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 KS. DISTRICT COURT  
 THIRD JUDICIAL DIST.  
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**IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS  
 DIV. 7**

**STATE OF KANSAS, *ex rel.*  
 DEREK SCHMIDT, Attorney General,**

**Plaintiff,**

**v.**

**EDDIE RAYMOND TIPTON, *et al.***

**Defendants.**

**Case No. 2017-CV-000096**

**(Pursuant to K.S.A. Chapters 60 and 75)**

**JOURNAL ENTRY AND ORDER OF CONSENT JUDGMENT**

NOW on this day, the Journal Entry of Consent Judgment agreed and proposed by Plaintiff, State of Kansas *ex rel.* Derek Schmidt, Attorney General, and Defendant Amy Demoney comes before the Court pursuant to K.S.A. 60-254. Plaintiff appears by and through Derek Schmidt, Attorney General, and Meghan D. Markey, Assistant Attorney General. Defendant Amy Demoney (“Defendant Demoney”) appears by and through counsel Michael Belancio.

WHEREUPON Plaintiff and Defendant Demoney (“the Parties”) advise the Court that they have stipulated and agreed to the following:

**PARTIES, JURISDICTION AND VENUE**

1. Derek Schmidt is the duly elected, qualified and acting Attorney General for the

State of Kansas.

2. The Attorney General's authority to bring this action is derived from the statutory and common law of the State of Kansas, specifically the Kansas False Claims Act, 2017 Supp. 75-7501 *et seq.*

3. Defendant Demoney (née Warrick) is an individual who resides in Dallas County, Iowa.

4. Defendant Demoney may be served by and through counsel.

5. Defendant Demoney stipulates and admits that the Court has subject matter jurisdiction

over this case and *in personam* jurisdiction over the parties.

6. Defendant Demoney stipulates and admits that venue is proper in this Court.

#### **SCOPE OF THE CONSENT JUDGMENT**

7. Pursuant to K.S.A. 2017 Supp. 75-7509, liability is joint and several for any violation of the Kansas False Claims Act done by two or more persons. This Consent Judgment resolves the Attorney General's claims only against Defendant Demoney and does not alter, diminish or resolve the Attorney General's claims against Defendant Tipton or Defendant McCoulskey, as set forth in the Petition. Defendants Tipton and McCoulskey remain jointly and severally liable for their violations of the Kansas False Claims Act.

8. The parties agree and understand that this Consent Judgment shall not be made a ground of objection by these parties in regard to any future settlement approval, verdict, judgment, or any other order entered by the Court in this action involving Defendants Tipton or McCoulskey.

#### **PLAINTIFF'S ALLEGATIONS**

9. As agreed by the parties, this Consent Judgment is not an admission by Defendant

Demoney of any violation of the Kansas False Claims Act or any other applicable law or regulation. Notwithstanding, Defendant Demoney agrees to this Consent Judgment without trial or adjudication of any issue of fact or law and solely for the purpose of settlement.

10. Plaintiff's allegations are included herein in Paragraphs 11-15.

11. At all times relevant hereto, Defendant Demoney acted as a "person" in Kansas, as that term is defined by K.S.A. 2017 Supp. 75-7502(d).

12. At all times relevant hereto, Defendant Demoney made or caused to be made a "claim" for payment, as that term is defined in K.S.A. 2017 Supp. 75-7502(b), specifically in the form of a lottery "Ticket," as that term is defined in K.S.A. 2017 Supp. 74-8702(ff).

13. At all times relevant hereto, Defendant Demoney made or caused to be made a Claim for payment to the State, as that term is defined in K.S.A. 2017 Supp. 75-7502(b), or to a "political subdivision" of the State of Kansas, as that term is defined in K.S.A. 2017 Supp. 75-7502(c), specifically, the Kansas Lottery, as that term is defined in K.S.A. 2017 Supp. 74-8702(h).

14. At all times relevant hereto, Defendant Demoney "knowingly" made the aforementioned claim for payment, as that term is defined in K.S.A. 2017 Supp. 75-7502(e).

15. At all times relevant hereto, Defendant Demoney engaged in acts and practices in violation of the Kansas False Claims Act, 2017 Supp. 75-7501 *et seq.*, which acts and practices include:

- a. Knowingly presenting or causing to be presented a false or fraudulent claim for payment, in the form of a lottery ticket, for payment or approval to employees, officers or agents of the State of Kansas or political subdivisions thereof, in violation of K.S.A. 2017 Supp. 75-7503(a)(1), or, in the same manner, becoming a beneficiary

of an inadvertent submission of a false claim and failing to disclose the false claim and make satisfactory arrangements for the repayment to the state or affected political subdivision thereof within a reasonable time after the discovery of the false claim, in violation of K.S.A. 2017 Supp. 75-7503(a)(7);

