

COMMONWEALTH OF MASSACHUSETTS  
MASSACHUSETTS STATE LOTTERY COMMISSION

IN RE:	)	
	)	
MOHAMMAD ASIF on behalf of	)	Commission-Level
BUS STOP VARIETY (Main St. and Galen St.)	)	Docket No. L-24-017
Appellant.	)	
	)	

**DECISION AND RECOMMENDATION**

**INTRODUCTION**

This matter concerns the appeal of Mr. Mohammad Asif (“Mr. Asif”), a Lottery Sales Agent and owner of two Bus Stop Variety locations in Watertown, Massachusetts. Mr. Asif holds two Sales Agent Licenses: (1) Sales Agent License # [REDACTED] for the Bus Stop Variety Store located at 633 Main Street in Watertown; and (2) Sales Agent License # [REDACTED] for the Bus Stop Variety Store located at 121 Galen Stret in Watertown (together the “Bus Stop Variety Locations”). The Massachusetts State Lottery (the “Lottery”) seeks to revoke Mr. Asif’s Lottery Sales Agent licenses for both Bus Stop Variety Locations due to substantial evidence demonstrating Mr. Asif’s involvement in an impermissible secondary market for winning Lottery tickets, contrary to M.G.L. c. 10, §26 and 961 CMR 2.13.

The Lottery’s investigation, supported by federal convictions, extensive data analysis, and testimony, revealed that Mr. Asif repeatedly violated Lottery regulations, undermined public trust, and demonstrated deficient moral character. After considering the evidence and arguments and as explained further below, the Hearing Officer recommends revocation of these licenses is proper and necessary to safeguard the Lottery’s integrity.

## **AUTHORITY**

This Commission-Level hearing was conducted on November 14, 2024, pursuant to Rules and Regulations established by the Lottery as authorized in M.G.L. c. 10, §§24 and 26, and as set forth in the Hearings on Denial or Revocation of License regulation, 961 CMR 2.18.

## **JURISDICTION**

An applicant or sales agent<sup>1</sup> is entitled to a hearing before his/her license is denied, suspended, or revoked if he/she requests such hearing within 20 days from the date of notice of the denial, revocation, or suspension. 961 CMR §2.18.

## **PROCEDURAL BACKGROUND**

The Lottery provided notice of its intent to suspend Mr. Asif's licenses for 60 days on May 15, 2023, under M.G.L. c. 10, §26 and 961 CMR 2.13. Mr. Asif filed a timely appeal on May 23, 2023 (Exhibit L-2). Following new evidence obtained from the Massachusetts State Police investigation, the Lottery amended its proposed penalty to license revocation for both Mr. Asif's Lottery Sales Agent licenses for the Bus Stop Variety Locations on March 28, 2024 (Exhibit L-1). Mr. Asif filed a timely appeal of this proposed revocation on April 1, 2024 (Exhibit L-2).

Mr. Asif, on behalf of the Bus Stop Variety Locations, requested a Director-Level hearing. On August 2, 2024, Director Designee Lawrence P. Mayo conducted a hearing. Director Designee Mayo upheld the Lottery's decision to revoke Mr. Asif's licenses.

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<sup>1</sup> Sales Agent means a person who has been licensed to sell Lottery tickets or register bets on behalf of the player under M.G.L. c. 10, §§22 through 36.

Mr. Asif now appeals the August 2, 2024, Director-Level Decision upholding the Lottery's Decision. A prehearing conference took place via Zoom Video Conference on October 8, 2024. In accordance with the prehearing conference order, both parties notified the undersigned hearing officer and each other regarding anticipated witnesses and documents in advance of the November 14, 2024 hearing.

A Commission-Level hearing convened on November 14, 2024, regarding Mr. Asif's appeal of the August 2, 2024 Director-Level Decision. Mr. Asif represented himself *pro se*. He was sworn in and testified on his own behalf. Attorney Christopher Taffe represented the Lottery. The Lottery presented two witnesses, Sandra Lemanski, Assistant Director of the Security and Compliance Department, and Kevin Floster, Compliance Analyst. All witnesses were sworn in.

The parties introduced the below exhibits that were admitted at the hearing.

