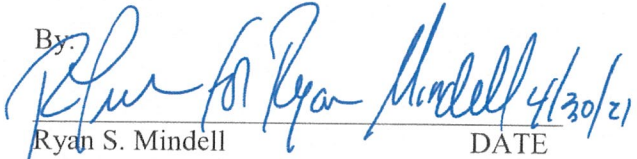


Shahzad Ali
Vice President

04/27/21

DATE

By:



Ryan S. Mindell
Director

4/30/21
DATE

Commission Order No. 21-0029

Date: JUNE 10, 2021

Case No. 2021-285

IN THE MATTER OF

**519 STORE INC.
D/B/A TEJANO MART #519**

**TEXAS LOTTERY TICKET SALES
AGENT LICENSE NO. 188086**

§
§
§
§
§
§
§

BEFORE THE TEXAS

LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of 519 Store Inc. d/b/a Tejano Mart #519's (Tejano Mart) Texas Lottery Ticket Sales Agent License, the license is suspended for a period of thirty (30) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order is signed by the Commission. During the period of suspension, Tejano Mart shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Tejano Mart shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Tejano Mart's Texas Lottery Ticket Sales Agent License is posted.

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on

Commission Order No. 21-0029

Date: JUNE 10, 2021

the sole issue of compliance with this Consent Order, it is found that Tejano Mart has failed to comply with the terms of this Order, disciplinary action shall be taken against Tejano Mart, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Tejano Mart shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and Tejano Mart will be charged for the tickets sold on or before that date. Tejano Mart will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 10TH day of JUNE, 2021.

Entered this 10TH day of JUNE, 2021.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 21-0030

Date: JUNE 10, 2021

Case No. 2021-286

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
CAL'S CONVENIENCE INC.	§	
D/B/A STRIPES NO. 38	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 600419	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and Cal's Convenience Inc. d/b/a Stripes No. 38 (Stripes) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. Stripes holds Texas Lottery Ticket Sales Agent License No. 600419.
2. Jack Whitney is the director of Stripes, which is located at 1733 Pulliam St., San Angelo, TX 76905.
3. On August 4, 2020, the Commission received a complaint that a Stripes employee failed to pay a full prize on a Texas Lottery scratch ticket presented by a customer. Based on an internal review, the Commission initiated an investigation into this complaint.
4. On August 2, 2020, a customer presented to Edward Brown, a Stripes employee, a Texas Lottery scratch ticket with a prize value of \$1,000 for validation. Mr. Brown told the customer the ticket was a \$100 winner and paid the customer \$100 instead of the \$1,000 prize value.
5. On August 7, 2020, Mr. Brown claimed the ticket as his own at the Abilene Claim Center for the \$1,000 prize.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. Stripes is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.308 states, in pertinent part:

(a) A person commits offense if the person intentionally or knowingly:

- (1) claims a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation; or
- (2) 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.

4. 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

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

...
(31) 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.

...
(33) 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 a lottery ticket from a person who is not a licensed lottery retailer.

5. 16 Tex. Admin. Code §401.360 states:

Retailers may pay any lottery prize of less than \$600, after complying with established validation procedures. However, if a retailer validates a ticket of up to \$600, the retailer shall pay the prize amount on the ticket. Prizes of \$600 or more shall be paid by the Texas Lottery by mail or at a designated lottery claim center.

6. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license agreements with the Texas Lottery.

7. The Texas Legislature has mandated that the Commission "exercise strict control and close supervision over all lottery games conducted in this state to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the lottery." Tex. Gov't Code §466.014(a).

8. Under Texas law, an employer is liable, vicariously, for the acts of its servants committed in the course and scope of their employment. *GTE Southwest, Inc. v. Bruce*, 998 S.W.2d 605, 617–18 (Tex. 1999). An employee is acting within the scope of their employment if they are performing duties generally assigned to them, regardless of whether the employee acted intentionally and unlawfully. *Fink v. Anderson*, 477 S.W.3d 460, 468 (Tex. App.— Houston [1st Dist.] 2015, no pet.).

