



Texas Lottery Commission

Investigative Report

Enforcement Division

Case # S20250023.2

Subject: Lottery.com
ALTX Management
AutoLotto
Hooked on MT

Reference: Endangering the Security and Integrity of the Lottery

Prepared By: John Graham

Approved Date: 02/20/2025

Approved By: Carlos Salinas

Report Closing Code

REFERRED TO EXECUTIVE DIVISION

Synopsis

A letter from John Brier was received by the Texas Lottery Commission on January 14, 2025. The letter included allegations of fraud and other criminal activity by principals of lottery courier company Lottery.com.

Following a preliminary review of the letter this case was opened and assigned to Enforcement Director John Graham for further investigation.

Further findings for this investigation will be documented in supplemental reports.

Details

A letter from John Brier was received at the Texas Lottery Commission on January 14, 2025. Brier detailed activity spanning several years involving lottery ticket courier company Lottery.com and its founders as well as former Texas Lottery Commission Executive Director Gary Grief. The letter is twenty pages and referenced thirty-two exhibits which have been attached to this case.

Following is a summary of John Brier's allegations:

- Former Texas Lottery Commission Executive Director Gary Grief recruited lottery courier company Lottery.com to relocate to Texas from California in 2017.
- In a 2019 letter Gary Grief informed Lottery.com founder Tony DiMatteo that it was permissible to sell Texas Lottery and Powerball tickets internationally.
- In April 2020 Gary Grief signed merchant of record letters for three couriers ostensibly establishing them as legitimate lottery businesses operating in Texas.
- The founders of Lottery.com (Ryan Dickinson, Tony DiMatteo, and Matthew Clemenson) were engaging in criminal activity to fund the business including a crypto-currency scam which “resulted in investors losing over \$50 million” and a “complex scheme of promised loans” in which they defrauded a church in California out of \$2,700,000.
- The Lottery.com business was set up in an office space where Texas Lottery terminals were set up. The office did not conduct any other business other than lottery ticket sales and was not open to the public. It existed solely to print tickets sold through the Lottery.com courier service.
- Ryan Dickinson claimed prizes on 142 lottery tickets which had been generated at Alt X, a retailer in Waco affiliated with Lottery.com. Included in those 142 tickets were two Powerball tickets with prize values of \$50,000 each which were from drawings less than a week apart in December 2020 and January 2021. A Powerball ticket printed at Alt X on January 13, 2021, matched 5 numbers in the subsequent drawing resulting in a win of \$1,000,000. Brier states, “the odds of the same person winning two \$50,000 Powerball prizes in consecutive drawings and then the \$1 million prize in a Powerball drawing 10 days later are essentially impossible” and alleges that the Powerball system had been compromised allowing these tickets to be printed after the drawings.
- The winner of the \$1,000,000 Powerball prize in the January 13, 2021, drawing was identified as an Australian citizen who was working in Shanghai, China. The ticket was sent to him for signature and then shipped via FedEx to the Texas Lottery Commission where it was validated on July 26, 2021 – after the 180-day expiration period. Lottery.com ceased operations prior to July 2022.
- In 2022 the founders of Lottery.com removed \$27,000,000 from the Lottery.com bank accounts. \$16,500,000 was transferred to a shell company. Another \$11,000,000 was used to purchase a Mexican company that was purposely overvalued and \$8,500,000 of those funds was redirected to a bank in Dubai. By July 2022 Lottery.com had ceased operations and the Lottery.com app was removed from the Apple and Android stores.

- In April 2023 Lottery.com asked the Texas Lottery Commission to reactivate its lottery retailer license. The Texas Lottery Commission provided “dozens of Texas Lottery Terminals to lottery.com and their co-conspirator couriers in order to allow for the illegal printing of essentially every Lotto Texas ticket combination for the April 22, 2023 drawing”. The funds to pay for these tickets were sourced from the above referenced money removed from the Lottery.com bank accounts as well as the money stolen from the California church.
- The tickets were purchased on credit and the money only remitted to the state after the jackpot was won.

Below are my findings from the investigation into the above allegations:

Review of the materials provided by John Brier revealed that Exhibit A2 is a letter dated February 25, 2019, on Texas Lottery Commission letterhead addressed to Tony DiMatteo, CEO of Lottery.com. The letter, signed by Gary Grief, informs DiMatteo that “the Texas Lottery has no game rules that contemplate” the offering of Powerball in foreign jurisdictions. Grief further states MUSL rules allow that Powerball tickets sold within an authorized “jurisdiction may also be offered to players in a foreign jurisdiction unless” prohibited by that jurisdiction.