*The Lottery's Exhibits*

- L-1. Sanction /Appealable Action Notices from MSLC from 05.15.2023 and 03.28.2024
- L-2. Verification of Timely Verbal Requests for Hearing from 05.23.2024 and 04.01.2024
- L-3. 05.09.23 Memorandum re: High Frequency Cashing and Sales Agents (with redactions)
- L-4. Summary of 135 Total Claims, by Sales Location, for tickets sold by Mohammad Asif's Bus Stop Variety during 2013-2020 Time Period
- L-5. Individual claim information for 135 tickets sold by Mohammad Asif's Sales Agent locations (Bus Stop Variety) during 2013-2020 Time Period
- L-6. Memorandum of 10.14.20 Pankaj Rai Ghai Interview by Lottery (with redactions)
- L-7. Memorandum of 10.14.20 Gurmit Pabla Interview by Lottery (with redactions)

- L-8. 10.24.22 Mohamed Jaafar Plea Agreement
- L-9. 11.04.22 Mohamed Jaafar Statement of Offense Conduct
- L-10. 03.07.23 Mohamed Jaafar Supplement to Statement of Offense Conduct
- L-11. 12.09.22 Guilty Verdict Slip for Ali Jaafar and Yousef Jaafar
- L-12. 05.16.23 Sentencing Memorandum from U.S. Attorney's office re: Jaafar family
- L-13. 04.17.23 Ali Jaafar Statement and Contact List (Exhibit A, with redactions)
- L-14. 04.17.23 Yousef Jaafar Statement and Contact List (Exhibit A, with redactions)
- L-15. 07.26.23 Chart Listing Proposed Lottery Sanctions by Licensed Sales Agent and Number of Tickets
- L-16. Table showing Summary and Information of Specific Claimants for All \$600+ Lottery Prizes sold by both Bus Stop locations for Calendar Years 2014-2020
- L-17. 03.05.24 Lottery Compliance Department's Memo re: Recommendation of Revocation for Licenses of Sales Agent Mohammad Asif
- L-18. 04.08.22 Investigative Report and Related Documentation as to Events of 03.09.22
- L-19. Claim History and Copies of Prize Checks for E [REDACTED] C [REDACTED] and A [REDACTED] G [REDACTED] from 11.2021 to 02.2022
- L-20. The Massachusetts State Police Reports and Investigation Documents from 04.2022 to 11.2023
- L-21. Mohammad Asif's Personal \$600+ Prize Claim History from 02.2013 to 07.2023
- L-22. 02.06.2024 Compliance Memorandum as to 02.2024 Prize Claim Attempt of Mohammad Asif
- L-23. 02.23.2024 Claim Denial Memo and 02.26.2024 Claim Denial Letter re: Mohammad Asif

- L-24. 06.2006 Licensed Sales Agreement for Bus Stop Variety Sales Agent Location at 633 Main Street
- L-25. 07.2007 Licensed Sales Agreement for Bus Stop Variety Sales Agent Location at 121 Galen Street
- L-26. 06.11.2023 Renewal application for Bus Stop Variety Sales Agent Location at 633 Main Street (with redactions)
- L-27. 07.12.2023 Renewal application for Bus Stop Variety Sales Agent Location at 121 Galen Street (with redactions)

*Lottery's Jurisdictional/Administrative Exhibits*

- J-1. 08.02.2024 Director-Level Decision for L-24-017 Appeal, heard on 05.08.2024
- J-2. Transcript of 05.08.2024 Hearing
- J-3. 06.02.2024 Mohammad Asif's Director-Level Post-Hearing Submission
- J-4. 06.17.2024 Lottery's Director-Level Post-Hearing Submission
- J-5. 08.27.2024 Notice of Director-Level Decision
- J-6. 08.30.2024 Request for Commission-Level Appeal
- J-7. 09.16.2024 Correspondence to Hearing Officer Initiating Commission-Level Appeal

*Mr. Asif's Exhibits<sup>2</sup>*

- A-1 Letter of Reference from E. Ozcan to M. Asif, dated 11.08.2024
- A-2 Letter of Reference from L. Haley to M. Asif, dated 11.06.2024
- A-3 Statements from Customers
- A-4 Statement from E. S. C [REDACTED]

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<sup>2</sup> The Lottery objected to Mr. Asif's Exhibits.

The parties were allowed to provide written submissions to the Hearing Officer within 30 days after receipt of the hearing transcript. Attorney Taffe submitted a post-hearing brief on behalf of the Lottery on December 30, 2024. Mr. Asif did not provide a post-hearing brief.

### **FACTUAL FINDINGS**

The record presents the following findings of fact that the undersigned Hearing Officer adopts and incorporates from the Lottery's Proposed Findings of Fact:

#### **Jurisdiction**

1. On May 15, 2023, the Lottery gave notice of its Director's initial decision to suspend the Lottery Sales Agent licenses for 60 days for the two businesses listed below:

a. **Bus Stop Variety (License # [REDACTED]):** 633 Main Street, Watertown, MA 02472-2122 (Main Street store).

b. **Bus Stop Variety (License # [REDACTED]):** 121 Galen Street, Watertown, MA 02472-4506 (Galen Street store) (Exhibits L-1 and L-4).