9. The State Lottery Act recognizes that a sales agent's unlicensed employees may lawfully perform lottery-related duties of their licensee employers, including selling and handling lottery tickets and handling the revenue generated from ticket sales. Tex. Gov't Code §§ 466.201(a)(7), 466.303(a), 466.305(a), 466.3051(a), and 466.353(a). Thus, the Commission's ability to attribute employee violations committed within the course and scope of their employment to their licensee employer is within the Commission's implied authority and is reasonably necessary to fulfill the Commission's express duty to exercise strict control and supervision over the lottery.

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

Gov't Code §466.308 and 16 Tex. Admin. Code §§ 401.158(b)(31) and (33) and 401.360 and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, Stripes agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Order consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date it is signed by the Commission.

3. Stripes agrees that, as a result of its violation of Tex. Gov't Code §466.308 and 16 Tex. Admin. Code §§ 401.158(b)(31) and (33) and 401.360 and 401.366, its Ticket Sales Agent License will be suspended for a period of thirty (30) consecutive days. The suspension period will begin within seven (7) days from the date this Memorandum of Agreement and Consent Order is signed by the Commission. During the period of suspension, Stripes agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, Stripes is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Stripes' Ticket Sales Agent License is posted.

5. Stripes agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of Stripes' Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Stripes acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. Stripes agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that Stripes has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Stripes, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

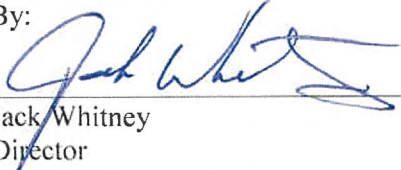
8. Stripes agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Stripes will be charged for tickets sold on or before that date. Stripes will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

Cal's Convenience Inc.
d/b/a Stripes No. 38

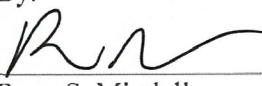
Texas Lottery Commission
Lottery Operations Division

By:


Jack Whitney
Director

5/6/21
DATE

By:


Ryan S. Mindell
Director

5-6-21
DATE

Commission Order No. 21-0030

Date: JUNE 10, 2021

Case No. 2021-286

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
CAL'S CONVENIENCE INC.	§	
D/B/A STRIPES NO. 38	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 600419	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of Cal's Convenience Inc. d/b/a Stripes No. 38 (Stripes) Texas Lottery Ticket Sales Agent License, the license is suspended for a period of thirty (30) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order is signed by the Commission. During the period of suspension, Stripes shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Stripes shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Stripes' Texas Lottery Ticket Sales Agent License is posted.

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on

Commission Order No. 21-0030

Date: JUNE 10, 2021

the sole issue of compliance with this Consent Order, it is found that Stripes has failed to comply with the terms of this Order, disciplinary action shall be taken against Stripes, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Stripes shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and Stripes will be charged for the tickets sold on or before that date. Stripes will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 10TH day of JUNE, 2021.

Entered this 10TH day of JUNE, 2021.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 21-0031

Date: JUNE 10, 2021

Case No. 2021-374

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
PRITUL INVESTMENT INC.	§	
D/B/A TEXACO CEDAR HILL	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 142060	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and Pritul Investment Inc. d/b/a Texaco Cedar Hill (Texaco Cedar Hill) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. Texaco Cedar Hill holds Texas Lottery Ticket Sales Agent License No. 142060.
2. Janto Sarker is the president of Texaco Cedar Hill, which is located at 271 S. Hwy. 67, Cedar Hill, TX 75104.
3. On July 9, 2020, Mr. Sarker presented to the Dallas Claim Center for payment a Texas Lottery scratch ticket with a prize value of \$1,000. Based on an internal review, the Commission initiated an investigation into this claim.
4. Mr. Sarker admitted to a Commission investigator that he paid a customer \$850 for the scratch ticket.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. Texaco Cedar Hill is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.308(a) states:

A person commits an offense if the person intentionally or knowingly:

- (1) claims a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation; or
- (2) 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.

4. Tex. Gov't Code §466.310(a) states:

A person commits an offense if the person:

- (1) induces another person to assign or transfer a right to claim a prize;
- (2) offers for sale the right to claim a prize; or
- (3) offers, for compensation, to claim the prize of another person.

