

## Memo: Guidance on Door Prizes

Date: September 15, 2023

To: CWEA Board Members, Local Section Board Members, Committee Leads, CWEA Staff

From: Chuck Greely, PE - CWEA Board President

This memo is to provide clarity to CWEA stakeholders on the practices surrounding door prizes and to ensure CWEA's door prize practices are legal and compliant with California law.

On Monday, August 21, CWEA received a notification from the State of California Department of Justice (DOJ) regarding unregistered raffle activities. Under the Attorney General's Raffle Registration Program, all raffles held by nonprofit organizations must be registered and conducted in accordance with the California Penal Code Section 320.5.

With advice from legal counsel, CWEA has responded to the DOJ offering clarification that the specific event in question was a door prize give away and not, in fact, a raffle. While the DOJ now considers the matter closed as the event qualified as an "opportunity drawing" under California law, the potential ramifications of non-compliance for future events could have significant financial, legal, and operational implications for CWEA. Door prizes at CWEA events (e.g., conferences, local section dinners and trainings, golf tournaments, etc.) are permissible, under the following conditions:

1. Equal Opportunity to Win: Every attendee of an event (paid or free), irrespective of their role, designation, or affiliation, must have an equal chance of winning the door prize.
2. Equal Access to Purchase Event Tickets: All potential attendees should have an equal opportunity to purchase event tickets. It is acceptable to limit the number of attendees based on an attendance maximum if that maximum is achieved or to members of CWEA.
3. No Extra Payment for a Chance to Win: Attendees cannot be offered or be allowed to pay for an increased chance to win the door prize. The cost of the event ticket should be the only financial transaction related to their participation. If an attendee purchased two tickets to the event and used the second ticket to bring a guest, the attendee and the attendee's guest would each receive one "chance" in the drawing; if that attendee did not bring a guest, that attendee should only receive one "chance" in the door prize drawing.
4. Event Content is the Event Focal Point: Door prizes must be incidental to, and not a motivating factor for, attendance at the event. Door prize value should represent an insignificant portion of event revenue; while there is no specific guidance by the DOJ in this regard, CWEA recommends limiting the overall cost of the door prizes to no more than 10% of the expected gross revenues. Door prizes donated by attendees, vendors, etc. would not be counted as part of the 10% cost threshold.
5. Communications on Door Prizes - "Free Door Prize Entries": Any communications regarding door prizes must specifically communicate "free door prize entries" and must never use the word "raffle". Local Sections are strongly encouraged to use CWEA staff support in creating marketing communications and for review of communications for compliance.

CWEA staff are here to help and support you if you have questions or need clarification. Thank you for your cooperation and dedication to upholding the mission and values of CWEA.

Sincerely,

Chuck Greely, PE  
CWEA Board President