- b. Knowingly presenting or causing to be presented a false or fraudulent claim for payment, in the form of a lottery ticket, for payment or approval to employees, officers or agents of the State of Kansas or political subdivisions thereof and, in doing so, defrauded the State of Kansas or political subdivision thereof by getting the false or fraudulent claim allowed or paid, in the amount of \$22,004.00, in violation of K.S.A. 2017 Supp. 75-7503(a)(3), or, in the same manner, becoming a beneficiary of an inadvertent submission of a false claim and failing to disclose the false claim and make satisfactory arrangements for the repayment to the state or affected political subdivision thereof within a reasonable time after the discovery of the false claim, in violation of K.S.A. 2017 Supp. 75-7503(a)(7);
- c. Conspiring to commit the violations set forth in K.S.A. 2017 Supp. 75-7503(a)(1) and K.S.A. 2017 Supp. 75-7503(a)(3)

#### **MONETARY RELIEF**

16. Defendant Demoney agrees to pay \$14,402.80 to the Office of the Kansas Attorney General (\$9,402.80 in damages, \$2,500.00 in civil penalties and \$2,500.00 in costs and attorney fees).

17. Payment shall be made as follows:

- a. On July 15, 2018, Defendant Demoney shall pay \$1,200.80 to the Office of the Kansas Attorney General, in the form of cashier's check, money order or other certifiable payable funds.
- b. Thereafter, a payment of \$1,200.00 shall be due in full on the fifteenth day of each month thereafter, until payment has been made in full.
- c. Each payment shall be delivered to:

Office of the Kansas Attorney General  
120 SW 10<sup>th</sup> Ave., 2<sup>nd</sup> Floor  
Topeka, KS 66612

18. Defendant Demoney understands that pursuant to 11 U.S.C. § 523(a)(7), and due to the nature of the conduct underlying this settlement, any unpaid penalties and/or fees shall not be dischargeable in any bankruptcy proceeding commenced after the entry of this Consent Judgment.

#### **OTHER PROVISIONS**

19. Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Consent Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the modification of any of the provisions herein, for the enforcement of compliance herewith, and/or for the punishment of violations of this Consent Order.

20. If any portion, provision, or part of this Consent Judgment is held to be invalid, unenforceable, or void for any reason whatsoever, that portion shall be severed from the remainder and shall not affect the validity or enforceability of the remaining provisions, portions or parts.

21. Compliance with this Consent Judgment does not relieve Defendant Demoney of any obligation imposed by applicable federal, state, or local law, nor shall the Attorney General be precluded from taking appropriate legal action to enforce civil or criminal statutes under his jurisdiction.

22. The parties understand that this Consent Judgment shall not be construed as an approval of or sanction by the Attorney General of the practices of Defendant Demoney nor shall Defendant Demoney represent the decree as such an approval.

23. This Consent Judgment represents the entire agreement between Plaintiff and Defendant Demoney, and there are no representations, agreements, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Consent Judgment which are not fully expressed herein or attached hereto.

24. Defendant Demoney's representative, signing this Journal Entry of Consent Judgment,  
warrants that the representative has been duly authorized by Defendant Demoney for whom the representative appears to be acting to enter and execute this Journal Entry of Consent Judgment on behalf of Defendant Demoney.

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** that the stipulation and agreement of the parties contained herein are adopted and approved as the findings of fact and conclusions of law of the Court and any monies owed hereunder by Defendant Demoney immediately become a judgment upon filing.

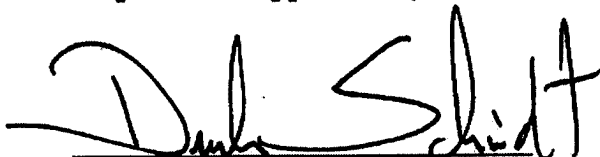
**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that judgment is entered against Defendant Demoney in the amount of \$14,402.80.

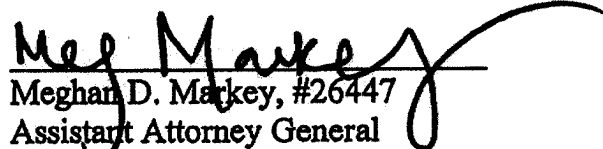
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the Kansas False Claims Act, the Court hereby approves the terms of this Consent Judgment and adopts the same as the Order of the Court.

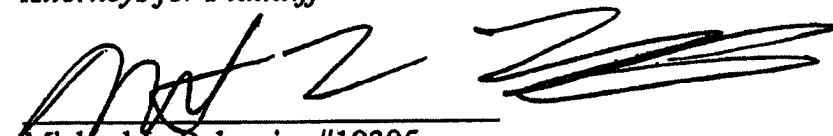
IT IS SO ORDERED, this 15<sup>th</sup> day of June, 2018.

  
Franklin R. Theis  
Judge of the District Court  
Division Seven

Prepared and approved by:

  
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KANSAS ATTORNEY GENERAL

  
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