5. Tex. Gov't Code §466.402(b) states:

The payment of a prize in an amount of \$600 or more may be made only by the director.

6. Tex. Gov't Code 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

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

...

(31) 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.

...

(33) 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 a lottery ticket from a person who is not a licensed lottery retailer.

7. 16 Tex. Admin. Code §401.360 states:

Retailers may pay any lottery prize of less than \$600, after complying with established validation procedures. However, if a retailer validates a ticket of up to \$600, that retailer shall pay the prize amount on the ticket. Prizes of \$600 or more shall be paid by the Texas Lottery by mail or at a designated lottery claim center.

8. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license from the Texas Lottery.

9. The Texas Lottery Ticket Sales Agent License of Texaco Cedar Hill is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Texaco Cedar Hill's violation of Tex. Gov't Code §§ 466.308(a), 466.310(a), and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(31) and (33), 401.360 and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, Texaco Cedar Hill agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Order consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date it is signed by the Commission.

3. Texaco Cedar Hill agrees that, as a result of its violation of Tex. Gov't Code §§ 466.308(a), 466.310(a), and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(31) and (33), 401.360 and 401.366, its Ticket Sales Agent License will be suspended for a period of ninety (90) consecutive days. The suspension period will begin within seven (7) days from the date this Memorandum of Agreement and Consent Order is signed by the Commission. During the period

of suspension, Texaco Cedar Hill agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, Texaco Cedar Hill is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Texaco Cedar Hill's Ticket Sales Agent License is posted.

5. Texaco Cedar Hill agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of Texaco Cedar Hill's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Texaco Cedar Hill acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. Texaco Cedar Hill agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that Texaco Cedar Hill has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Texaco Cedar Hill, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. Texaco Cedar Hill agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Texaco Cedar Hill will be charged for tickets sold on or before that date. Texaco Cedar Hill will be credited for any tickets that have


been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

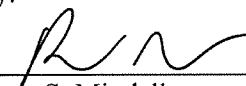
Pritul Investment Inc.
d/b/a Texaco Cedar Hill

Texas Lottery Commission
Lottery Operations Division

By:

 4-21-21

By:

 4-23-21

Janto Sarker
President

DATE

Ryan S. Mindell
Director

DATE

Commission Order No. 21-0031

Date: JUNE 10, 2021

Case No. 2021-374

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
PRITUL INVESTMENT INC.	§	
D/B/A TEXACO CEDAR HILL	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 142060	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of Pritul Investment Inc. d/b/a Texaco Cedar Hill's (Texaco Cedar Hill) Texas Lottery Ticket Sales Agent License, the license is suspended for a period of ninety (90) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order is signed by the Commission. During the period of suspension, Texaco Cedar Hill shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Texaco Cedar Hill shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Texaco Cedar Hill's Texas Lottery Ticket Sales Agent License is posted.

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on the sole issue of compliance with this Consent Order, it is found that Texaco Cedar Hill has failed

Commission Order No. 21-0031

Date: JUNE 10, 2021

to comply with the terms of this Order, disciplinary action shall be taken against Texaco Cedar Hill, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Texaco Cedar Hill shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and Texaco Cedar Hill will be charged for the tickets sold on or before that date. Texaco Cedar Hill will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 10TH day of JUNE, 2021.

Entered this 10TH day of JUNE, 2021.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 21-0032

Date: JUNE 10, 2021

DOCKET NO. 362-21-1607

TEXAS LOTTERY COMMISSION
Petitioner

v.

FASIL INVESTMENT INC.
D/B/A ARENA FOOD MART
TICKET SALES AGENT LICENSE
NO. 184045
Respondent

§
§
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§
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§
§
§
§
§

BEFORE THE TEXAS

LOTTERY COMMISSION

ORDER OF THE COMMISSION

To: Fasil Investment Inc.
d/b/a Arena Food Mart
2603 E. Commerce Street
San Antonio, TX 78203

During an open meeting in Austin, Texas, the Texas Lottery Commission (Commission) heard the above-styled case in which Fasil Investment Inc. d/b/a Arena Food Mart (Respondent) did not appear at the scheduled hearing before the State Office of Administrative Hearings (SOAH) to respond to the allegations set forth in the Commission’s notice of hearing.

