

Texas Lottery Commission

February 13, 2020

10:00 a.m.

<p>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."</p>	<p>J. Winston Krause, Chair</p>
<p>II. Report, possible discussion and/or action on Commissioner training, including ethics, administrative procedure, and open government laws pertaining to the Texas Lottery Commission.</p>	<p>Robert F. Biard, General Counsel</p>
<p>III. Report, possible discussion and/or action on external audits and/or reviews relating to the Texas Lottery Commission, including the FY 2019 annual financial audit.</p>	<p>Katheryn J. Pyka, Controller</p>
<p>IV. Report by the Bingo Advisory Committee (BAC) Chairman; possible discussion and/or action on the BAC's activities, including removal and appointment of committee members.</p>	<p>William Smith, III, President, Bingo Advisory Committee</p>
<p>V. Report, possible discussion and/or action on agency prime contracts, including amendment, renewal or extension of the contract for Security Management System and Monitoring Services.</p>	<p>Michael R. Fernandez, Administration Division Director</p>
<p>VI. 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.</p>	<p>Katheryn J. Pyka, Controller</p>
<p>VII. Report, possible discussion and/or action on transfers to the State and the agency's budget status.</p>	<p>Katheryn J. Pyka, Controller</p>
<p>VIII. 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 internal audit reports for House Bill 2578 Implementation (85th Legislature), Lottery Operations Customer Service, and Cyber Security; and Charitable Bingo Operations Division Organization Review.</p>	<p>Darlene Brown, McConnell & Jones LLP</p>
<p>IX. 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, implementation of H.B. 914, and special projects.</p>	<p>Michael P. Farrell, Charitable Bingo Operations Division Director</p>

X.	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
XI.	Consideration of the status and possible approval of orders in enforcement cases:	Robert F. Biard, General Counsel
	<p><u>Lottery NSF License Revocation Cases (Default)</u></p> <ul style="list-style-type: none"> A. Docket No. 362-20-0229 – Peterson Food Mart B. Docket No. 362-20-0374 – Preston Citgo C. Docket No. 362-20-0516 – DRD Food Mart D. Docket No. 362-20-0653 – La Herradura Drive-Thru E. Docket No. 362-20-0755 – Shadowlake Food Store F. Docket No. 362-20-0756 – S K Quick Mart G. Docket No. 362-20-0841 – Ruiz Foods H. Docket No. 362-20-0842 – Howdy Mart I. Docket No. 362-20-0948 – MCV Atascocita LLC J. Docket No. 362-20-1071 – Almeda Market K. Docket No. 362-20-1297 – Champs Convenience Store L. Docket No. 362-20-1419 – Lucky Food Mart M. Docket No. 362-20-1420 – Timber Path Grocery <p><u>Lottery Agreed Orders</u></p> <ul style="list-style-type: none"> N. Case No. 2019-909 – J's Food Store O. Case No. 2020-39 – Huntington Travel Center P. Case No. 2020-40 – Baker Beverage Q. Case No. 2020-55 – The Rockin G Oil Company <p><u>Other Lottery Cases</u></p> <ul style="list-style-type: none"> R. Docket No. 362-20-0048 – Mega Mart <p><u>Bingo Agreed Orders</u></p> <ul style="list-style-type: none"> S. Case Nos. 2019-713, 2019-714, 2019-715, 2019-716, 2019-717, 2019-958 – Grounded in Music Inc., ParaSports Wheelchair Sports Organization Inc., Lions Club of Manor, City Wide Club Chapter 82 Food Bank Distribution, Camp Young Judea Inc., and Balcones Bingo Association <p><u>Other Bingo Cases</u></p> <ul style="list-style-type: none"> T. Docket No. 362-20-0114.B – South Texas Bonecrushers 	
XII.	Public comment.	J. Winston Krause, Chairman
XIII.	<p>Commission may meet in Executive Session:</p> <ul style="list-style-type: none"> 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 	J. Winston Krause, Chairman

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).

State of Texas v. Equal Employment Opportunity Commission, et al. (U.S. Fifth Circuit Court of Appeals Docket No. 18-10638);

State of Texas v. C.D. (On Petition for Review to Texas Supreme Court - Docket No. 18-0808);

Legal advice regarding Texas Government Code Chapters 466 (State Lottery Act) and 467 (Texas Lottery Commission), 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.