Exhibit D is a transcript of a Lottery.com Board of Directors Meeting from June 30, 2022. The Board of Lottery.com had enlisted Kostelanetz & Fink to conduct an audit of the business and accounting practices of the company. Their findings illustrate that Lottery.com was in the practice of purchasing tickets for customers in states other than the state in which they were located at the time of purchase. The system was designed to redirect sales to other states if the purchase location in the proper state was unavailable. “Most frequently, tickets were redirected to and printed in TX.” They identified sales in Texas for 11 outside United States jurisdictions totaling \$1,165,082 from November 2, 2021, to June 9 2022. This activity may constitute a violation of Title 18 USC Chapter 1301. The audit report stated that “Ryan Dickinson entirely controls the company’s finances.”

Exhibit V is a letter dated April 3, 2020, on Texas Lottery Commission letterhead addressed to George Connors, Senior Vice President Head of Gaming Solutions at Fiserv. The letter states that “Lottery.com serves as one of several merchants of record on behalf of the Texas Lottery in Texas in connection with processing certain lottery product transactions.” Fiserv is a financial services company which enables movement of money between financial institutions. The letter was signed by Gary Grief. On February 14, 2025, Texas Lottery Commission Executive Director Ryan Mindell sent letters rescinding the merchant of record status of Lottery.com as well as that of Jackpocket and The Lotter (two other lottery courier service companies).

ALTX Management (Retailer #182571) was the licensed retailer that printed tickets sold through the Lottery.com app. It is located at 525 N. 18th Street in Waco. A google map street view depicts what appears to be an office type building with no visible signage that indicates lottery sales. IGT sales personnel confirmed that the location is currently affiliated with lottery courier service Lottery.com and is not open to the public. Investigations Manager AJ Kozak is investigating the current business practices of ALTX Management to support appropriate administrative action regarding this violation (CAMP #170194 linked to this case).

Texas Lottery Claims and Payments records indicate that Ryan Dickinson received 74 payments totaling \$187,863 on tickets claimed at the Austin Claim Center. On August 7, 2020, Dickinson made 7 claims totaling \$10,285. On December 4, 2020, Dickinson made 3 claims totaling \$2,411. On January 5, 2021, he made 10 claims totaling \$112,704. On June 14, 2021, he made 54 claims totaling \$62,463. Many of these claims included more than one ticket on each claim.

According to Exhibit D – a transcript of a Lottery.com Board of Directors Meeting from June 30, 2022 – The Board of Lottery.com had enlisted Kostelanetz & Fink to conduct an audit of the business and accounting practices of the company. In their presentation it was discussed that for customers of Lottery.com who had winning tickets of \$600 or more the “Waco office” (ALTX Management) would deliver the ticket to Ryan Dickinson who would claim the prize at the Austin Claim Center and provide the proceeds to the customer. It was unclear what the exact process for this was. This would explain the large number of claims made by Dickinson in a short period of time. Based on the information presented to the Lottery.com board by Kostelanetz & Fink it is likely that these were tickets for out of state customers.

Two of the claims on January 5, 2021, were for Powerball tickets with prize amounts of \$50,000 and \$50,004. These claims were specifically mentioned by John Brier in his letter due to the very high “odds of the same person winning two \$50,000 Powerball prizes in consecutive drawings”. His assertion is that the Powerball system was tampered with to allow “winning Powerball tickets ... printed and issued after the Powerball drawing”.

Powerball ticket 1322-018760720-14..21 was printed at ALTX Management on December 30, 2020, at 3:30:24 PM. The ticket had 5 wagers boards. The drawing was held on December 30, 2020, at 10:00 PM. This ticket was a winner of \$50,000 in that drawing with one board matching 4 numbers. There were 2,974 draw game wagers generated at ALTX Management on December 30, 2020, and 2,380 of those were Powerball wagers.

Powerball ticket 1325-059104044-14..21 was printed at ALTX Management on January 2, 2021, at 7:11:52 PM. The ticket had 5 wagers boards. The drawing was held on January 2, 2021, at 10:00 PM. This ticket was a winner of \$50,004 with one board matching 4 numbers and one board

matching 1 number plus the Powerball. There were 3,460 draw game wagers generated at ALTX Management on December 30, 2020, and 2,772 of those were Powerball wagers.

For the period that encompassed ticket sales applicable to the two Powerball drawings in question a total of 13,353 draw game wagers were generated at ALTX Management. Of those, 5,153 were Powerball wagers. The printing of the two Powerball wagers in question did not deviate from the pattern of wagers for the other tickets generated during this period.

Elsym Internal Control System balancing reports recorded no improprieties or out of balance conditions for either of the above drawings.