I. Findings of Fact

1. Timely and adequate notice of the hearing in the referenced case before SOAH was provided to Respondent, pursuant to Tex. Gov’t Code §§ 2001.051 and 2001.052 and 1 Tex. Admin. Code §§ 155.401 and 155.501(b). The notice of hearing included a disclosure in at least 12-point, bold-face type, that the factual allegations listed in the notice could be deemed admitted, and the relief sought in the notice of hearing might be granted by default against the party that fails to appear at hearing.

2. After timely and adequate notice was given to Respondent, the case was heard by a SOAH Administrative Law Judge (ALJ). The Respondent did not appear at the hearing.

Commission Order No. 21-0032

Date: JUNE 10, 2021

3. The Commission, by and through its attorney of record, filed a motion to dismiss the case from the SOAH docket and to remand the case to the Commission for informal disposition, in accordance with Tex. Gov't Code §2001.058(d-1) and 1 Tex. Admin. Code §155.501(d).

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

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

II. Conclusions of Law

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code §466.155 and 16 Tex. Admin. Code ch. 401.

2. The Respondent violated Tex. Gov't Code ch 466 (State Lottery Act) and/or Title 16 Tex. Admin. Code ch. 401 (Rules for the Administration of State Lottery Act) as set forth in the Commission's notice of hearing.

3. The relief sought by the Commission Staff is fair, reasonable, and adequately protects the public.

III. Order

NOW, THEREFORE, IT IS ORDERED that, after review and due consideration of the administrative record of the above-styled case, this matter is hereby disposed of by default, and:

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

Commission Order No. 21-0032

Date: JUNE 10, 2021

2. The Texas Lottery Ticket Sales Agent license of Fasil Investment Inc. d/b/a Arena Food Mart is hereby suspended for thirty (30) days.

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 10TH day of JUNE, 2021.

Entered this 10TH day of JUNE, 2021.

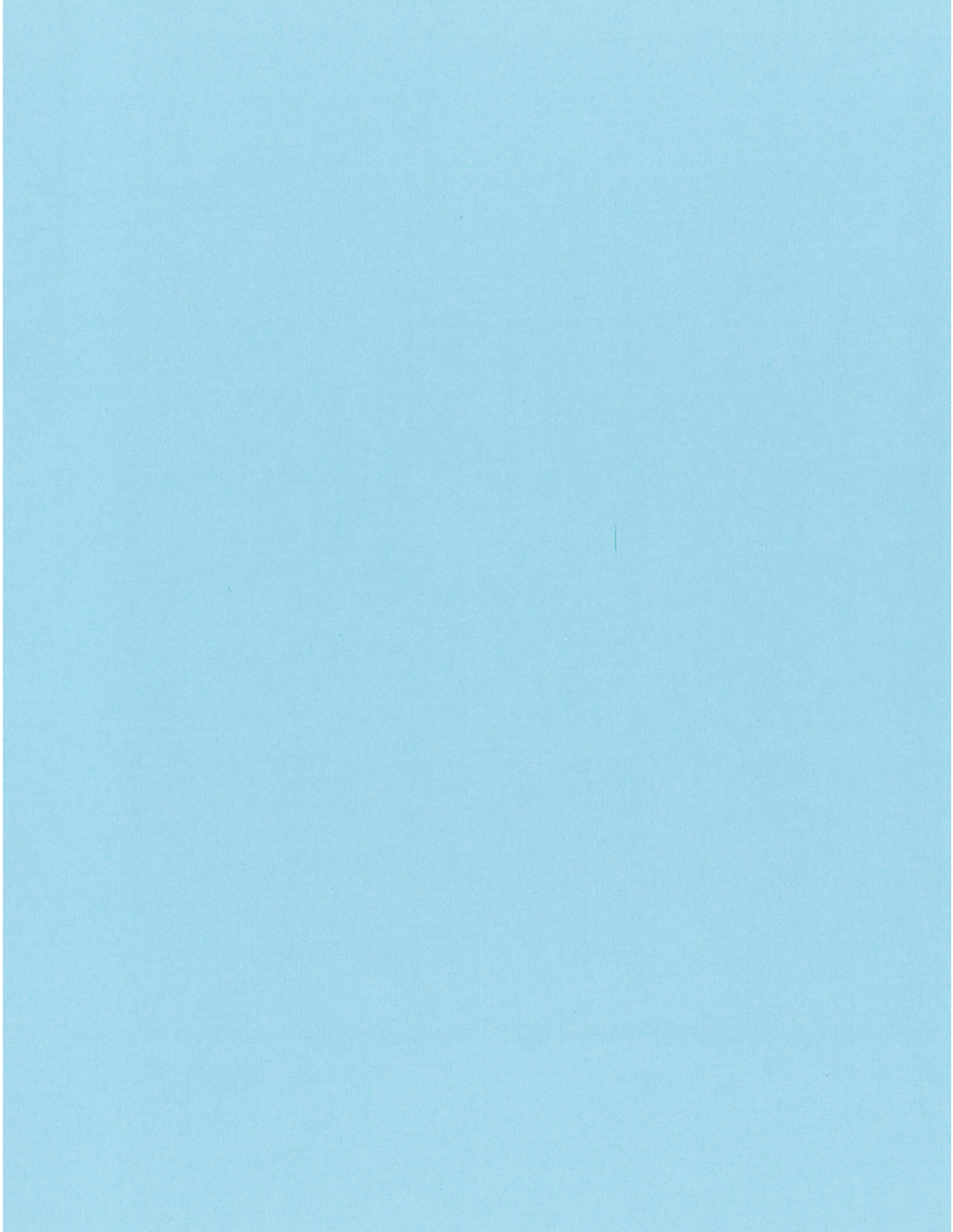
ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER



SOAH DOCKET NO. 362-21-1607

<p>TEXAS LOTTERY COMMISSION, Petitioner</p> <p>v.</p> <p>FASIL INVESTMENT INC. D/B/A ARENA FOOD MART TICKET SALES AGENT LICENSE NO. 184045 Respondent</p>	<p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p>	<p>BEFORE THE STATE OFFICE</p> <p>OF</p> <p>ADMINISTRATIVE HEARINGS</p>
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ACCEPTED
362-21-1607
5/21/2021 9:22 AM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Jodi Brown, CLERK

ORDER NO. 2
ORDER OF DEFAULT DISMISSAL

On May 11, 2021, the undersigned Administrative Law Judge (ALJ) convened a hearing on the merits in this matter. Attorney Kristen Guthrie appeared for the staff (Staff) of the Texas Lottery Commission (Commission). Fasil Investment Inc. d/b/a Arena Food Mart (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1-3 were admitted showing proof of adequate notice to Respondent.¹ Upon establishing adequate notice, Staff moved for a default dismissal. Staff’s motion is **GRANTED**, and the factual allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.²

Respondent may file a motion to set aside the default within 15 days of the date of this order.³ The motion must show good cause for resetting a hearing or show that the interests of justice require setting aside the default. If Respondent does not file a timely motion to set aside, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.⁴

SIGNED May 21, 2021.