2. Mohammad Asif has been the Lottery Sales Agent license holder for both Bus Stop Variety Locations since 2007, operating as a sole proprietorship. The Lottery assigned him Owner ID # [REDACTED] for Lottery-related business (Lottery Testimony at pp. 37–39; Exhibits L-1, L-4, L-24, and L-25).

3. On May 15, 2023, the Lottery sought to suspend Mr. Asif's licenses for 60 days, citing violations of M.G.L. c. 10, §26 and 961 CMR 2.13 (Exhibit L-11).

4. Mr. Asif timely appealed the proposed suspension on or around May 23, 2023, under 961 CMR 2.18 (Exhibit L-2).

5. On March 28, 2024, after obtaining additional evidence from the Massachusetts State Police investigation, the Lottery amended its proposed penalty to revoke Mr. Asif's licenses (Exhibit L-1).

6. Mr. Asif timely appealed the proposed revocation on April 1, 2024, under 961 CMR 2.18 (Exhibit L-2).

7. A Director-Level hearing on the appeal was conducted on May 8, 2024, before Attorney Lawrence P. Mayo, the Lottery Director's designee (Exhibit J-2).

8. On August 2, 2024, Hearing Officer Mayo issued a decision upholding the proposed revocation, finding it proper and justified (Exhibit J-1).

9. Mr. Asif timely appealed to the Lottery Commission on August 30, 2024, under 961 CMR 2.18 and M.G.L. c. 30A (Exhibits J-1, J-5, J-6, and J-7).

### **The Jaafar Family Scheme**

10. The Jaafar family, consisting of Ali Jaafar and his sons Yousef and Mohamed, orchestrated a money laundering and tax evasion scheme from 2013 to 2020. This involved acquiring over 14,000 winning Lottery tickets through improper secondary market transactions with Lottery Sales Agents, including Mr. Asif (Lottery Testimony at pp. 40–43, 67–70, and 72; Exhibits L-3, L-8, L-9, L-12, L-13, and L-14).

11. The scheme relied on Sales Agents purchasing winning tickets at a discount from customers and reselling them to the Jaafars for a small profit. The Jaafars would then claim the tickets as prize winners to generate illicit proceeds (Exhibits L-9, ¶¶ 2–3; L-12, pp. 1–4).

12. The Jaafar family and their associates claimed 135 high-prize tickets sold at Mr. Asif's two stores, valued at \$319,114. Of these, 91 were from the Main Street store and 44 from the Galen Street store (Lottery Testimony at pp. 55–59; Exhibits L-3, L-4, L-5, and L-15).

13. For the period from 2014 to 2016, between 24% and 52% of high-prize tickets sold at Mr. Asif's stores were claimed by the Jaafars, an unusually high percentage compared to other agents (Lottery Testimony at pp. 85–88; Exhibit L-16).

14. Federal investigations and court proceedings confirmed that Mr. Asif's stores were key participants in the scheme. Mohamed Jaafar identified the Main Street and Galen Street stores as significant sources of tickets (Exhibits L-10 and L-13).

### **Evidence of Continued Misconduct**

15. Despite receiving a warning from the Lottery on March 9, 2022, to cease secondary market practices, Mr. Asif continued such activities. Evidence from the Lottery and the Massachusetts State Police revealed that he personally cashed 20 high-prize tickets between April 2022 and July 2023, purchasing at least 16 of them from customers at a discount (Lottery Testimony at pp. 114–116, 133–139; Exhibits L-17, L-21, and L-22).

16. In February 2024, Mr. Asif attempted to cash a \$2,000 ticket, initially claiming it was a birthday gift. He later admitted to purchasing it for \$1,800 from a customer, further demonstrating his ongoing involvement in the secondary market (Lottery Testimony at pp. 136–137; Exhibit L-22).

17. Mr. Asif also improperly deposited checks for winning tickets into his Lottery trust accounts, violating his Sales Agent Agreement by commingling personal and business funds (Lottery Testimony at pp. 117–123; Exhibits L-17, L-18, and L-19).

### **Admissions by Mr. Asif**

18. At the May 8, 2024 hearing, Mr. Asif admitted to facilitating connections between customers and the Jaafars for secondary market transactions: “He asked me for the help... So, I



let him know, he come from my store, pick up the tickets from the person” (Exhibit J-2 at pp. 57–58).

