

SETTLEMENT AGREEMENT

The District of Columbia (the “District”), by and through its Office of the Attorney General (“OAG”), and Intralot, Inc. (“Intralot”) (collectively with the District, the “Parties”) hereby enter into this Settlement Agreement, and agree as follows:

I. THE PARTIES

1. The District, a municipal corporation empowered to sue and be sued, is the local government for the territory constituting the seat of the government of the United States. The Attorney General has general charge and conduct of all legal business of the District and all suits initiated by and against the District and is responsible for upholding the public interest. D.C. Code § 1-301.81(a)(1). The Attorney General is authorized to enforce the District’s False Claims Act (“FCA”), D.C. Code § 2-381.01, *et seq.*, and the District’s Small, Local, and Disadvantaged Business Enterprise Act (“SBE Act”), D.C. Code § 2-218.01, *et seq.*

2. Intralot, Inc. is a Georgia corporation with its headquarters and principal place of business at 11360 Technology Drive, Duluth, GA 30097. Intralot, Inc. operates lotteries in several jurisdictions throughout the country, including the District of Columbia. Intralot, Inc. is a wholly-owned subsidiary of the multinational lottery operator Intralot, S.A., a publicly-traded Greek corporation with its headquarters and principal place of business located at 19 km, Markopoulou Ave., 19 002 Peania, Attica, Greece.

II. COVERED CONDUCT

3. The District alleges that Intralot, along with its subcontractor Veterans Services Corporation (“VSC”), made, presented, or caused to be presented false claims to the District in connection with the Sports Betting, Lottery Gaming Systems and Related Services Contract, CFOPD-19-C-041 (“the 2019 Contract”).

4. The District alleges that Intralot and VSC obtained the Office of Lottery and Gaming's ("OLG") proposal to approve the 2019 Contract, the Office of the Chief Financial Officer's award of the 2019 Contract, and the D.C. Council's approval of the 2019 Contract after submitting a Subcontracting Plan that represented that Intralot would spend 55.58% of its contract revenues on subcontracts with District certified business entities ("CBEs"), including 51% with VSC, and that VSC and other subcontractors would perform their entire subcontracts with their "own organization and resources."

5. The District alleges that Intralot and VSC entered into an agreement under which Intralot agreed to permit VSC to use resources from DC09, LLC to perform its Subcontract, including personnel, capital, and technology. The District further alleges that DC09 received most of its funding from Intralot and, although VSC held a 51% interest in DC09's profits and VSC's president served as its CEO, Intralot held a majority of its board seats.

6. The District alleges that Intralot and VSC knowingly made, used, and caused to be made or used false records and statements material to false or fraudulent claims to the District government, including: (a) the Subcontracting Plan that Intralot submitted to OLG; (b) Vendor Verification Forms and Quarterly Reports that Intralot submitted to the Department of Small and Local Business Development ("DSLBD"); and (c) statements in correspondence with District government agencies.

7. The District alleges that Intralot and VSC violated the 2019 Contract, the District's False Claims Act, and the District's SBE Act, including because Intralot permitted VSC to use DC09 resources to perform its Subcontract.

8. Intralot denies the District's allegations set forth above and further denies that it has violated the District's False Claims Act or the District's SBE Act. Intralot maintains that

Intralot has satisfactorily supported the operations of the DC Lottery dating back to 2010. Intralot further maintains that in 2010, Intralot and VSC established DC09, which carried out responsibilities under the Lottery Gaming System contract, CFOPD-10-C-038 (“2010 Lottery Contract”). Intralot maintains that it reasonably believed that the structure that Intralot and VSC had in place complied with the 2019 Contract and the SBE Act. Intralot further maintains that it is, and at all times has been, in compliance with the District’s SBE Act and the 2019 Contract.

9. The Parties agree that nothing contained in this Settlement Agreement is or may be construed to be an admission by Intralot of any of the allegations in the Covered Conduct, any violation of law or regulation, any other matter of fact or law, or any liability or wrongdoing.

10. The Parties wish to avoid the time, expense, and inconvenience of litigation, and to resolve any and all disputes and potential legal claims based on the Covered Conduct.

III. DEFINITIONS

The following terms used in this Agreement have the following meanings:

9. **“Effective Date”** means the last date upon which any party executes this Settlement Agreement.

10. **“Covered Conduct”** means any alleged act, omission or violation of the law by Intralot relating to the allegations in Section II of this Agreement.