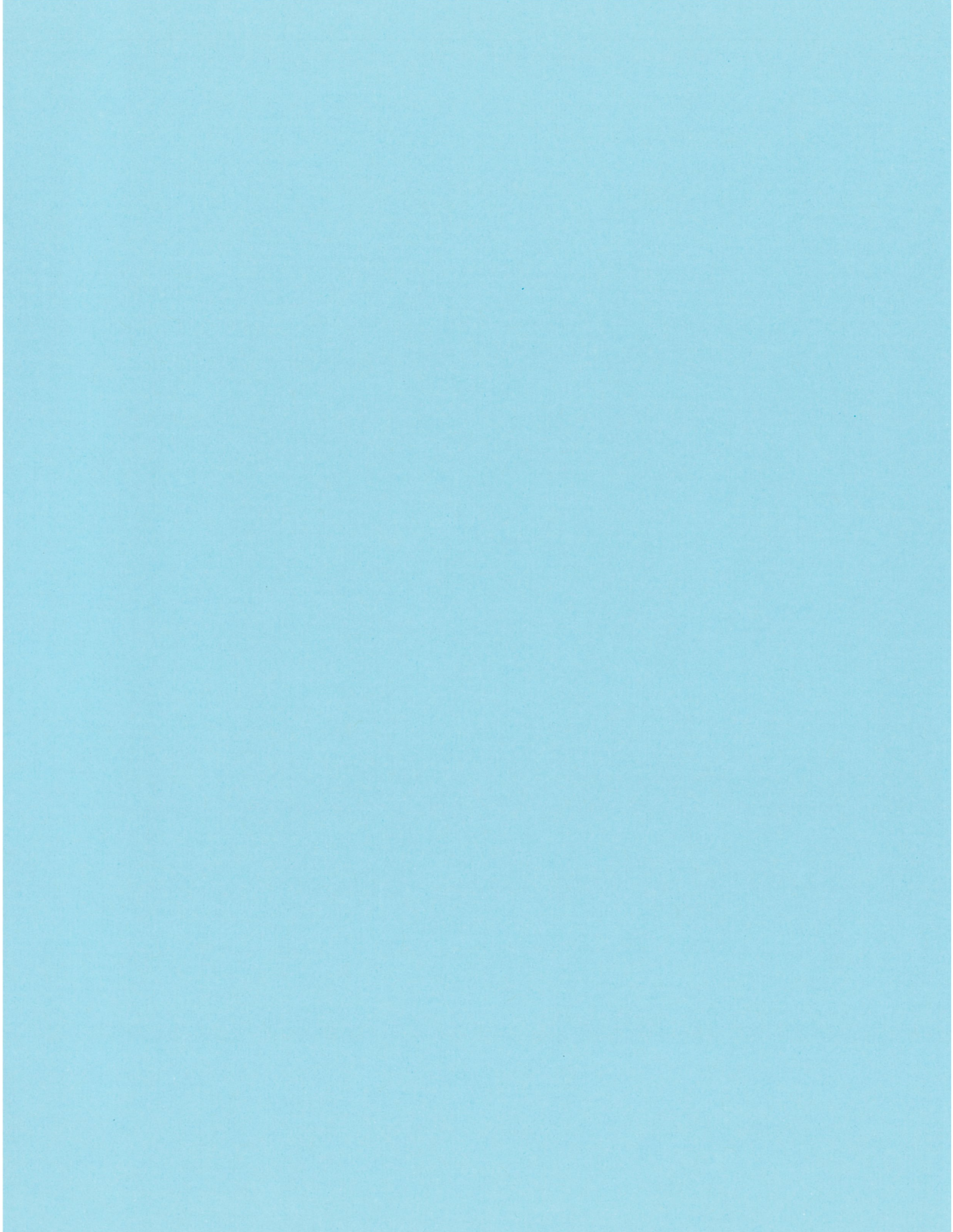
MEGAN JOHNSON
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS

¹ 1 Tex. Admin. Code § 155.501(b), as amended effective November 29, 2020.

² 1 Tex. Admin. Code § 155.501(d)(1), as amended effective November 29, 2020.

³ 1 Tex. Admin. Code § 155.501(e), as amended effective November 29, 2020.

⁴ Tex. Gov’t Code § 2001.056.



Commissioners:
Robert G. Rivera,
Chairman
Cindy Fields
Mark A. Franz
Erik C. Saenz
Jamey Steen



TEXAS LOTTERY COMMISSION

Gary Grief, *Executive Director*

Tyler Vance, *Acting Charitable Bingo Operations Director*

March 10, 2021

Fasil Investment Inc.
d/b/a Arena Food Mart
2603 E. Commerce Street
San Antonio, TX 78203

**RE: NOTICE OF FINAL HEARING ON SUSPENSION OR REVOCATION OF
LOTTERY LICENSE; SOAH DOCKET NO. 362-21-1607
TEXAS LOTTERY TICKET SALES AGENT LICENSE NO. 184045**

Dear Mr. Rahman:

Be advised that a formal hearing to consider the Texas Lottery Commission's suspension or revocation of Fasil Investment Inc. d/b/a Arena Food Mart's Texas Lottery Sales Agent License, pursuant to the provisions of the Tex. Gov't. Code chs. 466, 2001, and 2003; 1 Tex. Admin. Code ch. 155; and 16 Tex. Admin. Code ch. 401, will be held with the State Office of Administrative Hearings (SOAH) as follows:

TIME OF HEARING: 10:00 a.m.
DATE OF HEARING: May 11, 2021
LOCATION OF HEARING: Telephonic SOAH Hearing (instructions for calling will be provided by the SOAH Administrative Law Judge in a separate order)

NOTICE OF HEARING

I.

