

IN THE IOWA DISTRICT COURT FOR POLK COUNTY

STATE OF IOWA,
Plaintiff

CRIMINAL NOs. FECR289551
FECR294192

vs.

MULTI-STATE PLEA AGREEMENT

EDDIE RAYMOND TIPTON,
TOMMY BOYD TIPTON,
Defendants

A plea agreement by and between the States of Colorado, Iowa, Wisconsin and the Defendants, Eddie Raymond Tipton and Tommy Boyd Tipton, exists as follows:

1. Eddie Tipton's Offenses, Sentences, and Restitution Owed:

a. **In Iowa:** Eddie Tipton will plead guilty to an Amended Trial Information containing one count of Ongoing Criminal Conduct (a Class B Felony). The State will recommend incarceration not to exceed 25 years. Defendant may recommend any legal sentence he desires. The sentence shall be run concurrent to Eddie Tipton's sentence in Wisconsin. With regard to the convictions pending before the Iowa Supreme Court, if those charges are not disposed of by being vacated and dismissed, then the State agrees those convictions will be vacated upon remand and dismissed with prejudice.

b. **In Wisconsin:** Eddie Tipton will plead guilty to Counts 2 (Theft by Fraud, as party to a crime) and 3 (Computer Crime) as charged in the criminal complaint. The remaining counts will be dismissed and read-in for the purposes of sentencing. The parties will jointly recommend that the court impose 3-4 years of initial confinement and 5 years of extended supervision on Count 2, and 1.5 years initial confinement and 2 years extended

supervision on Count 3, to run concurrent to each other and concurrent to Eddie Tipton's sentence in Iowa. The State of Wisconsin agrees that Eddie Tipton may serve his Wisconsin sentence in the custody of the Iowa Department of Corrections where he will receive credit against both sentences and will provide assistance in facilitating Eddie Tipton's service of his sentence in Iowa upon entry of his pleas in both states.

c. **In Colorado:** As part of the terms of this agreement, Colorado will agree not to charge Eddie Tipton with any violations of Colorado law.

d. **Restitution:** Eddie Tipton agrees to repay \$2,222,863.60 in restitution, with interest as applied at Iowa's standard statutory rate. It is divided as follows:

i. \$1,137,980 for the Colorado Lottery, of that \$568,990 joint and several with Tommy Tipton, and with the remaining \$568,990 that is not joint and several with Tommy Tipton being the last restitution owing and to be collected under this agreement;

ii. \$644,478 for the Oklahoma Lottery, of that \$235,105 joint and several with Tommy Tipton;

iii. \$391,500 for the Wisconsin Lottery, and \$18,100 to the Wisconsin Department of Revenue; and

iv. \$30,805.60 for the Kansas Lottery, with a confession to a civil judgment under the Kansas False Claims Act.

2. **Tommy Tipton's Offenses, Sentences, and Restitution Owed:**

a. **In Iowa:** Tommy Tipton will plead guilty to a Second Amended Trial Information containing: Count 1: Conspiracy to Commit Theft in the First

Degree in violation of Iowa Code 706.1. (a Class D Felony); Count 2: Conspiracy to Commit Theft in the Fourth Degree in violation of Iowa Code 706.1, (a serious misdemeanor). The parties will agree to jointly recommend a sentence of 75 days incarceration on Tommy Tipton's misdemeanor charge and a deferred judgment on Tommy Tipton's felony charge. Tommy Tipton's period of probation on his felony charge shall be served concurrently with his time of incarceration on the misdemeanor, and upon discharge the Defendant's record will be expunged. The State of Iowa and Tommy Tipton agree to use their best efforts to arrange for Tommy Tipton to serve his jail sentence in Edwards County, Texas. Tommy Tipton shall have no outstanding limitation upon his ability to use firearms upon completion of the period of probation. The parties acknowledge that, pursuant to Iowa Rule of Criminal Procedure 2.10, Tommy Tipton's guilty plea will be conditioned on the Court's concurrence with the parties' agreement and joint sentencing recommendation. If the Court rejects the parties' agreement, either party may withdraw their consent to the plea and this agreement, and all plea discussions and this agreement shall be inadmissible in this case.

- b. **In Colorado:** As part of the terms of this agreement, Colorado will agree not to charge Tommy Tipton with any violations of Colorado law.
- c. **Restitution:** As part of the judgment and sentencing order on the misdemeanor charge, Tommy Tipton agrees to repay restitution in the amount of \$804,095, with interest as applied at Iowa's standard statutory rate, as follows:

- i. \$568,990 for the Colorado Lottery, joint and several with Eddie Tipton;
- ii. \$235,105 for the Oklahoma Lottery, joint and several with Eddie Tipton.

3. **Restitution Generally:** Defendants will pay all restitution through the Polk County Clerk of Court, Des Moines, Iowa. The entire Colorado obligation is joint and several with any other individuals found now or in the future by any particular state to have profited from the payment of lottery prizes associated with this case. Defendant consents to the execution of the judgment in this matter against any property in his name or held for him in the name of his associates or family members. Defendant will also submit proof of source for his restitution payments.

