



# Texas Lottery Commission

## December 12, 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 2019 annual financial audit.	Katheryn J. Pyka, Controller
III.	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.	William Smith, III, President, Bingo Advisory Committee
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.	Consideration of and possible discussion and/or action, including adoption, on amendments to 16 TAC §§ 402.200 (General Restrictions on the Conduct of Bingo), 402.203 (Unit Accounting), 402.300 (Pull-Tab Bingo), 402.402 (Registry of Bingo Workers), 402.500 (General Records Requirements), 402.503 (Bingo Gift Certificates), 402.511 (Required Inventory Records), 402.702 (Disqualifying Convictions), and 402.706 (Schedule of Sanctions).	Tyler Vance, Assistant General Counsel
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.	Katheryn J. Pyka, Controller
VII.	Report, possible discussion and/or action on transfers to the State and the agency's budget status.	Katheryn J. Pyka, Controller
VIII.	Report, possible discussion and/or action on the FY 2020 Itemized Operating 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 internal audit reports for Drawings Studio, Game Changes, Retailer Incentive Program, and House Bill 2578 Implementation (85th Legislature).	Darlene Brown, McConnell & Jones LLP
X.	Report by the Charitable Bingo Operations Director and	Michael P. Farrell, Charitable Bingo

<p>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>XI. 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>XII. Consideration of the status and possible approval of orders in enforcement cases:  <u>Lottery NSF License Revocation Cases (Default)</u>  A. Docket No. 362-19-6662 – Clayton General Store  B. Docket No. 362-19-6663 – Valley Super  C. Docket No. 362-19-6665 – Shady Oak Store  D. Docket No. 362-19-6666 – Raceway  E. Docket No. 362-19-6877 – Chikita Express Store  F. Docket No. 362-19-6878 – Albert's Food Mart  G. Docket No. 362-19-6879 – Lucky Stop &amp; Go  H. Docket No. 362-19-6991 – Blanco Ice House  <u>Lottery Agreed Orders</u>  I. Case No. 2019-910 – Kuntry Korner  J. Case No. 2019-920 – Kim's 6  K. Case No. 2019-1013 – Sams Stop  <u>Other Lottery Cases</u>  L. Docket No. 362-19-4567 – Texaco Corner  M. Docket No. 362-19-6876 – Triangle Market  N. Docket No. 362-20-0063 – Famous Food Store  <u>Bingo Agreed Orders</u>  O. Case Nos. 2020-72, 2020-73, 2020-74, 2020-75, 2020-76, and 2020-77 – Boys and Girls Club of Central Texas Inc., Boys and Girls Club of Gatesville Inc., Boys and Girls Club of Lampasas Inc., CASA of Bell and Coryell Counties, Exchange Club of Killeen, and West Volunteer Fire Department Hose Co No 1 (Aces High Bingo Unit)</p> <p>XIII. Public comment.</p> <p>XIV. 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.</p>	<p>Operations Division Director</p> <p>Gary N. Grief, Executive Director</p> <p>Robert F. Biard, General Counsel</p> <p>J. Winston Krause, Chairman  J. Winston Krause, Chairman</p>
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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);

Maryam Jamilah v. Gary Grief (Brazoria Co. District Court Cause No. 104075-CV).

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.

XV. 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.

XVI. 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**

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**From:** Jamieson, Debbie  
**Sent:** Wednesday, December 4, 2019 12:05 PM  
**To:** Sanchez, Sheila; Simpson, MaryBeth  
**Cc:** Biard, Bob  
**Subject:** FW: S.O.S. Acknowledgment of Receipt  
**Attachments:** 12122019.doc

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

From: TexReg@sos.texas.gov <TexReg@sos.texas.gov>  
Sent: Wednesday, December 4, 2019 12:03 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: 12/12/2019 10:00 AM "TRD# 2019007165"

Notice posted: 12/04/19 12:02 PM

Proofread your current open meeting notice at:

[http://texreg.sos.state.tx.us/public/pub\\_om\\_lookup\\$.startup?Z\\_TRD=2019007165](http://texreg.sos.state.tx.us/public/pub_om_lookup$.startup?Z_TRD=2019007165)

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- X. 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.
- XI. 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.
- XII. Consideration of the status and possible approval of orders in enforcement cases:

Lottery NSF License Revocation Cases (Default)

- A. Docket No. 362-19-6662 – Clayton General Store
- B. Docket No. 362-19-6663 – Valley Super
- C. Docket No. 362-19-6665 – Shady Oak Store
- D. Docket No. 362-19-6666 – Raceway
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- H. Docket No. 362-19-6991 – Blanco Ice House

Lottery Agreed Orders

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- J. Case No. 2019-920 – Kim’s 6

K. Case No. 2019-1013 – Sams Stop

Other Lottery Cases

L. Docket No. 362-19-4567 – Texaco Corner

M. Docket No. 362-19-6876 – Triangle Market

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Bingo Agreed Orders

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