

Man Says Lottery Axed Him for Truth-Telling

[KEVIN LESSMILLER](#) / April 27, 2015



(CN) - A Georgia man claims the state lottery fired him to shift blame to him for a lottery leader's presentation of unrealistic financial projections that were motivated by political influence.

Kenneth Knight sued the Georgia Lottery Corporation and its CEO Debbie Alford in Fulton County, Ga. Superior Court, claiming violation of the Georgia Whistleblower Act.

Knight was the former vice president of financial management for the Georgia Lottery. He was hired in 2000 and "steadily moved up the latter," according to the complaint.

He claims Alford, who had close ties to Gov. Nathan Deal but no experience working with the lottery, was appointed to run the lottery in 2012 despite her predecessor calling for someone with experience.

Knight says that, in March 2014, he was told to prepare an internal operating plan including a year-end sales and profits projection. He presented a \$956 million projection but Alford asked him to adjust it to account for "the recent instant game closing," according to the complaint.

As a result of those adjustments, the projection dropped to \$952 million which "agitated" Alford, the complaint states.

"Alford prematurely had shared Mr. Knight's preliminary projections to members of the board as if it was final and certain, such that she was upset by having to report a \$4 million decrease that she perceived would reflect negatively on her ability to profitably manage the lottery," the lawsuit states. "Alford was motivated by improper political influences to maintain appearances that she was continually increasing profits at the lottery, to the detriment of presenting accurate financial calculations showing otherwise."

While preparing to present final projections to the lottery's board of directors, Knight discovered an error by a subordinate that would bring the 2014 profit projection down to \$942 million, according to the complaint.

Knight told senior vice president of finance Sharman Lawrence, who is not a party to the suit, about the error, but she told him "that his job was in jeopardy if the projection had to be lowered below \$950 million because Alford would be angered in having to change the information she had shared prematurely with the board chair to show lower profits," the lawsuit states.

He says he came up with two alternative projection scenarios but neither reached \$950 million. A third projection relying on unrealistic instant game results was accepted because it met the threshold, according to the complaint. Knight says he came up with yet another projection that did not rely on unrealistic data but "Lawrence stated that she would not change anything that had already been released to the board."

"Mr. Knight refused to participate in the presentation of false data to the board and attempted to convince Lawrence that she should not present projections with flawed assumptions," the complaint states. "

Knight was fired April 22, 2014 due to misleading financial information presented to the lottery's board of directors, according to the complaint.

"Alford and the lottery terminated Mr. Knight to shift blame and cover up the fact that Alford knowingly presented numbers to the board that were unrealistic, an act by her that is both unethical and illegal, and which was motivated solely by unlawful political influence," the complaint states. "Mr. Knight's termination was blatant retaliation for his refusal to participate in defendants' ongoing illegal, unethical, and inappropriate conduct and cover-up and for his repeated disclosures of violations of the laws, rules, and regulations governing the lottery."

Even though he was fired, the lottery's vice president of internal audit and security wrote a recommendation letter for Knight, calling him an "extremely capable and reliable performer," according to the complaint.

Joseph Kim, Georgia Lottery's senior vice president and general counsel, told Courthouse News that Knight's claims are without merit.

"The lawsuit is baseless and we look forward to defending the case in court. The plaintiff and his lawyer gave the lottery the opportunity in August 2014 to avoid 'inevitable media attention' if we paid them \$500,000," Kim said in a statement. "We declined then and we decline now to pay any money because the case is not about retaliation but about an employee who could not satisfactorily perform in a new job into which he was promoted."

Knight seeks reinstatement to his job with back pay or compensatory damages. He is represented by Kimberly Worth of Thrasher Worth LLC in Atlanta.

The Georgia Lottery was created in 1992 via referendum vote to help with state education funding, according to the complaint.

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