Powerball ticket 1336-011437143-14..21 was printed at ALTX Management on January 13, 2021, at 8:16:05 PM. The ticket had 5 wager boards. The drawing was held on January 13, 2021, at 10:00 PM. The ticket was a winner of \$1,000,000 matching 5 numbers on one board. There were 8,139 draw game wagers generated at ALTX Management on December 30, 2020, and 7,074 of those were Powerball wagers.

This ticket arrived at the Austin Claim Center on July 7, 2021, (prior to the 180-day expiration date) in a DHL envelope postmarked July 1, 2021, from Peter Farris in Shanghai, China. Peter Farris was reported to be an Australian Citizen working in China. The back of the ticket contained claimant information for Peter Farris and an address in Shanghai. There was additional processing on the claim prior to it being paid. Check #4667591 in the amount of \$700,000 was issued to Peter Farris on July 26, 2021. Deposit and endorsement information on Check #4667591 indicated deposit into Commonwealth Bank of Australia with a clearance date of September 23, 2021.

I sent an email to the email address for Peter entered on the claim form on February 14, 2025. I asked for details of the events surrounding his purchase of the ticket and his prize claim. Any contact will be documented in a supplemental report.

AutoLotto dba Lottery.com (Retailer #187369) was originally licensed as a sales agent on November 27, 2019. In 2022 the license was placed in an inactive status as the license had not been renewed. On April 10, 2023, a request was received from Tony DiMatteo to reactivate the license. The account was not delinquent so the license was reactivated and the requested terminals were delivered to the location. At that time there was not a process in place to vet requests for additional terminals through a review of previous sales that may justify the need for the requested equipment. That gap in procedure has since been remedied.

Retailer lottery bank accounts are "swept" on Wednesdays to settle sales conducted the previous week ending on Sunday. AutoLotto contacted the Texas Lottery Commission on April 24, 2023, (Monday) to get instructions for wiring the funds that would have been swept on April 26, 2023. The full amount due for the sales the previous week was received on April 25, 2023.

AutoLotto's Retailer license was terminated on December 7, 2023, for non-renewal after the license expired.

On April 25, 2023, Investigations Manager AJ Kozak and I traveled to Hooked on MT (Retailer 192446) to observe their business operation following the Lotto Texas jackpot win on April 22, 2023. Upon entry there were some shelves with t-shirts and a couple of tables with fishing flies and lures and koozies and coasters. There was a counter and there were two lottery terminals behind the counter and a supply of draw game play slips on the counter. Kevin Kramer (CEO of Hooked on MT) was seated behind the counter and asked if he could help us. We introduced ourselves and told him we were there to observe their business process.

Hooked on MT's official business is the sale of guided fly-fishing trips to Montana. They also sell Montana souvenir type merchandise and a few fishing flies and lures.

They primarily act as the retailer that fulfills orders from the courier service Mido-Lotto. The Mido-Lotto app has age verification and geo-location systems built in to ensure that customers are physically located in the state in which they are ordering tickets and that they are of legal age. In Texas only Mega Millions and Powerball tickets can be requested through the app. All draw games are available for sale at the store itself. They do not sell scratch tickets. Any Lotto Texas tickets sold at this retailer would have been purchased by someone physically at the location.

They have engaged GLI to analyze their process and have reportedly been given a clean bill of health.

I asked Kevin Kramer where the other terminals were and he directed me to several rooms. Each had two to four terminals. There were thirteen terminals at the location. Terminal number 02 (the terminal which generated the jackpot winning ticket) was located in one of the rooms toward the back of the store. There were no other employees there during our visit. Kramer stated that the location is open to the public Monday through Friday from 12:00 PM to 5:00 PM but they sometimes close at 4:00. Employees come to the store to print tickets based on when there are orders to fulfill so will be there at any time but the store will not necessarily be open to the public.

Tickets are printed and bundled in batches. They are scanned and the scans are uploaded to the customer's account in the app. Prizes under \$600.00 are validated at the location and applied to the customer's account. They can cash out or leave the balance in the account for further purchases. Tickets with prizes of \$600.00 or more are sent to the customer so that they can take them to a claim center.

I asked about the large purchase consortium and Kramer said he wanted to call Rich Wheeler, one of the partners in the business. Wheeler joined us via video call on Kramer's laptop. Members of

the consortium approached them some months ago. When they came in to purchase their large volume of tickets it was an in-person transaction. They came to the store and stayed while the tickets were being generated. The tickets were paid for prior to being printed.

