

MINUTES OF THE HOUSE FEDERAL & STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Representative Doug Mays at 1:35 p.m. on January 22, 2001 in Room 313-S of the Capitol.

All members were present except: Representative Ruby Gilbert, Excused
Representative Broderick Henderson, Excused

Committee staff present: Theresa M. Kiernan, Revisor of Statutes
Russell Mills, Legislative Research Department
Shelia Pearman, Committee Secretary

Conferees appearing before the committee:
Ed Van Petten, Kansas Lottery Executive Director

Others attending: See attached list

Hearing on HB 2038 was re-opened.

Mr. Van Petten addressed questions from the committee about the various personnel issues that have been reported by the press. He confirmed the GTECH contract is approximately \$7 million annually. He agreed an alleged attempt by GTECH personnel to blackmail Lottery officials would be serious if true. However, the internal investigation has not determined this occurrence.

A holiday reception held by GTECH for the Lottery personnel was questioned whether it neglected the state laws prohibiting employees from accepting meals from vendors. While the event was not a sit-down meal, its wide variety of available food has made it controversial. As the new director, he does not foresee these questionable situations reoccurring.

Additional questions about inappropriate computer files created by Lottery personnel were also discussed. Pornographic material was found on one computer, however the "Girls of the Kansas Lottery" website was not viewable on the Internet and was not pornographic in nature. The agency has addressed these personnel issues with the individual employees involved and the new director has implemented policies to prevent similar occurrences in the future.

Mr. Van Petten noted the agency's personnel manual is presently being revised and many issues from the previous administration are being addressed and providing training with both current and new personnel. Due to *State v. Knowlton (Case No. 00-CR-2621)*, questions regarding computer security were discussed and additional safeguards have been implemented to minimize opportunities for any computer tampering to occur in the future. Additional software has also been installed to detect inappropriate accessibility and creation of unsuitable material on the computers.

Hearing on HB 2038 was closed.

Adjourned at 2:15. The next scheduled meeting is January 23, 2001.