

Texas Lottery Commission

April 6, 2017

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 agency's advertising strategy, including functions of the advertising vendor under the advertising services contract.	Michael Anger, Lottery Operations Director
III.	Report, possible discussion and/or action on agency major contracts, including amendment, renewal or extension of the contracts for instant ticket manufacturing and services.	Michael R. Fernandez, Administration Division Director
IV.	Report, possible discussion and/or action on agency prime contracts, including amendment, renewal or extension of the contract for promotional products.	Michael R. Fernandez, Administration Division Director
V.	Report, possible discussion and/or action on agency prime contracts, including the contract for promotional and sponsorship agreement with the ARK Group of Irving, Inc. for the Irving Music Factory.	Michael R. Fernandez, Administration Division Director
VI.	Report, possible discussion and/or action on HUB and/or minority business participation, including approval of the agency's Fiscal Year 2016 Minority Business Participation Report.	Eric Williams, HUB Coordinator
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 the 85 th Legislature and the agency's Legislative Appropriations Request for FY 2018-2019.	Katheryn J. Pyka, Controller
X.	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 audit reports regarding Scratch Ticket Warehouse Receiving Controls, Scratch Ticket Reconstruction Controls, and Charitable Bingo Operations Division Audit Services Review.	Darlene Brown, McConnell Jones Lanier & Murphy LLP
XI.	Report, possible discussion and/or action, including approval, on the Charitable Bingo Operations Division	Alfonso D. Royal III, Charitable Bingo Operations Division Director

<p>annual report for calendar year 2016.</p> <p>XII. 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, and special projects.</p> <p>XIII. 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.</p> <p>XIV. Consideration of the status and possible approval of orders in enforcement cases:</p> <p><u>Lottery NSF License Revocation Cases (Default)</u></p> <p>A. Docket No. 362-17-1943 – V S Market</p> <p>B. Docket No. 362-17-1945 – Mikes 09</p> <p>C. Docket No. 362-17-1947 – Alton Grocery & Meat Market</p> <p>D. Docket No. 362-17-2353 – In & Out</p> <p>E. Docket No. 362-17-2354 – Amigo's Market</p> <p><u>Lottery Agreed Orders</u></p> <p>F. Case No. 2017-98 – In & Out Express #3</p> <p>G. Case No. 2017-263 – Chawla's Citgo</p> <p><u>Bingo Agreed Orders</u></p> <p>H. Case No. 2016-1232 – Jena Kay Hutchings Memorial Scholarship Tournament, Inc.</p> <p>I. Case No. 2017-116 – Lawrence D. Whittington (Bingo Worker)</p> <p>J. Case No. 2017-121 – Derrick Lowry (Bingo Worker)</p> <p>K. Case No. 2017-374 – Consuelo Rodriguez (Bingo Worker)</p> <p>L. Case No. 2017-651 – Nancy Duran (Bingo Worker)</p> <p><u>Bingo Revocation and/or Denial Cases (Default)</u></p> <p>M. Docket No. 362-17-0236.B – Salado Volunteer Fire Department</p> <p>N. Docket No. 362-17-1619.B – Andrea Patterson (Bingo Worker)</p> <p>XV. Public comment.</p> <p>XVI. Commission may meet in Executive Session:</p> <p>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.</p> <p>B. To deliberate the duties of the General Counsel</p>	<p>Alfonso D. Royal III, Charitable Bingo Operations Division Director</p> <p>Gary N. Grief, Executive Director</p> <p>Robert F. Biard, General Counsel</p> <p>J. Winston Krause, Chairman</p> <p>J. Winston Krause, Chairman</p>
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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. 03-16-00172-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.).

Julam Investments, Inc. v. Texas Lottery Commission (Travis Co. District Court Cause No. D-1-GN-16-006124)

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.

- XVII. 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.

- XVIII. Adjournment.

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.

J. Winston Krause, Chairman

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Simpson, MaryBeth

From: Jamieson, Debbie
Sent: Wednesday, March 29, 2017 12:06 PM
To: Sanchez, Sheila; Simpson, MaryBeth
Subject: FW: S.O.S. Acknowledgment of Receipt
Attachments: 04062017.doc

Agenda attached.

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

From: Jamieson, Debbie
Sent: Wednesday, March 29, 2017 12:06 PM
To: Sanchez, Sheila; Simpson, MaryBeth
Subject: FW: S.O.S. Acknowledgment of Receipt

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: Wednesday, March 29, 2017 12:04 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: 04/06/2017 10:00 AM "TRD# 2017002208"

Notice posted: 03/29/17 12:04 PM

Proofread your current open meeting notice at:

[http://texreg.sos.state.tx.us/public/pub_om_lookup\\$.startup?Z_TRD=2017002208](http://texreg.sos.state.tx.us/public/pub_om_lookup$.startup?Z_TRD=2017002208)

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- V. Report, possible discussion and/or action on agency prime contracts, including the contract for promotional and sponsorship agreement with the ARK Group of Irving, Inc. for the Irving Music Factory.
- VI. Report, possible discussion and/or action on HUB and/or minority business participation, including approval of the agency's Fiscal Year 2016 Minority Business Participation Report.
- 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.
- VIII. Report, possible discussion and/or action on transfers to the State and the agency's budget.
- IX. Report, possible discussion and/or action on the 85th Legislature and the agency's Legislative Appropriations Request for FY 2018-2019.
- X. 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 audit reports regarding Scratch Ticket Warehouse Receiving Controls, Scratch Ticket Reconstruction Controls, and Charitable Bingo Operations Division Audit Services Review.
- XI. Report, possible discussion and/or action, including approval, on the Charitable Bingo Operations Division annual report for calendar year 2016.
- XII. 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, and special projects.
- XIII. 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.
- XIV. Consideration of the status and possible approval of orders in enforcement cases:

Lottery NSF License Revocation Cases (Default)

- A. Docket No. 362-17-1943 – V S Market
- B. Docket No. 362-17-1945 – Mikes 09
- C. Docket No. 362-17-1947 – Alton Grocery & Meat Market
- D. Docket No. 362-17-2353 – In & Out
- E. Docket No. 362-17-2354 – Amigo's Market

Lottery Agreed Orders

- F. Case No. 2017-98 – In & Out Express #3

G. Case No. 2017-263 – Chawla’s Citgo

Bingo Agreed Orders

- H. Case No. 2016-1232 – Jena Kay Hutchings Memorial Scholarship Tournament, Inc.
- I. Case No. 2017-116 – Lawrence D. Whittington (Bingo Worker)
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Bingo Revocation and/or Denial Cases (Default)

- M. Docket No. 362-17-0236.B – Salado Volunteer Fire Department
- N. Docket No. 362-17-1619.B – Andrea Patterson (Bingo Worker)

XV. Public comment.

XVI. 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:

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