19. At the November 14, 2024 hearing, Mr. Asif attempted to downplay his role but acknowledged providing Jaafar family contact information to customers seeking alternative ways to cash winning tickets (Hearing Transcript, Nov. 14, 2024, pp. 17–18).

### **Public Policy and Impact**

20. The Jaafar family scheme undermined public confidence in the Lottery, allowing participants to evade taxes and improperly claim welfare benefits. As a licensed Sales Agent, Mr. Asif’s role in facilitating this scheme demonstrates deficient moral character and a failure to uphold the Lottery’s standards (Exhibits L-12, pp. 5–8; L-13, ¶¶ 1–6).

21. Mr. Asif’s continued misconduct after explicit warnings further supports the Lottery’s decision to revoke his licenses. His actions not only violated Lottery rules but also jeopardized the integrity of the Lottery system and public trust (Lottery Testimony at pp. 88–90, 138–139).

22. During federal proceedings, the Jaafar family identified Mr. Asif as a key participant in their scheme. Mohamed Jaafar provided a supplemental statement in March 2023, explicitly naming the two Bus Stop Variety Locations and Mr. Asif’s phone number as sources for the tickets they acquired (Exhibits L-10, L-13, and L-14).

23. Ali Jaafar, in his post-conviction statement, detailed the reliance of their operation on Lottery Sales Agents, noting that agents like Mr. Asif would purchase tickets from customers and transfer them to the Jaafars for cashing (Exhibit L-13, ¶¶ 1–8).

24. The “YJAJ Contact List,” created jointly by Ali and Yousef Jaafar in April 2023, specifically included Mr. Asif’s name, phone number, and details about his two Watertown stores, identifying him as a collaborator in their scheme (Exhibit L-13, p. 4).

#### **Additional Evidence Linking Mr. Asif to the Scheme**

25. The Massachusetts State Police investigation revealed that Mr. Asif utilized individuals like A [REDACTED] G [REDACTED] and E [REDACTED] C [REDACTED] as “runners” to cash winning tickets on his behalf. On March 9, 2022, both G [REDACTED] and C [REDACTED] confessed to the Lottery that they were acting under Mr. Asif’s direction (Lottery Testimony at pp. 103–105, 114–116; Exhibits L-17, L-18, and L-20).

26. The Massachusetts State Police interviews confirmed that after the failed cashing attempt on March 9, 2022, Mr. Asif pressured Mr. G [REDACTED] to settle an alleged debt by using his personal Food Stamps benefits to purchase \$900 worth of goods for Mr. Asif. This behavior raised further questions about Mr. Asif’s moral character (Lottery Testimony at pp. 116–117, 127–128; Exhibits L-17, L-18, and L-20).

#### **Statistical Analysis of Ticket Claims**

27. From 2013 to 2020, the Jaafar family claimed tickets from over 23 identified Lottery Sales Agents, but the two Bus Stop Variety Locations ranked 12th highest in the number of tickets linked to their operation. This demonstrates the significant role Mr. Asif’s stores played in facilitating the scheme (Lottery Testimony at pp. 81–84; Exhibits L-3, L-4, L-5, and L-15).

28. From 2014 to 2016, more than 40% of the high-prize tickets sold at Bus Stop Variety Locations were claimed by the Jaafars or their associates, a percentage far exceeding the norm for comparable stores (Lottery Testimony at pp. 85–88; Exhibit L-16).

29. The pattern of high-prize ticket claims from Mr. Asif's stores persisted even after the Jaafar family's conviction, with Mr. Asif himself increasingly claiming tickets from 2020 to 2023 (Lottery Testimony at pp. 130–134; Exhibit L-21).

### **Violations of Lottery Regulations**

30. Mr. Asif violated the contractual terms of his Sales Agent Agreement, which required strict adherence to Lottery regulations and a prohibition of any involvement in the secondary market for winning tickets (Exhibits L-24, §7.5; L-25, §7.5; L-26, and L-27).

31. By depositing checks from ticket cashing activities into his Lottery trust accounts, Mr. Asif improperly commingled funds in violation of 961 CMR 2.13(5), which governs the financial operations of Sales Agents (Lottery Testimony at pp. 117–123; Exhibits L-17, and L-19).

32. The continuation of improper practices after explicit warnings in March 2022 demonstrates willful disregard for the Lottery's rules and undermines his credibility as a responsible licensee (Lottery Testimony at pp. 115–116, 138–139; Exhibits L-17, L-18, and L-22).