Factual Matters Asserted

Fasil Investment Inc. d/b/a Arena Food Mart (Arena Food Mart) holds Texas Lottery Ticket Sales Agent License No. 184045. MD H Rahman is the president of Arena Food Mart, which is located at 2603 E. Commerce St., San Antonio, TX 78203.

On March 27, 2020, the Commission received two (2) separate complaints that Arena Food Mart sold the following Texas Lottery scratch tickets that had been pre-scratched in the serial number area: "Super Loteria," "Bingo Times 20," "\$50,000 Poker," and "Jumbo Bucks 300X." The Commission initiated an investigation into these complaints. On April 15, 2020, the investigator spoke with Abhishek Giri, Arena Food Mart manager, who told the investigator that he was aware of the complaints and that it was Yassine Najlaoui, a former Arena Food Mart employee, who scratched the tickets before selling them.

II.

Legal Authority and Jurisdiction

The Texas Lottery Commission (Commission) has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401.

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

III.

Applicable Statutes and Rules

Tex. Gov't Code §466.151(e) states:

The director may issue a license to a person only if the director finds that the person's experience, character, and general fitness are such that the person's participation as a sales agent will not detract from the integrity, security, honesty, and fairness of the operation of the lottery.

Tex. Gov't Code §466.155 states, in pertinent parts:

(a) After a hearing, the director shall deny an application for a license or the commission shall suspend or revoke a license if the director or commission, as applicable, finds that the applicant or sales agent:

...

(5) has violated this chapter or a rule adopted under this chapter.

...

(c) At a hearing, an applicant or sales agent must show by a preponderance of the evidence why the application should not be denied or the license suspended or revoked.

Tex. Gov't Code §466.307(a) states:

A person commits an offense if the person intentionally or knowingly influences or attempts to influence the selection of the winner of a lottery game.

16 Tex. Admin. Code §401.158(b) states, in pertinent parts:

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

...
(30) licensee intentionally or knowingly influences or attempts to influence the selection of a winner of a lottery game.

16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license from the Texas Lottery.

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

The hearing is conducted under the authority of Tex. Gov't Code §466.155 and 16 Tex. Admin. Code §§ 401.158 and 401.201–.227.

All hearings are formal due process matters governed by and conducted in accordance with law, including Texas Government Code Chapters 466, 2001, and 2003; the Texas Rules of Civil Procedure; the Texas Rules of Evidence; Title 1 of the Texas Administrative Code Chapter 155; and Title 16 of the Texas Administrative Code Chapter 401.

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

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

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

IF YOU WISH TO HAVE AN IN-PERSON SOAH HEARING INSTEAD OF A TELEPHONIC HEARING, YOU MUST REQUEST AN IN-PERSON HEARING BY FILING A MOTION FOR CONTINUANCE THAT COMPLIES WITH SOAH'S RULES OR ANY APPLICABLE EMERGENCY ORDERS.

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

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

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

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

Sincerely,

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

CERTIFICATE OF SERVICE

I certify that on March 10, 2021, a true and correct copy of this *Notice of Final Hearing on Suspension or Revocation of Lottery License* was sent to Fasil Investment Inc. d/b/a Arena Food Mart at 2603 E. Commerce Street, San Antonio, TX 78203, by regular and certified mail.

/s/ Kristen Guthrie
KRISTEN GUTHRIE
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Texas Lottery Commission
P.O. Box 16630
Austin, Texas 78761-6630
(512) 344-5465
(512) 344-5189 Fax

cc: SOAH
Lottery Operations Division