4. **Further Charges or Appeals:** The States of Colorado, Iowa and Wisconsin agree that no further charges will be filed related to or arising out of the investigation of Defendants' activities. If either Defendant appeals from any conviction or sentence, this deal is unwound and any State is free to pursue any charges they desire.

5. **Cooperation:** Defendants agree to provide the States of Colorado, Iowa, and Wisconsin with a proffer of truthful testimony of all facts related, directly or indirectly, to their actions to fix, win, and claim lottery jackpots. Nothing said by the Defendants in their proffers may be used directly or indirectly to bring any further criminal charges against them for any act related to any lottery or funds obtained from any lottery. Defendants agree to cooperate with any additional legal actions in any states related to the claiming of lottery jackpots.

6. **In Oklahoma, Kansas, and Texas:** Each of these States has agreed not to prosecute

both Eddie and Tommy Tipton pursuant to letters furnished to the defense attorneys on September 22, 2016 and those letters are deemed effective and applicable to this agreement.

7. **No Civil Actions:** The restitution amount is agreed by the parties to constitute a fair resolution of all financial issues or claims that states may have against the Defendants. Thus, the States of Colorado, Iowa, and Wisconsin agree that they will not pursue any civil, administrative or collateral action of any kind against Defendants arising out of this matter in whole or in part.

8. **Contingent Nature:** The parties acknowledge that this agreement is contingent upon both Defendants' agreement. If no such agreement is reached by one Defendant and authorities, this agreement is null and void and fully unenforceable by the other Defendant.

9. **Voluntary Pleas:** Defendants acknowledge that he is entering into this Agreement and that he is pleading guilty to the offenses set forth above because he is guilty. The Defendants further acknowledge that he understands the nature of the offenses to which he is pleading guilty including the penalties imposed by law for such offenses.

10. **Waiver of Rights:** Defendants acknowledge that he has been informed of and understands the following:

- a. The right to plead not guilty, and persist in that plea;
- b. The right to a jury trial;
- c. The right to be represented by counsel, and if necessary to have the court appoint counsel, at trial and at every stage of the proceeding;
- d. The right at trial to confront and cross-examine witnesses, to be protected from compelled self-incrimination, to testify and present evidence and to compel the attendance of witnesses;

a. The Defendant will waive these rights if the Court accepts his pleas of guilty.

11. Confidentiality: These agreements are strictly confidential and shall not be disclosed either in this form or by verbal description publicly prior to any guilty plea proceedings conducted in court, unless all parties to the agreement consent in writing to such disclosure.

12. Entire Agreement: This agreement constitutes the entire agreement between the parties. No other promises of any kind, express or implied, have been made to induce any party to enter into this agreement.

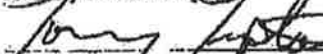
The undersigned hereby accept the terms of this Plea Agreement.


Eddie Tipton

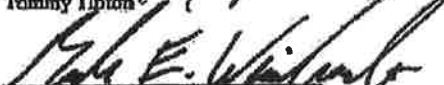
6-2-17
Date


Attorney for Eddie Tipton

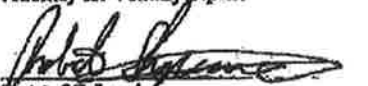
6-2-17
Date


Tommy Tipton

6-2-17
Date


Attorney for Tommy Tipton

6/2/17
Date


State of Colorado
By Robert Stupiro, Asst. Attorney General

6/2/17
Date


State of Iowa
By Robert H. Sand, Asst. Attorney General

6/2/17
Date


State of Wisconsin
By David Maas, Asst. Attorney General

6-2-17
Date



OFFICE OF ATTORNEY GENERAL
STATE OF OKLAHOMA

September 20, 2016

Robert H. Sand
Assistant Attorney General
Iowa Attorney General's Office
1305 E. Walnut Street
Des Moines, Iowa 50319

RE: Eddie Tipton and Tommy Tipton Lottery Oklahoma Non-Prosecution Agreement.

Dear Mr. Sand:

Pursuant to our telephone and email conversations over the last several months, please accept this letter as official authorization to include Oklahoma in any multi state plea offer made to defendants Eddie Tipton and Tommy Tipton. The plea offer should include prison time in connection with their actions associated with the Oklahoma Lottery. The State of Oklahoma agrees not to prosecute either of them for their illegal activities associated with this lottery scheme in exchange for a plea of guilty. If for any reason the defendant's choose not to plead guilty and accept the multi state plea offer the State of Oklahoma will proceed with its investigation and prosecution. If you have any questions or would like to discuss further, please do not hesitate to contact me.

Sincerely,

Oklahoma Office of the Attorney General

A handwritten signature in black ink that reads "KRSavage".

