

Texas Lottery Commission

December 1, 2016

10:00 a.m.

I.	The Texas Lottery Commission will call the meeting to order. Pledge of Allegiance to the U.S. and Texas flags. Texas Pledge: "Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."	J. Winston Krause, Chairman
II.	Report, possible discussion and/or action on the biennial security study of the lottery.	Michael R. Fernandez, Administration Division Director
III.	Report, possible discussion and/or action on the 2016 demographic report on lottery players.	Michael R. Fernandez, Administration Division Director
IV.	Report, possible discussion and/or action on agency prime contracts, including the procurement for the contract for risk review and compliance monitoring services.	Michael R. Fernandez, Administration Division Director
V.	Report, possible discussion and/or action on agency prime contracts, including the extension for the headquarters lease.	Michael R. Fernandez, Administration Division Director
VI.	Consideration of and possible discussion and/or action, including adoption, on amendments to 16 TAC §401.317 ("Powerball®" On-Line Game Rule).	Deanne Rienstra Assistant General Counsel
VII.	Report, possible discussion and/or action on lottery sales and revenue, game performance, new game opportunities, advertising, promotional activities, market research, trends, and game contracts, agreements, and procedures.	Katheryn J. Pyka Controller
VIII.	Report, possible discussion and/or action on transfers to the State and the agency's budget.	Katheryn J. Pyka, Controller
IX.	Report, possible discussion and/or action on external and internal audits and/or reviews relating to the Texas Lottery Commission, and/or on Internal Audit activities, including approval of Human Resource Audit Report and CBOD Ledger Account Reconciliation Project Report.	Jose Reyes, McConnell Jones Lanier & Murphy LLP
X.	Report, possible discussion and/or action on the Charitable Bingo gross receipts, charitable distributions, prize fees, and allocations.	Alfonso D. Royal III, Charitable Bingo Operations Division Director
XI.	Report by the Charitable Bingo Operations Director and possible discussion and/or action on the Charitable Bingo Operations Division's activities, including licensing, accounting and audit activities, pull-tab review, bingo advisory committee, and special projects.	Alfonso D. Royal III, Charitable Bingo Operations Division Director
XII.	Report by the Executive Director and possible discussion and/or action on the agency's operational status, major contracts, agency procedures, awards, and FTE status.	Gary N. Grief, Executive Director
XIII.	Consideration of the status and possible approval of	Robert F. Biard, General Counsel

orders in enforcement cases:

Lottery NSF License Revocation Cases (Default Unless Otherwise Noted)

- A. Docket No. 362-16-5380 – EZ Travel Plaza
- B. Docket No. 362-16-5381 – EZ Food Mart #2
- C. Docket No. 362-17-0063 – \$1 Store
- D. Docket No. 362-17-0064 – Shop N Go
- E. Docket No. 362-17-0260 – La Providencia
- F. Docket No. 362-17-0261 – I40 Convenience
- G. Docket No. 362-17-0546 – Spencer 8 Citgo

Other Lottery Revocation Cases

- H. Docket No. 362-16-5599 – Sammy’s Auto Care & Collision Center

Lottery Agreed Orders

- I. Case No. 2016-343 – Stop and Drive
- J. Case No. 2016-388 – West Lake Market
- K. Case No. 2016-1174 – EZ Mart #596

Bingo Agreed Orders

- L. Case No. 2016-814 – St. Julia Catholic Church
- M. Case No. 2016-992 – Joe Garcia (Bingo Worker)

Bingo License Revocation Cases

- N. Docket No. 362-16-3511.B – VFW Post 2427 Tomball
- O. Docket No. 362-16-1513.B – Julam Investments, Inc. (Motion for Rehearing)

XIV. Public comment.

XV. Commission may meet in Executive Session:

- A. To deliberate personnel matters, including the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the Executive Director and/or the Charitable Bingo Operations Director pursuant to Section 551.074 of the Texas Government Code.
- B. To deliberate the duties of the General Counsel and/or the Human Resources Director pursuant to §551.074 of the Texas Government Code.
- C. To receive legal advice regarding pending or contemplated litigation or settlement offers, or other legal advice, pursuant to §§551.071(1) and (2) of the Texas Government Code, including but not limited to legal advice regarding the following items:

Pending and potential litigation regarding Fun 5’s Scratch Ticket Game #1592, including Travis Co. District Court Cause No. D-1-GN-14-005114, Third District Court of Appeals Cause No. 03-16-

J. Winston Krause, Chairman

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00172-CV (Steele, et al. v. GTECH Corp.); Dallas Co. District Court Cause No. DC-14-14838, Fifth District Court of Appeals Cause No. 05-15-01559-CV (Nettles v. GTECH Corp. and Texas Lottery Commission); and El Paso County Court Cause No. 2014-DCV-4113 (McDonald v. GTECH Corp.). State of Texas v. Equal Employment Opportunity Commission et al.

Legal advice regarding Texas Government Code Chapters 466 (State Lottery Act) and 467, the Bingo Enabling Act, the Open Meetings Act, the Public Information Act, the Administrative Procedure Act, employment and personnel law, procurement and contract law, evidentiary and procedural law, ethics laws, and general government law.

Legal advice regarding any item on this open meeting agenda.

XVI. Return to open session for further deliberation and possible action on any matter posted for discussion in Executive Session. Any matter posted for Executive Session also may be the subject of discussion and/or action in open session prior to Executive Session.

J. Winston Krause, Chairman

XVII. Adjournment.

J. Winston Krause, Chairman

Notice of Assistance at Public Meetings. Persons with disabilities who plan to attend this meeting and who need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, large print or Braille, should contact Debbie Jamieson at (512) 344-5038 at least four (4) work days prior to the meeting so that appropriate arrangements can be made

Simpson, MaryBeth

From: Jamieson, Debbie
Sent: Tuesday, November 22, 2016 12:06 PM
To: Sanchez, Sheila; Simpson, MaryBeth
Subject: FW: S.O.S. Acknowledgment of Receipt
Attachments: 12012016 Final.doc

Good afternoon,
The attached agenda has been filed with the Texas Register. Please let me know if you have any questions.

Thanks,
Debbie

-----Original Message-----

From: Texas Register [<mailto:TexReg@sos.texas.gov>]
Sent: Tuesday, November 22, 2016 12:02 PM
To: Jamieson, Debbie
Subject: S.O.S. Acknowledgment of Receipt

Acknowledgment of Receipt

Agency: Texas Lottery Commission

Liaison: Debbie L. Jamieson

The Office of the Secretary of State has posted

notice of the following meeting:

Board: Texas Lottery Commission

Committee: Texas Lottery Commission

Date: 12/01/2016 10:00 AM "TRD# 2016007974"

Notice posted: 11/22/16 12:01 PM

Proofread your current open meeting notice at:

[http://texreg.sos.state.tx.us/public/pub_om_lookup\\$.startup?Z TRD=2016007974](http://texreg.sos.state.tx.us/public/pub_om_lookup$.startup?Z TRD=2016007974)

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- XI. Report by the Charitable Bingo Operations Director and possible discussion and/or action on the Charitable Bingo Operations Division's activities, including licensing, accounting and audit activities, pull-tab review, bingo advisory committee, and special projects.
- XII. Report by the Executive Director and possible discussion and/or action on the agency's operational status, major contracts, agency procedures, awards, and FTE status.
- XIII. Consideration of the status and possible approval of orders in enforcement cases:

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