

## Jackpot Investigation Timeline

**Dec. 23, 2010:** A \$10 Hot Lot Lotto ticket is purchased at a Des Moines convenience store with two plays for five consecutive drawings.

**Dec. 29, 2010:** One of the plays on that ticket matches all six numbers selected in that night's Hot Lotto drawing to win the multi-million-dollar jackpot on the line (\$16.5 million annuity, \$10.8 million cash option).

**Throughout 2011:** The Iowa Lottery issues reminders that the winning ticket is still unclaimed and the deadline to claim the prize is 4 p.m. Dec. 29, 2011.

**Dec. 29, 2011:** The winning ticket is presented at lottery headquarters in Des Moines with less than two hours to go before the prize would have expired. No member of Hexam Investments Trust, the entity claiming the prize, is present. The two lawyers from the Davis Brown law firm in Des Moines who presented the ticket said they didn't have the details sought by the lottery about who purchased the ticket, where it had been for the past year, and who the prize winner(s) were. The lottery continued to seek information.

**Jan. 17, 2012:** Crawford Shaw, the trustee who signed the winning ticket on behalf of the trust, meets with lottery officials. He states that he misspelled the name of the trust and that it actually is Hexham Investments Trust. While some documents relating to the trust are presented, they do not provide the details sought by the lottery. Shaw said he is not the prize winner and did not purchase the winning ticket. He also stated he did not know the information sought by the lottery, but that the trust is based in the country of Belize.

**Jan. 23, 2012:** To try to bring closure to a situation that has lingered for 13 months, the Iowa Lottery sets a deadline of 3 p.m. Jan. 27, 2012, for the requested information to be provided or the jackpot claim would be denied.

**Jan. 25, 2012:** The trust makes an offer to the lottery, stating that if the lottery will pay the prize, the entire prize winnings will be given to charity. However, the necessary information sought by the lottery is still not provided.

**Jan. 26, 2012:** The lottery denies the request and continues to seek the information it has requested. At 6:05 p.m., the lottery receives confirmation that the jackpot claim has been withdrawn. At 7 p.m., the lottery holds a news conference to announce that development. Immediately following the news conference, the Iowa Attorney General's Office and Iowa Division of Criminal Investigation (DCI) issue a joint statement announcing that they have begun an investigation into the matter.

**Spring 2012:** The money from the jackpot is returned to the lotteries in the Hot Lotto game in proportion to the sales that had come from each jurisdiction.

**Summer 2012:** The Iowa Lottery gave away its share of the returned jackpot money in a promotion called "Mystery Millionaire," which ran during July and August 2012. Dozens of players won prizes in Mystery Millionaire, including a retired Des Moines police officer who won the promotion's top prize of \$1 million during a live finale event on Aug. 20, 2012, at the Iowa State Fair.

**Oct. 9, 2014:** The DCI releases surveillance-camera video of the man making the Hot Lotto ticket purchase in December 2010. The DCI also stated that its investigative information had led agents to pursue additional leads in the Houston, Texas, area.

**Jan. 15, 2015:** The DCI and Attorney General's Office announce that charges have been filed in the case. Eddie Tipton of Norwalk, Iowa, was arrested and charged with two counts of fraud. Tipton was an employee of the Multi-State Lottery Association (MUSL), an Urbandale-based lottery vendor organization that handles the day-to-day functions in multi-state lottery games on behalf of its member lotteries.

**March 21, 2015:** The DCI and the Iowa Attorney General's Office announce additional charges in the case. Robert Rhodes II of Sugar Land, Texas, was arrested March 20 and charged with two felony counts of fraud. According to the criminal complaint, Tipton previously worked for Rhodes' Houston-based company and that Rhodes intentionally conspired with others to attempt to influence the winning of a lottery prize.

**July 13, 2015:** Trial for Eddie Tipton begins in Des Moines.

**July 20, 2015:** The Polk County District Court jury finds Eddie Tipton guilty of both counts of fraud against him.

**Sept. 9, 2015:** Eddie Tipton is sentenced to 10 years in prison, the maximum penalty for the charges of which he was convicted. In handing down the sentence, Polk County District Court Judge Jeffrey Farrell said Tipton's crime represented a massive breach of trust.