Kathryn R. Savage
Assistant Attorney General

krS



KEN PAXTON
ATTORNEY GENERAL OF TEXAS

August 22, 2016

Robert H. Sand
Assistant Attorney General/Area Prosecutions Division
Office of the Attorney General of Iowa
1305 E. Walnut Street
Des Moines, IA 50319

Dear AAG Sand:

Per our telephone conversations and email correspondence, please accept this letter as official confirmation that you are authorized to convey the following to defendants Eddie Tipton and Tommy Tipton, on behalf of the State of Texas: should they accept, through you, a multistate plea agreement involving prison time associated with their scheme to rig lotteries in several jurisdictions and launder and/or fraudulently disburse the proceeds therefrom, the State of Texas will not indict them for their illegal activities associated with the scheme here in Texas. However, should they elect, in lieu of accepting your multistate agreement, to plead not guilty to any or all of the charges the agreement seeks to resolve, the State of Texas will complete its investigation of their associated criminal activities in this state and will seek indictments against them for those activities. As we discussed, it is our belief that the resolution of the matter through your proposed multistate plea agreement will produce a fair and just result for all states involved.

If you have any questions or concerns, or if we may be of further assistance in any way, please do not hesitate to contact me or Assistant Attorney General Julie Stone.

Warm regards,

A handwritten signature in cursive script, appearing to read "Jason Scully-Clemmons".

Jason Scully-Clemmons
Assistant Attorney General



STATE OF KANSAS
OFFICE OF THE ATTORNEY GENERAL

DEREK SCHMIDT
ATTORNEY GENERAL

MEMORIAL HALL
120 SW 10TH AVE., 2ND FLOOR
TOPEKA, KS 66612-1597
(785) 296-2215 • FAX (785) 296-6296
WWW.AG.KS.GOV

June 15, 2016

Robert H. Sand
Assistant Attorney General
Iowa Attorney General's Office
1305 E. Walnut Street
Des Moines, IA 50319

Re: Tipton Lottery Matter

Dear Mr. Sand,

We have talked for some time about the possibility of a joint resolution of the Eddie Tipton lottery fixing cases percolating in several states, including Kansas. During our recent phone conversation, I indicated that the Kansas Attorney General has given me authority to join such an agreement. I want to follow up on that conversation. But before doing so, I would like to briefly summarize the information we have obtained regarding Mr. Tipton's activities involving the Kansas Lottery.

Phone records, witness interviews, and other evidence shows that on December 23, 2010 while traveling through Kansas on his way to Texas, Mr. Tipton purchased two "2 by 2" lottery tickets in Kansas, choosing his own numbers.

The drawing for these tickets occurred on December 29, 2010 and both of Mr. Tipton's tickets were winners of the \$22,004.00 prize. Mr. Tipton gave those tickets to two acquaintances, Amy Warrick of West Des Moines, Iowa and Christopher McCoulskey of Denton, Texas if they agreed to claim the prize and split it with him. Ms. Warrick claimed her prize in person on February 11, 2011. Mr. McCoulskey claimed his prize through the mail on June 2, 2011. Both indicated they kept roughly half the net amount and gave the remainder to Mr. Tipton.

The machine that generated the winning "2 by 2" numbers on December 29, 2010 was one that Mr. Tipton had coded as security director at the Multi-State Lottery Association. Unfortunately, the machine was

Mr. Robert H. Sand
June 15, 2016
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removed from service and wiped in due course prior to the discovery of potential rigging of the "2 by 2" game. That said, evidence gathered from other machines Mr. Tipton coded that have been forensically analyzed in other states would tend to show his methods of rigging games.

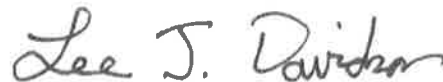
As mentioned above, I have been given authority by the Kansas Attorney General to agree to not file any criminal charges against Mr. Tipton regarding the above activity pursuant to a joint plea agreement provided such agreement contains the following terms:

- Mr. Tipton will proffer truthfully under oath, admit to all fixed jackpots won, his methodology of fixing them, and answer questions from law enforcement authorities and a computer expert present;
- Mr. Tipton serves prison time—the amount of which will be left to the good judgment of you and the other prosecutors involved in the Tipton matters;
- Mr. Tipton agrees to the court of conviction ordering him to pay restitution to the State of Kansas for the amounts claimed by Ms. Warrick and Mr. McCoulskey less taxes;
- As a backstop to the foregoing restitution order, Mr. Tipton agrees to confess to a civil judgment filed under the Kansas False Claims Act, Kan. Stat. Ann. 75-7501 *et seq.*, for the net amounts claimed by Ms. Warrick and Mr. McCoulskey.

It is my understanding that no formal offers have as of yet been extended to Mr. Tipton and that such an offer may never materialize. I would appreciate you keeping me informed of any plea negotiations. Please do not hesitate to call should you have questions or comments.

Respectfully,

OFFICE OF KANSAS ATTORNEY GENERAL
DEREK SCHMIDT



Lee J. Davidson
Assistant Attorney General
Criminal Litigation Division