### **Federal Prosecution and Admissions**

33. The federal convictions of Ali Jaafar and Yousef Jaafar in December 2022, and Mohamed Jaafar's guilty plea in October 2022, verified the existence of the secondary market scheme, its operational methods, and the significant role of participating Sales Agents like Mr. Asif. Post-conviction statements confirmed that Mr. Asif's stores were among the locations that sold tickets later claimed by the Jaafars (Lottery Testimony at pp. 66–72; Exhibits L-9, L-10, L-13, and L-14).

34. During trial proceedings, the federal government submitted sentencing memoranda emphasizing the reliance of the scheme on Sales Agents who purchased winning tickets at a discount, reselling them to the Jaafar family. This practice was corroborated by internal Lottery data and the Jaafars' admissions (Exhibit L-12, pp. 1–8).

### **The Lottery's Compliance Measures**

35. In response to federal findings, the Lottery implemented additional compliance measures, including investigations into high-prize ticket claims and the identification of agents with unusual claim patterns. Data from these investigations highlighted the disproportionately high number of tickets originating from Mr. Asif's stores (Lottery Testimony at pp. 77–80; Exhibits L-4, L-5, and L-15).

36. The Lottery placed Mr. Asif in "Restricted Player" status in November 2023, requiring additional scrutiny of his ticket claims due to his history of improper conduct. Despite this restriction, Mr. Asif attempted to cash tickets purchased through secondary market transactions, demonstrating ongoing violations (Lottery Testimony at pp. 134–135; Exhibit L-21).

### **Evidence of Systematic Violations**

37. The testimony of undercover agents and the 2018–2019 IRS sting operations revealed systemic violations by Sales Agents who purchased winning tickets at a discount. Although Mr. Asif was not directly implicated in these sting operations, similar practices at his stores were corroborated by the Jaafars' statements and internal Lottery audits (Lottery Testimony at pp. 62–64, 77–78; Exhibits L-6 and L-7).

38. Federal and state evidence indicated that participating Sales Agents, including Mr. Asif, profited from secondary market transactions by taking a percentage of the ticket's value

before transferring it to the Jaafar family. This was consistent with the 10% cut typical in such schemes (Exhibit L-12, pp. 3, 5–6).

### **Moral and Financial Implications**

39. Mr. Asif’s involvement in the secondary market undermined the integrity of the Lottery and contributed to financial harm by enabling others to evade taxes and debts owed to the state. This directly violated the public policy goals of the Massachusetts State Lottery (Exhibit L-12, pp. 5–8; *Welford v. Nobrega*, 30 Mass. App. Ct. 92, 103 n.10 (1991)).

40. The pattern of behavior by Mr. Asif, including his pressuring of vulnerable individuals like A [REDACTED] G [REDACTED] highlights a deficiency in moral character incompatible with the responsibilities of a Lottery Sales Agent (Lottery Testimony at pp. 126–128; Exhibit L-20, pp. 7–10).

### **Mr. Asif’s Role in Facilitating Secondary Markets**

54. Mr. Asif’s consistent interactions with the Jaafar family were corroborated not only by their statements but also by data matching high-prize tickets claimed by the Jaafars to his stores. This pattern was consistent with other agents who were later confirmed as co-conspirators in the scheme (Lottery Testimony at pp. 69–72; Exhibits L-9 and L-10).

55. Mr. Asif personally facilitated the movement of tickets by identifying customers willing to sell tickets at a discount and directing them to the Jaafar family or by directly purchasing tickets himself, as admitted in both his May 8, 2024, and November 14, 2024, testimonies (Hearing Transcript, May 8, 2024, pp. 57–58; Hearing Transcript, Nov. 14, 2024, pp. 17–18).

### **The Jaafar Family's Admissions on Reliance**

56. Ali Jaafar explicitly stated that without the participation of Sales Agents like Mr. Asif, the family's scheme would have been unworkable. He described how agents acted as intermediaries, purchasing tickets from customers and passing them along to the Jaafar network for cashing (Exhibit L-13, ¶¶ 2–8).

57. Mohamed Jaafar confirmed that his family deliberately sought out Sales Agents who demonstrated willingness to engage in secondary market transactions. These agents, including Mr. Asif, became central to their operations by supplying the tickets necessary to maintain the scheme's volume (Exhibit L-10).

### **Evidence of Deliberate Deception**

58. During interactions with Lottery officials, Mr. Asif displayed a pattern of deceptive behavior, such as fabricating explanations for his ticket purchases. In February 2024, he falsely claimed a \$2,000 ticket was a birthday gift, later admitting it was purchased at a discount (Lottery Testimony at pp. 136–137; Exhibit L-22).

