



# FOR YOUR INFORMATION

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## Guidance on Gambling and Raffles In the Workplace

Fundraisers where employees are required to provide payment in exchange for the chance of winning a good or service are **strictly prohibited** by law. This prohibition includes raffles and opportunity drawings such as those where employees purchase tickets for the chance to win money (50/50 raffles), merchandise, gift cards, and/or other prizes, such as designer handbags and sports memorabilia. County departments may only conduct raffles if participation is not contingent on purchasing a ticket. Winners may be subject to certain reporting requirements. A person who violates the law is guilty of a misdemeanor.

### Prohibited Raffles

County departments may ***not*** conduct raffles:

- That require participants to pay money for a chance to win prizes; and
  - Where **winners** of the prizes are **determined by chance**.
- ***This prohibition includes:***
    - Raffles for charitable purposes (e.g., a fundraising raffle organized by the County where some or all of the proceeds benefit a nonprofit organization, etc.); and
    - 50/50 raffles where the winner receives 50 percent of the proceeds from the ticket sales and the entity conducting the raffle retains the remaining 50 percent.

### Permitted Raffles

A raffle conducted by a County department is permitted if it is open to all employees of that department and:

- Tickets to each employee are provided **free of charge**; or
- **Voluntary donations** are solicited, but not required, to receive a raffle ticket and this is made clear to all participants. **If a donation is required in return for a raffle ticket, it is an illegal raffle.**

### Reporting Requirements for Agency Raffles

Certain gift reporting requirements apply to winners of a raffle if the winner is required by the Department's conflict of interest code, or state law, to file a Statement of Economic Interest ("Form 700"), as follows:

- If an outside source provided the prize to the agency, the winner must report it on a Form 700 as a gift from the outside source if the fair market value of the gift minus the amount paid to participate in the agency raffle equals \$50 or more.
- If the agency pays for the prize using agency funds or it is otherwise an asset of the agency and the payment is a lawful expenditure of public funds, then the prize is not a gift and need not be reported.
- An agency raffle to boost morale and/or retain qualified and competent employees is arguably a lawful expenditure of public funds.
- If an agency employee donates the prize, then it is not a reportable gift so long as the employee is acting as an intermediary for an outside source.

Please refer to [DCFS Charitable Giving Program Policy and Procedures](#) for more information.

If you have any questions regarding this release, please e-mail your question to:

[Policy@dcfs.lacounty.gov](mailto:Policy@dcfs.lacounty.gov)

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