**Oct. 9, 2015:** The Iowa Attorney General's Office files an additional charge in the lottery jackpot investigation. A felony charge of violating Iowa's ongoing criminal conduct statute is filed against Eddie Tipton, stemming from lottery jackpot prizes won in two different games in 2005 in Colorado and 2007 in Wisconsin. The criminal complaint against Tipton states that he helped build the random-number generator equipment used in the jackpot drawings in Colorado and Wisconsin. The complaint further states that according to court testimony earlier this year, Tipton had the technical ability and opportunity to tamper with the drawing equipment that picks the winning lottery numbers in order to make the numbers predictable.

**Oct. 12, 2015:** The judge in the Eddie Tipton legal proceedings in Polk County District Court approves a request from the Iowa Attorney General's Office to add the charge of money laundering against Tipton.

**Oct. 16, 2015:** The Iowa Attorney General's Office expands the evidence in the criminal conduct charge against Eddie Tipton to include a jackpot prize claim in 2011 in Oklahoma.

**Dec. 21, 2015:** Court documents filed in the case by the Iowa Attorney General's Office again expand the evidence in the criminal conduct charge against Eddie Tipton to include two jackpot prize claims in 2010 in Kansas.

**March 30, 2016:** A felony charge of violating Iowa's ongoing criminal conduct statute is filed against Tommy Tipton of Flatonia, Texas, Eddie Tipton's younger brother and a former justice of the peace in Texas. The criminal complaint against him states that Tommy Tipton aided and abetted in thefts for financial gain. According to the complaint, witnesses will testify that Tommy Tipton chose his own numbers and bought lottery tickets that won a jackpot in 2011 in Oklahoma and a share of a jackpot in 2005 in Colorado, then recruited others to claim the prizes in exchange for a small portion of the prize money.

**June 2016:** Trial for Robert Rhodes is scheduled to begin Feb. 27 in Iowa's Polk County District Court.

**June 24, 2016:** A judge rules that trial for Eddie Tipton on charges of ongoing criminal conduct and money laundering will be moved out of Polk County. According to the judge's order, a new trial date and venue will be chosen at a later date.

**July 27, 2016:** The Iowa Court of Appeals issues its decision in Eddie Tipton's appeal of his conviction on two fraud charges from his July 2015 trial in Polk County. The court upheld Tipton's conviction for tampering with the equipment used in the Hot Lotto drawing on Dec. 29, 2010, with the intent to influence winnings; and for timeliness reasons, overturned his conviction for passing or

attempting to redeem a lottery ticket with the intent to defraud. The Appeals Court sent the matter back to the district court.

**Aug. 24, 2016:** The Iowa Attorney General's Office seeks the public's assistance in providing information regarding any relationship between two Texas attorneys – Thad Whisenant of The Woodlands and Luis Vallejo of La Grange – and those charged in the jackpot investigation case. The Attorney General's Office also seeks permission from the court to subpoena bank and telephone records from Vallejo and Whisenant. In its court filings, the Attorney General's Office indicates that it believes the two men have ties to Tommy Tipton.

**Dec. 22, 2016:** A second state files charges in the long-running investigation. The Wisconsin Department of Justice filed charges against both Eddie Tipton and his long-time friend Robert Rhodes. Tipton faced six charges: racketeering, theft by fraud and four charges of computer crimes. Rhodes faced two charges: racketeering and theft by fraud. According to the Wisconsin criminal complaint, Rhodes confessed to authorities that Tipton first approached him with the possibility of rigging a lottery drawing and Rhodes ultimately went along with and participated in the scheme.

**January 2017:** Trial for Eddie Tipton on charges of ongoing criminal conduct and money laundering is delayed until July 10, 2017, with a court location to be determined. Trial for Tommy Tipton on a charge of ongoing criminal conduct is delayed until Sept. 11, 2017.