- XIV. 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

- XV. 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: Wednesday, February 5, 2020 12:02 PM
To: Sanchez, Sheila; Simpson, MaryBeth
Cc: Biard, Bob
Subject: FW: S.O.S. Acknowledgment of Receipt
Attachments: 02132020.doc

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

From: TexReg@sos.texas.gov <TexReg@sos.texas.gov>
Sent: Wednesday, February 5, 2020 12:00 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: 02/13/2020 10:00 AM "TRD# 2020000764"

Notice posted: 02/05/20 12:00 PM

Proofread your current open meeting notice at:

[http://texreg.sos.state.tx.us/public/pub_om_lookup\\$.startup?Z_TRD=2020000764](http://texreg.sos.state.tx.us/public/pub_om_lookup$.startup?Z_TRD=2020000764)

- 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.”
- II. Report, possible discussion and/or action on Commissioner training, including ethics, administrative procedure, and open government laws pertaining to the Texas Lottery Commission.
- III. Report, possible discussion and/or action on external audits and/or reviews relating to the Texas Lottery Commission, including the FY 2019 annual financial audit.
- IV. Report by the Bingo Advisory Committee (BAC) Chairman; possible discussion and/or action on the BAC’s activities, including removal and appointment of committee members.
- V. Report, possible discussion and/or action on agency prime contracts, including amendment, renewal or extension of the contract for Security Management System and Monitoring Services.
- VI. 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.
- VII. Report, possible discussion and/or action on transfers to the State and the agency’s budget status.
- VIII. 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 internal audit reports for House Bill 2578 Implementation (85th Legislature), Lottery Operations Customer Service, and Cyber Security; and Charitable Bingo Operations Division Organization Review.
- IX. 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, implementation of H.B. 914, and special projects.
- X. 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.
- XI. Consideration of the status and possible approval of orders in enforcement cases:

Lottery NSF License Revocation Cases (Default)

- A. Docket No. 362-20-0229 – Peterson Food Mart
- B. Docket No. 362-20-0374 – Preston Citgo
- C. Docket No. 362-20-0516 – DRD Food Mart
- D. Docket No. 362-20-0653 – La Herradura Drive-Thru
- E. Docket No. 362-20-0755 – Shadowlake Food Store
- F. Docket No. 362-20-0756 – S K Quick Mart
- G. Docket No. 362-20-0841 – Ruiz Foods
- H. Docket No. 362-20-0842 – Howdy Mart
- I. Docket No. 362-20-0948 – MCV Atascocita LLC
- J. Docket No. 362-20-1071 – Almeda Market
- K. Docket No. 362-20-1297 – Champs Convenience Store
- L. Docket No. 362-20-1419 – Lucky Food Mart
- M. Docket No. 362-20-1420 – Timber Path Grocery

Lottery Agreed Orders

- N. Case No. 2019-909 – J’s Food Store
- O. Case No. 2020-39 – Huntington Travel Center
- P. Case No. 2020-40 – Baker Beverage
- Q. Case No. 2020-55 – The Rockin G Oil Company

Other Lottery Cases

- R. Docket No. 362-20-0048 – Mega Mart

Bingo Agreed Orders

- S. Case Nos. 2019-713, 2019-714, 2019-715, 2019-716, 2019-717, 2019-958 – Grounded in Music Inc., ParaSports Wheelchair Sports Organization Inc., Lions Club of Manor, City Wide Club Chapter 82 Food Bank Distribution, Camp Young Judea Inc., and Balcones Bingo Association

Other Bingo Cases

- T. Docket No. 362-20-0114.B – South Texas Bonecrushers

XII. Public comment.

XIII. 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).

State of Texas v. Equal Employment Opportunity Commission, et al. (U.S. Fifth Circuit Court of Appeals Docket No. 18-10638);

State of Texas v. C.D. (On Petition for Review to Texas Supreme Court - Docket No. 18-0808);

Legal advice regarding Texas Government Code Chapters 466 (State Lottery Act) and 467 (Texas Lottery Commission), 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.

XIV. 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.

XV. 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.