

Commissioners:

Robert G. Rivera,
Chairman
Cindy Fields
Mark A. Franz
Jamey Steen



TEXAS LOTTERY COMMISSION

Ryan Mindell, Executive Director

LaDonna Castañuela, Charitable Bingo Operations Director

FILED
362-25-15134
3/20/2025 9:47 AM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

February 26, 2025

Qawi and Quddus Inc.
d/b/a Luck Zone
1250 E. Palm Valley Blvd.
Round Rock, TX 78664

SOAH Docket No. 362-25-15134

via certified and regular mail

via email at [REDACTED]

ACCEPTED
362-25-15134
3/20/2025 11:25:12 am
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Carol Hale, CLERK

**RE: NOTICE OF OPPORTUNITY TO SHOW COMPLIANCE
TEXAS LOTTERY SALES AGENT 173466**

Dear Licensee:

The Texas Lottery Commission (Commission) has determined that Qawi and Quddus Inc. d/b/a Luck Zone (Luck Zone) violated the provisions of Tex. Gov't Code ch. 466 (State Lottery Act) and/or 16 Tex. Admin. Code ch. 401 (Commission rules). In doing so, Luck Zone is subject to disciplinary action pursuant to Tex. Gov't Code §466.155(a)(5). The factual basis of this determination is as follows:

Luck Zone has been licensed by the Commission as a Texas Lottery Ticket Sales Agent since February 9, 2012. The Commission has determined that Luck Zone has endangered the security and integrity of the lottery games operated by the Commission, in violation of 16 Tex. Admin. Code §401.158(b)(21); and intentionally or knowingly sold Texas Lottery draw game tickets that were generated using a selection method not approved by the Commission, in violation of 16 Tex. Admin. Code §401.304(b)(1).

Specifically, based on an internal review, the Commission initiated an investigation into the operations of Luck Zone. On February 25, 2025, a Commission investigator conducted an onsite inspection at Luck Zone. Rizwan Ali, Luck Zone director, told the investigator that Luck Zone allowed customers to place wagers for Texas Lottery draw games using playslips and quick response (QR) codes generated by a non-Texas Lottery application that were not approved by the Commission.

The following statutes and rules are applicable to this case:

Tex. Gov't Code §466.155(a) states, in pertinent part:

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

...

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

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:

...

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

16 Tex. Admin. Code §401.304(b) states, in pertinent part:

Sale of tickets.

(1) Entry of Plays. Plays may be entered using the lottery retailer terminal keypad or touch screen, by means of a playslip, using authorized third-party point-of-sale ("POS") systems, or by other means approved by the commission. Retailers shall not permit any device to be physically or wirelessly connected to a lottery terminal to enter Plays, except as approved by the commission. A ticket generated using a selection method that is not approved by the commission is not valid. Acceptable methods of Play selection may include:

- (A) using a self-service lottery ticket vending machine;
- (B) using a playslip;
- (C) using a previously-generated draw game ticket, from the game being played, provided by the player;
- (D) selecting a Quick Pick;
- (E) requesting a retailer to manually enter numbers; or
- (F) using a QR code generated through a Texas Lottery Mobile Application offered and approved by the commission.

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.

Pursuant to Tex. Gov't Code §2001.054(c), the Commission is offering you an opportunity to respond to the allegations set forth in this letter by way of an informal teleconference. The informal conference **must be requested in writing** and may be scheduled by contacting Tarah Lossman at (512) 344-5324, tarah.lossman@lottery.state.tx.us, or by mail at P.O. Box 16630, Austin, TX 78761-6630. If you fail to respond by **March 28, 2025**, appropriate enforcement action may be taken which may include scheduling a hearing at the State Office of Administrative Hearings (SOAH).

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After the informal conference, a decision will be made as to whether to take no further action, to continue the investigation, or take further enforcement action including a referral to the SOAH relating to your license.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert Tirloni", followed by a horizontal line.

Robert Tirloni
Lottery Operations Director
Texas Lottery Commission

cc: David Veselka, Retailer Services Manager
Kristen Guthrie, Assistant General Counsel

Automated Certificate of eService

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Tarah Lossman on behalf of Kristen Guthrie
Bar No. 24026985
tarah.lossman@lottery.state.tx.us
Envelope ID: 98676375
Filing Code Description: Request to Docket
Filing Description: Request to Docket
Status as of 3/20/2025 11:30 AM CST

Case Contacts

Name	BarNumber	Email	TimestampSubmitted	Status
Nizar Ali		rnali85@gmail.com	3/20/2025 9:47:36 AM	SENT
Tarah Lossman		tarah.lossman@lottery.state.tx.us	3/20/2025 9:47:36 AM	SENT
Kristen Guthrie		kristen.guthrie@lottery.state.tx.us	3/20/2025 9:47:36 AM	SENT
Alfredo TomasGarcia IV		alfredo.garcia@lottery.state.tx.us	3/20/2025 9:47:36 AM	SENT
Dorota Bienkowska		dorota.bienkowska@lottery.state.tx.us	3/20/2025 9:47:36 AM	SENT