On October 10, 2024, Investigations Manager AJ Kozak returned to Hooked on MT in order to conduct a follow-up. This visit and subsequent conversations with principals of Hooked on MT are documented in CAMP #167263 (linked to this case). The case report is attached to this case. In summary: Kozak observed that there was one terminal at the front counter. There were two additional terminals in a back room. The employee who was working at the time was a new employee as of July 2024. He explained that customers come into the store to purchase draw tickets and to validate winning tickets. He was not employed at the time of the bulk purchase and had no insight into how that worked.

The employee called the owner, Erik Swett, and Kozak set up a conference call for the following day. I participated in the conference call with Kozak, Swett, and Hooked on MT CEO Kevin Kramer. Swett stated that he had been approached by a buyer who wanted to make a bulk purchase of Lotto Texas tickets. Swett stated that he contacted the Texas Lottery Commission and asked if that was a supported activity. He was informed that “if you're selling according to the terms of the license and someone's you know paying cash, or cash equivalent in your store, we don't have any problem with it and we will help facilitate what we need to do that help you meet your business goals.” The customer wired funds to Hooked on MT ahead of the purchases so there were no purchases of tickets on credit. The wagers were placed using QR codes that the customer had created on a phone application. The phones were provided to Hooked on MT employees who used them to place the wagers. The tickets were provided to the customer at the time of purchase and the customer left the retailer with them.

I informed Swett and Kramer that the method they used to enter the wagers was not an approved method by the Texas Lottery Commission. He stated that if necessary they would go back to using paper playslips to enter wagers for Mido-Lotto app purchases.

On February 18, 2025, I spoke with Kevin Kramer and asked him if he would divulge the identity of the customer(s) for the April 2023 bulk purchase. He responded that he had signed a confidentiality agreement so could not provide that information to me but he offered to contact them and let them know I wished to speak to them. We also discussed the other retailers who were engaged in the bulk purchase. He stated that he knew the customer had approached other retailers and was working with multiple locations but there was no coordination between retailers. They all acted independently and he only learned of the others after the media coverage of the event started.

[Note: The Texas Lottery Commission has records identifying the individual beneficial owners of Rook TX (the entity that claimed the prize for the April 22, 2023, Lotto Texas Jackpot). That information is confidential by statute.]

Further information will be documented in a supplemental report.

On February 13, 2025, John Brier sent me an email expressing his concern over a Powerball jackpot win in Texas of \$360,000,000 from November 2023. As the prize was claimed by a trust established in South Dakota, Brier believed it was possible that Gary Grief, Lottery.com, and/or ALTX Management had “hacked” the Powerball system to manipulate the game as he believes they did in December 2020 and January 2021.

The jackpot win about which Brier was alerting me was a Mega Millions jackpot win of \$360,000,000 from a drawing on October 6, 2023. Mega Millions ticket 2330-004934673-15..21 was printed on October 4, 2023, at 2:00:22 PM at Stripes #5031 (Retailer #600611) in San Angelo, Texas. The ticket had 2 wager boards and was a jackpot winner with one board matching all numbers. The ticket was purchased in close temporal proximity to a Powerball ticket with two wager boards and a Lotto Texas ticket with two wager boards. The transaction previous to these purchases was the validation of a \$2.00 prize on a Lotto Texas ticket at 1:56:37 PM. The next transaction following the purchases was a \$3.00 Powerball wager at 2:31:07 PM. There is nothing suspicious about the transaction and nothing to indicate it was part of a larger scheme. Further research into the trust that claimed the prize revealed that there was no connection between the individuals party to the trust and any of the parties involved in the activities described in Brier’s letter.

Recommendations/Conclusion

Ryan Dickinson's prize claims that appear to be claims on tickets sold to interstate customers may be violations of Texas Government Code 466.308 - Claiming a Lottery Prize by Fraud. The activities of Ryan Dickinson and other members of Lottery.com regarding the interstate sale of lottery tickets may be violations of federal law. This information will be referred to the Federal Bureau of Investigation.

There is sufficient evidence to support possible administrative violations by the retailers involved in printing Lotto Texas tickets for the April 2023 bulk purchase. These violations are addressed in separate linked cases.

There is evidence to support the allegation that ALTX Management is engaging in business solely as a lottery sales agent. This violation is being addressed in a separate linked case.

There is currently insufficient evidence to link the source of funds for the bulk purchase of Lotto Texas tickets in April 2023 with the illegal activity of Ryan Dickinson and other members of Lottery.com. There is insufficient evidence to support the allegation the tickets were purchased on

credit. There is insufficient evidence to support the allegations of tampering with the Powerball system to create winning tickets after the draws.