59. When confronted about his involvement with ticket runners like A [REDACTED] G [REDACTED] and E [REDACTED] C [REDACTED], Mr. Asif initially denied directing their actions. However, both individuals provided sworn statements confirming that they were acting on his behalf to cash tickets for fees (Lottery Testimony at pp. 114–116; Exhibits L-17, L-18, and L-20).

### **Broader Pattern of Irregularities**

60. From 2013 to 2020, data revealed a pattern of irregularities tied to Mr. Asif's stores. The number of high-prize tickets claimed by the Jaafars exceeded statistical norms for similar Sales Agent locations, highlighting the extraordinary frequency of these transactions (Lottery Testimony at pp. 85–88; Exhibit L-16).

61. Even after the Jaafar family was no longer able to claim tickets following their arrests in 2020, Mr. Asif continued similar practices. His personal claims for high-prize tickets increased dramatically, further indicating his direct participation in the secondary market (Lottery Testimony at pp. 130–134; Exhibit L-21).

### **Regulatory and Contractual Violations**

62. Mr. Asif’s actions violated his contractual obligations as a licensed Sales Agent, which required strict adherence to Lottery rules which prohibit secondary market transactions. Specifically, his involvement breached 961 CMR 2.13(1), (3), (5), and (7), as well as terms outlined in the Sales Agent Agreement (Exhibits L-24, §7.5; L-25, §7.5).

63. The use of his Lottery trust accounts to deposit proceeds from secondary market transactions constituted a direct violation of financial operation rules. This improper commingling of funds further demonstrated his disregard for regulatory requirements (Lottery Testimony at pp. 117–123; Exhibits L-17 and L-19).

### **Harm to the Commonwealth**

64. The secondary market activities facilitated by Mr. Asif and other agents caused direct harm to the Commonwealth by enabling individuals to evade tax withholding requirements and debt collections tied to Lottery winnings. This included obligations related to child support, unpaid taxes, and other state debts (Exhibit L-12, pp. 5–8).

### **Final Pattern of Misconduct**

65. Despite receiving a verbal warning in March 2022 and acknowledging the impropriety of his actions, Mr. Asif resumed purchasing and cashing tickets himself within weeks. This demonstrates a willful disregard for the Lottery’s directives and a lack of corrective behavior (Lottery Testimony at pp. 115–116, 133–134).

66. Over a 16-month period between April 2022 and July 2023, Mr. Asif personally cashed 20 high-prize tickets, many of which he admitted to purchasing at a discount from customers. These actions indicate deliberate continuation of secondary market practices (Lottery Testimony at pp. 133–134; Exhibit L-21).

67. Mr. Asif’s willingness to exploit vulnerable individuals, such as pressuring A█████ G█████ to use Food Stamps benefits to settle a debt, underscores serious moral and ethical deficiencies incompatible with his role as a Lottery Sales Agent (Lottery Testimony at pp. 126–128; Exhibit L-20, pp. 7–9).

## **ANALYSIS AND CONCLUSIONS OF LAW**

### **I. The Appellant Violated State Lottery Law and Regulations**

Sales Agents for the Lottery are licensed in accordance with the State Lottery Law, M.G.L. c. 10, §§22-35, 37-40, 56-58, and regulations promulgated thereunder. Per 961 CMR 2.13, the Lottery Director or a designee is authorized to revoke or suspend a license for any of the following non-exhaustive reasons outlined in 961 CMR 2.13:

1. Violations of laws, regulations, or directives (961 CMR 2.13(1));
2. Actions contrary to the best interests of the Lottery or public welfare (961 CMR 2.13(3));
3. Operational practices inconsistent with Lottery rules (961 CMR 2.13(5)); and
4. Deficient moral character of the Sales Agent or their employees (961 CMR 2.13(7))<sup>3</sup>.

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<sup>3</sup> 961 CMR 2.13(9) also allows the Director to immediately remove all equipment and termination, as happened here to the Appellant’s two sales locations in late March of 2024, when any of the other subsections of 961 CMR 2.13 apply. The regulation reads as follows:

*(9) The Director may immediately remove a Sales Agent’s on-line terminal, validation terminal, instant game tickets, pull tab tickets, television monitors and betting stations upon the bringing of a criminal complaint or indictment against the Sales Agent or any employee of the Agent who holds a position of substantial authority in the Sales Agent’s business, or any other Sales Agent’s employees or Agents handling Lottery business and*



In addition, M.G.L. c. 10, §28 explicitly prohibits the assignment of Lottery prizes except in limited circumstances, such as when authorized by judicial order or upon the death of a prize winner. *See, e.g., Rubenstein v. Royal Ins. Co. of Am.*, 45 App. Ct. 244, 246 (1998); *Nova Assignments, Inc. v. Kunian*, 77 Mass. App. Ct. 34, 41-42 (2010) (approving assignment of rights under a contract). This rule applies to the contractual rights established when a legitimate player purchases a Lottery ticket that is subsequently determined to be a winning ticket. *See Bretton v. State Lottery Comm’n*, 41 Mass. App. Ct. 736, 741 (1996). This prohibition aims to prevent unregulated secondary markets, protect state tax collection, and ensure fairness in the administration of prizes. The statute further reinforces that the right to claim a prize is not transferable, except under the narrow conditions set forth in the law. *See, e.g., See Welford v. Nobrega*, 30 Mass. App. Ct. 92, 103 n.10 (1991).

