

Lottery firm says its 'most-prized' secrets have been taken

June 24 2016, by Jeff Martin

A key executive of a company that works with more than 40 state lotteries in the U.S. orchestrated a "massive theft" of its most-prized secrets before he resigned to accept a position with a rival company, his former employer said in a federal lawsuit.

Scientific Games International Inc. is asking a federal judge to prevent the information from being used outside the company in the multibillion-dollar lottery industry.

The company, with offices in Alpharetta, Georgia, filed the civil lawsuit Wednesday in U.S. District Court in Gainesville, Georgia.

The former employee, Brian Keith Cash, downloaded thousands of computer files around the time he accepted a position with International Game Technology at its Lakeland, Florida office, the lawsuit states.

Cash didn't immediately return a phone message left at his home on Friday.

In a statement to The Associated Press, Scientific Games said playing by the rules and maintaining integrity are core values of the company.

"Unauthorized access or use of our intellectual property, trade secrets, contracts, sales and marketing plans, data files or any other non-public or confidential information is unacceptable," it said in the statement.

"As a publicly traded company, this cannot and will not be tolerated," it said. "Scientific Games will continue to pursue all legal remedies available to us."

The company states in its lawsuit that Cash transferred at least 40 of its account plans for various state lotteries to external hard drives before he resigned June 10. The company's clients include 46 U.S. lotteries and more than 60 international lotteries.

"The information contained in Scientific Games' account plans is a virtual playbook of the company's business strategy with respect to its existing customers and growing their lottery business," the lawsuit states.

In the hands of any competitor, the documents "would provide a roadmap for stealing away the company's existing business" and also sap new business opportunities.

Companies will be bidding on business deals with some major lotteries in 2017 and early 2018, and "the revenue opportunity for the new contracts could be in excess of \$1 billion dollars," the lawsuit states.

Algorithms and other data were also downloaded without permission, the company says. Such information allows Scientific Games International to tell its customers which games are likely to generate the most revenue for them, and under what circumstances, President and CEO James Kennedy Jr. wrote in the lawsuit.

In the two-month period before Cash resigned, he downloaded 13,800 items to external hard drives, Rick Maxwell, Scientific Games' senior director of investigations, wrote in the court filings.

The "overwhelming majority" of those files were business records belonging to the company, wrote Maxwell, a former FBI special agent

who was a leader on the team of investigators who interrogated Saddam Hussein, the lawsuit states.

Scientific Games International is asking a federal judge to issue a temporary restraining order to prevent release of the data. The company is a subsidiary of Nevada-based Scientific Games Corp. It launched "the world's very first secure instant-[lottery](#) game" in 1974, it says in the [lawsuit](#).

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