The allegations that Gary Grief recruited Lottery.com to move operations to Texas and that he played a role in the operation of the business cannot be substantiated at this time.

The allegations made by John Brier regarding cryptocurrency scams, fraudulent loan schemes, and Chinese lottery laws are outside the jurisdiction of the Texas Lottery Commission.

Further findings will be documented in supplemental reports to this case.

Attachments

Letter/Email/Written (671331 - Enforcement)

Description:

Letter/Email/Written (671380 - Enforcement)

Description: Letter from John Brier

Evidence (671406 - Enforcement)

Description: Exhibit W - Lottery.com SEC Documents

Letter/Email/Written (671407 - Enforcement)

Description: Exhibit V - Merchant of Record Letter

Miscellaneous (671408 - Enforcement)

Description: Exhibit U - Sunset Staff Evaluation

Letter/Email/Written (671409 - Enforcement)

Description: Exhibit T - ORR Potts 4/15/2024

Letter/Email/Written (671410 - Enforcement)

Description: Exhibit S - Email - Potts to Gustavson/McGahan 07/11/2023

Recording or Written Statement (671411 - Enforcement)

Description: Exhibit R - Florida Lawsuit Transcript

Attachments

Letter/Email/Written (671412 - Enforcement)

Description: Exhibit Q - Nasdaq Letter

Letter/Email/Written (671413 - Enforcement)

Description: Exhibit P - Greg Potts Chat Regarding Lotto Texas Printing

Letter/Email/Written (671414 - Enforcement)

Description: Exhibit O - Florida Civil Suit Filing

Letter/Email/Written (671415 - Enforcement)

Description: Exhibit N2 - 2/27/2024 Brier to Grief

Letter/Email/Written (671416 - Enforcement)

Description: Exhibit N1 - 2/22/2024 Brier to Grief

Letter/Email/Written (671417 - Enforcement)

Description: Exhibit N - 1/12/2024 Brier to Grief

Miscellaneous (671418 - Enforcement)

Description: Exhibit M - SOS Rook Screenshot

Letter/Email/Written (671419 - Enforcement)

Description: Exhibit L1 - Colleyville Press Release

Letter/Email/Written (671420 - Enforcement)

Description: Exhibit L - Debrief Email from Greg Potts

Bank Records (671421 - Enforcement)

Description: Exhibit K - Morgan Stanley Statement

Letter/Email/Written (671422 - Enforcement)

Description: Exhibit J - Wiring Instructions - AutoLotto - 4/24/2023

Letter/Email/Written (671423 - Enforcement)

Description: Exhibit I - AutoLotto and Reactivation

Letter/Email/Written (671424 - Enforcement)

Description: Exhibit H - Lottery.com Board Meeting Minutes

Letter/Email/Written (671425 - Enforcement)

Description: Exhibit G - Summit Church Lawsuit Filing

Letter/Email/Written (671426 - Enforcement)

Description: Exhibit F2 - Letter from Manna World Industries' Attorney

Attachments

Letter/Email/Written (671427 - Enforcement)

Description: Exhibit F1 - Promissory Note (Manna World Ministries)

Letter/Email/Written (671429 - Enforcement)

Description: Exhibit F - Promissory Note (Manna World Ministries)

Letter/Email/Written (671430 - Enforcement)

Description: Exhibit E1 - Lottery.com Press Release regarding \$1 million winner

Photo (671431 - Enforcement)

Description: Exhibit E - Powerball Ticket

Letter/Email/Written (671432 - Enforcement)

Description: Exhibit D - Transcript of Board Meeting

ES Records (671433 - Enforcement)

Description: Exhibit C1 - Claims Data

Letter/Email/Written (671434 - Enforcement)

Description: Exhibit C - Presentation from Board Meeting

Letter/Email/Written (671435 - Enforcement)

Description: Exhibit B - Texts re: Powerball in Panama

Letter/Email/Written (671436 - Enforcement)

Description: Exhibit A2 - Letter regarding international sales

Letter/Email/Written (671437 - Enforcement)

Description: Exhibit A1 - Moffly Resignation

Letter/Email/Written (671441 - Enforcement)

Description: Exhibit A - Kohler's Letter

Photo (671480 - Enforcement)

Description: Google Street View of ALTX

Check Copies (671707 - Enforcement)

Description: Check #4667591 - Peter Farris

Complainants

Brier, John

Organization**ALTX MANAGEMENT LLC. (182571)**

Address

525 N 18th Street
Waco, Tx 767073755

Telephone

9729004685

TLCHQ-Austin (0)

Address

1801 Congress Avenue
Austin, Tx 78701

Telephone

512-344-5000 (WORK)