

Texas Lottery Commission

February 7, 2019

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 external audits and/or reviews relating to the Texas Lottery Commission, including the FY 2018 annual financial audit.	Katheryn J. Pyka, Controller
III.	Report by the Bingo Advisory Committee Chairman; possible discussion and/or action on the Bingo Advisory Committee's activities, including appointment of committee members.	William Smith, III., President Bingo Advisory Committee
IV.	Report, possible discussion and/or action on agency major contracts, including the amendment of the lottery operator contract, and whether discussion relating to the negotiation of the lottery operator contract in an open meeting would have a detrimental effect on the Commission's position in the negotiations.	Michael R. Fernandez, Administration Division Director
V.	Consideration of and possible discussion and/or action, including adoption, on amendments to 16 TAC §§401.315 ("Mega Millions" Draw Game Rule) and 401.317 ("Powerball®" Draw Game Rule).	Robert F. Biard, General Counsel
VI.	Consideration of and possible discussion and/or action, including proposal, on amendments to 16 TAC §§401.101 (Lottery Procurement Procedures) and 401.105 (Major Procurement Approval Authority, Responsibilities and Reporting).	Lea Garey, Senior Contracts Attorney
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 86th Legislative Session.	Nelda Trevino, Governmental Affairs Director; 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.	Darlene Brown, McConnell Jones Lanier & Murphy LLP
XI.	Report by the Charitable Bingo Operations Director and	Michael P. Farrell, Charitable Bingo

not limited to legal advice regarding the following items:

Pending litigation regarding Fun 5's Scratch Ticket Game #1592, including Tex. Supreme Court Docket No. 18-0159 (Steele, et al. v. GTECH Corp.) and Tex. Supreme Court Docket No. 17-1010 (Nettles v. GTECH Corp. and Texas Lottery Commission).

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.

State of Texas v. C.D. (On Petition for Review from the Twelfth Court of Appeals)

Prescott Lovern, Sr., Private Attorney General v. Texas Lottery 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.

XVII. 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

J. Winston Krause, Chairman

Simpson, MaryBeth

From: Jamieson, Debbie
Sent: Wednesday, January 30, 2019 12:23 PM
To: Sanchez, Sheila; Simpson, MaryBeth
Subject: FW: S.O.S. Acknowledgment of Receipt
Attachments: 02072019.doc

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

From: TexReg@sos.texas.gov <TexReg@sos.texas.gov>
Sent: Wednesday, January 30, 2019 12:10 PM
To: Jamieson, Debbie <Debbie.Jamieson@lottery.state.tx.us>
Subject: S.O.S. Acknowledgment of Receipt

CAUTION: This email originated outside the Texas Lottery's email system.
DO NOT click links or open attachments unless you expect them from the sender and know the content is safe.

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: 02/07/2019 10:00 AM "TRD# 2019000662"

Notice posted: 01/30/19 12:10 PM

Proofread your current open meeting notice at:

[http://texreg.sos.state.tx.us/public/pub_om_lookup\\$.startup?Z_TRD=2019000662](http://texreg.sos.state.tx.us/public/pub_om_lookup$.startup?Z_TRD=2019000662)

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- IV. Report, possible discussion and/or action on agency major contracts, including the amendment of the lottery operator contract, and whether discussion relating to the negotiation of the lottery operator contract in an open meeting would have a detrimental effect on the Commission's position in the negotiations.
- V. Consideration of and possible discussion and/or action, including adoption, on amendments to 16 TAC §§401.315 ("Mega Millions" Draw Game Rule) and 401.317 ("Powerball®" Draw Game Rule).
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- 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 86th Legislative Session.
- 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.
- 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, 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:

Lottery NSF License Revocation Cases (Default)

- A. Docket No. 362-18-5096 – Thompson Oil
- B. Docket No. 362-19-0274 – Right Food Mart
- C. Docket No. 362-19-0701 – Yolo Liquor Store
- D. Docket No. 362-19-0702 – La Porte Express
- E. Docket No. 362-19-0930 – Mystop #1
- F. Docket No. 362-19-1013 – D and M Mart
- G. Docket No. 362-19-1133 – Oak Hill Liquors
- H. Docket No. 362-19-1135 – Get N Go Food Mart
- I. Docket No. 362-19-1270 – Quik Store
- J. Docket No. 362-19-1272 – Regal Food Mart
- K. Docket No. 362-19-1346 – Tomball Postal and More

Lottery Agreed Orders

- L. Case No. 2018-602 – Houston Corner Store
- M. Case No. 2019-40 – Timewise Food Store #811
- N. Case No. 2019-41 – Corner Food #9
- O. Case No. 2019-58 – Energy Exxon

Other Lottery Cases

- P. Docket No. 362-19-0004 – Easy Shop
- Q. Docket Nos. 362-19-0418 and 362-19-0419 – Petromart #113 and Petromart #114 (Default)

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 Charitable Bingo Operations Director pursuant to §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 litigation regarding Fun 5's Scratch Ticket Game #1592, including Tex. Supreme Court Docket No. 18-0159 (Steele, et al. v. GTECH Corp.) and Tex. Supreme Court Docket No. 17-1010 (Nettles v. GTECH Corp. and Texas Lottery Commission).

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