IV. INJUNCTIVE TERMS

11. While denying any prior wrongdoing, Intralot agrees that in any future bids, contracts, or subcontracting plans, Intralot will accurately represent the amount that it will pay to District CBE subcontractors. Further, Intralot agrees that it will not include in the amount that it claims that it has paid or will pay to a subcontractor any amounts that it has or intends to recoup from that subcontractor.

12. While denying any prior wrongdoing, Intralot agrees that for any current or future District government contracts, it will refrain from using any entity to make resources available to a District CBE with which it has a subcontracting relationship.

V. PAYMENT TERMS

13. **Settlement Amount.** Intralot shall pay five million dollars and zero cents (\$5,000,000.00) (the “Settlement Amount”) to the District.

14. Intralot shall make the payment of the Settlement Amount by electronic funds transfer within fourteen (14) days of the Effective Date.

15. The Office of Attorney General shall provide written instructions for the electronic funds transfer within five (5) days of the Effective Date.

VI. RELEASE

16. This Settlement Agreement disposes of all current, potential, and future claims by the District related to the Covered Conduct, as set forth in Section II of this Agreement. Upon payment of the Settlement Amount, the District will release Intralot from all claims the District could have asserted under the District’s False Claims Act, D.C. Code § 2-381.01, *et seq.*, and the SBE Act, D.C. Code § 2-218.01, *et seq.*, based on the Covered Conduct, as well as any common-law claims (under any theory whatsoever, including any claims of common-law fraud or unjust enrichment) that the District could have asserted, or may assert in the future, based on the Covered Conduct. The Attorney General, as the chief legal officer for the District of Columbia, binds the District and releases these claims on behalf of the District.

VII. GENERAL PROVISIONS

17. Unless otherwise set forth above, Intralot agrees to implement all changes required by this Settlement Agreement within ninety (90) days of the Effective Date.

18. This Settlement Agreement represents the full and complete terms of the agreement entered by the Parties.

19. The Superior Court of the District of Columbia has jurisdiction over this Settlement Agreement and the Parties for the purpose of enforcing this Settlement Agreement. The Parties may agree in writing, through their counsel, to an extension of any time period in this Settlement Agreement without a court order.

20. This Settlement Agreement may be executed in counterparts, and a facsimile or .pdf signature will be deemed to be, and will have the same force and effect, as an original signature.

21. All notices and correspondence sent pursuant to this Settlement Agreement will be provided to the following address via first class and electronic mail, unless a different address is specified in writing by the party changing such address:

For the District of Columbia:

James Graham Lake
Chief, Workers' Rights and Antifraud Section
Office of the Attorney General
400 6th Street NW, 10th Floor
Washington, DC 20001
graham.lake@dc.gov

For Intralot:

Tassos Repakis
Chief Legal Officer
Intralot, Inc.
11360 Technology Drive
Duluth, GA 30097.
tassos.repakis@intralot.us

22. Any failure by any party to this Settlement Agreement to insist upon the strict performance by any other party of any of the provisions of this Settlement Agreement will not be deemed a waiver of any of the provisions of this Settlement Agreement, and such party,

notwithstanding such failure, will have the right thereafter to insist upon the specific performance of any and all of the provisions of this Settlement Agreement.

23. If any clause, provision, or section of this Settlement Agreement will, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability will not affect any other clause, provision, or section of this Settlement Agreement, and this Settlement Agreement will be construed and enforced as if such illegal, invalid, or unenforceable clause, section, or other provision had not been contained herein.

24. Intralot will ensure that all current and future personnel having final decision-making authority with respect to the subject matter of this Settlement Agreement are informed of the requirements set forth in this Settlement Agreement.

FOR THE DISTRICT OF COLUMBIA

BRIAN L. SCHWALB
Attorney General for the District of Columbia

Brian Schwalb

Date: 1/10/2025

ELIZABETH MELLEN
WILLIAM STEPHENS
Acting Deputy Attorneys General
Public Advocacy Division

James Graham Lake Digitally signed by James Graham Lake
Date: 2025.01.10 16:53:47 -05'00'

Date: 1/10/2025

James Graham Lake
Section Chief, Workers' Rights and Antifraud Section
Office of the Attorney General
400 6th Street NW, 10th Floor
Washington, D.C. 20001

FOR INTRALOT, INC

Signed by:

Richard Bateson

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Date: 1/10/2025

Richard Bateson
Chief Executive Officer
Intralot, Inc.
11360 Technology Drive
Duluth, GA 30097

Signed by:

Ronald C. Machen

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Date: 1/10/2025

Counsel to Intralot, Inc.
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2100 Pennsylvania Avenue NW
Washington, DC 20037