**Jan. 9, 2017:** During a hearing in Iowa's Polk County District Court, Robert Rhodes II of Sugar Land, Texas, pleads guilty to a Class D felony charge of lottery fraud. Specifically, he pleaded guilty to violating Iowa Code section 99G.36(2) concerning the use of coercion, fraud, deception or tampering with lottery equipment in the winning of a prize. The judge at the hearing accepted Rhodes' plea. A sentencing date for Rhodes was not set, with both sides noting the preference to have his cooperation and testimony against Eddie Tipton and Tommy Tipton at their upcoming trials.

**Feb. 13, 2017:** The Iowa Supreme Court hears arguments in an appeal by Eddie Tipton of his conviction for tampering with the equipment used in the Hot Lotto drawing on Dec. 29, 2010, with the intent to influence winnings. The court will issue its decision at a later date.

**March 15, 2017:** Kansas Attorney General Derek Schmidt announces that he has filed a civil lawsuit against Eddie Tipton and two of his acquaintances, Amy Demoney of Waukee, Iowa; and Christopher McCoulskey of Denton, Texas. The suit filed in Kansas' Shawnee County District Court seeks to recoup two prizes of \$22,000 they received from redeeming lottery tickets linked to Tipton. In the lawsuit, Schmidt alleges that in December 2010, Tipton purchased two lottery tickets at convenience stores in Kansas, then gave the tickets to Demoney and McCoulskey to present them for payment to the Kansas Lottery. According to the suit, in February and June of 2011, Demoney and McCoulskey submitted the tickets to the Kansas Lottery and were paid a total of \$44,008, then gave a portion of the winnings to Tipton. In addition to seeking repayment for the winnings paid, the lawsuit asks the court to impose civil penalties for violations of the Kansas False Claims Act.

**March 27, 2017:** Robert Rhodes pleads guilty in Wisconsin to a felony charge of being party to a computer crime. A plea agreement calls for him to serve six months' home confinement in Texas and pay \$409,000 in restitution to the state of Wisconsin. Rhodes said in a deposition that his actions were wrong and agreed to testify against Eddie Tipton.

**June 12, 2017:** In an agreement with the states of Colorado, Iowa and Wisconsin, Eddie and Tommy Tipton plead guilty and agree to pay restitution. For his central role in the case, Eddie Tipton pleaded guilty in Iowa to a felony charge of ongoing criminal conduct; and in Wisconsin to felony charges of theft by fraud and computer crime. Tommy Tipton pleaded guilty in Iowa to a felony charge of conspiracy to commit theft; and in Wisconsin to a misdemeanor count of the same charge. The Tipton brothers also agreed to pay a total of \$2.2 million in restitution to the Colorado, Kansas, Oklahoma and Wisconsin lotteries.

**June 23, 2017:** The Iowa Supreme Court issues its ruling in Eddie Tipton's appeal from his 2015 trial in Iowa's Polk County. In its ruling, the court determined that the equipment-tampering charge was filed too long after the DCI was put on notice of a potential crime, so that charge could not move forward. However, the court held that the actions by Crawford Shaw in attempting to claim the Hot Lotto jackpot prize were timely enough to allow that portion of the fraud charge against Tipton to move forward. The court ordered a new trial for Tipton. However, with the comprehensive plea deal already reached, the court's ruling had little practical effect.

**June 29, 2017:** Eddie and Tommy Tipton appear in Iowa's Polk County District Court to enter their pleas as part of the agreement with the three states. For the first time in an Iowa court, Eddie Tipton admitted to writing and installing malicious code on lottery computers that allowed him to predict the winning numbers in some drawings. Eddie Tipton said he then shared the numbers with others to claim lottery prizes. Tommy Tipton admitted that he claimed prizes in Colorado and Oklahoma using numbers that his brother provided to him. After entering his plea, Tommy Tipton was immediately sentenced to 75 days in jail.

**Aug. 22, 2017:** Eddie Tipton is sentenced in Iowa's Polk County District Court.