The evidence presented in this matter—bolstered by credible testimony from the Lottery’s employees, Ms. Lemanski (Assistant Director of Security and Compliance) and Mr. Floster (Compliance Analyst), statistical data, and investigative findings—conclusively establishes that Mr. Mohammad Asif violated these provisions by facilitating improper ticket assignments, failing to comply with operational rules, and engaging in unethical conduct that reflects deficient moral character.

#### **A. Mr. Asif Facilitated the Improper Assignment of Lottery Tickets**

Under M.G.L. c. 10, §28 and 961 CMR 2.28, the assignment of Lottery prizes is strictly prohibited except under four specific circumstances, none of which are applicable to this case.

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*for any of the reasons set forth in 961 CMR 2.13(1) through 2.13(13) pending a hearing pursuant to 961 CMR 2.18.*

The legislative purpose of these provisions is clear: to prevent secondary markets that enable tax evasion, improper debt avoidance, and other abuses that undermine the Lottery's integrity and public trust.

The record demonstrates that Mr. Asif repeatedly violated this prohibition by facilitating the assignment of winning tickets to the Jaafar family and others through improper transactions (Exhibits L-17 – L-21). Assistant Director of Security and Compliance, Ms. Lemanski, testified in detail about the structure of the Jaafar family's secondary market scheme (*see generally*, Lottery Testimony pp. 32 – 47). She explained that the scheme relied on Sales Agents like Mr. Asif to purchase winning tickets from customers at a discount, which were then resold to the Jaafar family for further profit (*Id.*). Her testimony, based on 28 years of investigative experience with the IRS Criminal Investigation Division, was corroborated by internal Lottery data showing that the Jaafars claimed 135 high-prize tickets sold at Mr. Asif's stores between 2013 and 2020 (*Id.* at p. 56). This number represents an astonishing 24% of all high-prize tickets sold at his locations, far exceeding statistical norms and clearly implicating Mr. Asif as a significant participant in the scheme (Exhibit L-16).

The involvement of Mr. Asif's Bus Stop Variety Locations was further confirmed by the Jaafar family themselves (Lottery Testimony at pp. 77-78 and Exhibits L-10, L-13, and L-14). In a supplemental statement, Mohamed Jaafar specifically identified the Bus Stop Variety Locations as sources of tickets for their illegal operations (Lottery Testimony at pp. 69-71, and 77-80; and Exhibits L-9 and L-10). This statement aligns with data and testimony presented by the Lottery's witnesses, Ms. Lemanski and Mr. Floster, who testified that the volume of high-prize tickets originating from Mr. Asif's stores indicated a systemic failure to adhere to Lottery regulations.

Additionally, Mr. Asif admitted that he played an active role in these transactions. Mr. Asif made multiple admissions at both of his two appeal hearings that he knew the Jaafars, that he was aware of the “*service*” they provided, and that he would serve as a link between some of his customers and the Jaafar family (Mr. Asif Testimony at pp. 57-58; *see also* Exhibit J-2 at pp. 95-96). This admission, combined with the overwhelming statistical evidence and corroborating witness testimony, establishes that Mr. Asif directly facilitated the improper assignment of tickets, in violation of M.G.L. c. 10, §28 and 961 CMR 2.28.

### **B. Mr. Asif’s Operations Were Inconsistent with Lottery Rules**

961 CMR 2.13(5) mandates that Sales Agents must operate their businesses in compliance with Lottery rules and maintain adequate security measures to prevent fraud and misuse. The evidence demonstrates that Mr. Asif’s operational practices fell far short of these requirements, enabling improper transactions and jeopardizing the integrity of the Lottery system.

Beyond the Jaafar’s statements and Mr. Asif’s own admissions, the Lottery’s own internal sales data linking where the tickets ultimately claimed by the Jaafars originated also confirm that the Bus Stop Variety Locations played a significant role in the Jaafar’s scheme. The Lottery’s records, including those in Exhibits L-4, L-5, L-15, and L-16 show the specific and large number of Jaafar-related tickets sold by Mr. Asif’s two stores. These locations sold 135 high-prize winning tickets that ultimately made their way to the Jaafars before they were cashed. In fact, Mr. Asif admitted to being the go-between or middleman for the Jaafars (Lottery Testimony at pp. 55-56 and Exhibits L-3, L-4, L-5, and L-15). The Lottery’s internal data and investigative reports show a pattern of systemic non-compliance by Mr. Asif at the two Bus Stop Variety Locations.

Evidence presented by the Lottery also revealed that Mr. Asif improperly deposited funds from secondary market transactions into his Lottery trust accounts. These accounts, as outlined in the Sales Agent Agreement, are restricted to funds generated from legitimate Lottery sales. By depositing proceeds from unlawful transactions, Mr. Asif violated both his contractual obligations and the operational standards required of Sales Agents (Lottery Testimony at pp. 117–123; Exhibits L-17 and L-19).

Moreover, Mr. Asif relied on runners, including A [REDACTED] G [REDACTED] and E [REDACTED] C [REDACTED], to cash tickets on his behalf. Both individuals admitted that they acted under Mr. Asif's direction and received compensation for their involvement. This reliance on runners combined with Mr. Asif's admissions demonstrates a willful disregard for the operational standards established by the Lottery (Lottery Testimony at pp. 114–116, 123-130; Exhibits L-17, L-18, L-20).

### **C. Mr. Asif Demonstrated Deficient Moral Character**

961 CMR 2.13(7) provides for license revocation if the moral character of the Sales Agent is found to be deficient. Mr. Asif was repeatedly dishonest and exploited vulnerable individuals, demonstrating a profound lack of integrity and ethical fitness to serve as a Lottery Sales Agent (Lottery Testimony at pp. 136-137; Appellant Testimony at p. 144; Exhibits L-18, L-21 and L-22).

One particularly egregious incident occurred in February 2024, when Mr. Asif attempted to cash a \$2,000 ticket by falsely claiming it was a birthday gift. Upon questioning, he admitted that he had purchased the ticket at a discount, directly violating the rules against secondary market transactions. (Lottery Testimony at pp. 136–137; Exhibit L-22). This deception

exemplifies his disregard for the Lottery's regulations and his willingness to engage in dishonest conduct.

In another instance, Mr. Asif pressured A [REDACTED] G [REDACTED], a vulnerable individual reliant on Food Stamps, to use his benefits to repay a debt. This exploitative behavior underscores Mr. Asif's lack of moral character and his unsuitability to operate as a representative of the Lottery (Lottery Testimony at pp. 116-177 and 126-128; Exhibits L-17, p. 2; and L-20, pp. 7-9).

Despite receiving a warning from the Lottery in March 2022 to cease improper practices, Mr. Asif resumed similar conduct within weeks. Between April 2022 and July 2023, he personally cashed 20 high-prize tickets, admitting that at least 16 of them were purchased from customers at a discount. This repeated misconduct further demonstrates his deficient moral character and inability to adhere to Lottery standards (Lottery Testimony at pp. 133-134; Exhibit L-21).

#### **D. Revocation Is in the Best Interests of the Lottery and Public Welfare**

961 CMR 2.13(3) authorizes license revocation when it is in the best interests of the Lottery or public welfare. Upholding Mr. Asif's licenses would erode public trust in the Lottery system and compromise its ability to fulfill its statutory purpose.

Public confidence in the fairness and transparency of the Lottery is essential to its success. By participating in secondary market schemes, failing to maintain operational integrity, and exploiting vulnerable individuals, Mr. Asif jeopardized the Lottery's reputation and ability to generate revenue for public services. Furthermore, his actions allowed individuals to evade tax obligations and avoid debt collections tied to their winnings, depriving the Commonwealth of Massachusetts critical revenue (Exhibit L-12, pp. 5-8; M.G.L. c. 10, §35).

## CONCLUSION

The evidence – supported by credible testimony, statistical data, and investigative findings – demonstrates that Mr. Asif repeatedly violated Massachusetts law and Lottery regulations, acted unethically, and undermined public confidence in the Lottery system. Accordingly, the Lottery’s decision to revoke the licenses for Bus Stop Variety (Main Street) and Bus Stop Variety (Galen Street) should be **AFFIRMED**<sup>4</sup>.

Respectfully submitted,

The Hearing Officer,



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<sup>4</sup> If the Applicant is aggrieved by this Decision, it may appeal the Decision to the extent provided in M.G.L. c. 30A and 961 CMR 2.18, or as may otherwise be allowed by Lottery.