

How Paroled Eddie Tipton, Who Committed the Largest Lottery Fraud in U.S. History, Got Sloppy then Got Caught

Rob Sand, Asst Atty General of IA at the time who caught Tipton, explains how this lottery insider got caught after rigging the lottery at least five times.

DES MOINES, IA, UNITED STATES, February 9, 2022 /EINPresswire.com/ -- On January 20, 2022, the Iowa Parole Board decided that Eddie Tipton, the criminal who committed the largest lottery fraud in U.S. history over a ten-year period, could be released 20 years early. The Parole Board agreed to allow Tipton to be released to reside in Texas, which has a lottery system but was not one of the states involved in Tipton's scheme. Tipton had also pleaded guilty to lottery scams in Colorado, Wisconsin, Kansas and Oklahoma.



Image from the Eddie Tipton Trail.
Eddie Tipton in blue unbuttoned shirt, Rob Sand in suit with blue tie beside him.
Image from KCCI Channel 8 News Cast, Des Moines, IA

Eddie Tipton, in the blue button up shirt, and Rob Sand, in the suit next to Tipton.

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The Eddie Tipton case, and how Rob Sand investigated and successfully prosecuted it, provides a master class use case in how to investigate cybercrime and demonstrates the trusted insider threat.”

Rebecca Herold, CEO, Privacy & Security Brainiacs

According to The Associated Press, Eddie Tipton owes no restitution in Iowa because Iowa Lottery officials never paid him for the Hot Lotto ticket he attempted to redeem. However, WHO 13 News in Des Moines, IA reports the Iowa Lottery officials requested the Iowa Board of Parole to prohibit Tipton from ever again playing Iowa Lottery and multi-jurisdiction lottery games, and to prohibit him from profiting from his crimes through book deals, movie rights, paid speaking engagements, etc.

Additionally, Tipton also agreed to a plea deal in Wisconsin and still owes the state \$409,137 which he must pay by September 2026 or he could go to prison there. It is

unclear if he faces prison time if he does not pay Colorado the \$568,300 he owes that state,

Oklahoma the \$643,700 he owes that state, or Kansas the \$30,700 he owes that state.

In August 2017, Eddie Tipton was sentenced to twenty-five years in prison for committing multiple lottery frauds totaling more than \$24 million in stolen funds. (State v. Tipton, 15-1515, State of Iowa (2017)) The Iowa Lottery fraud case was at “a dead-end” until Rob Sand, who is now Auditor for the State of Iowa, was assigned to the case. [Rebecca Herold spoke with Rob Sand](#) on her radio/podcast show, Data Security & Privacy with the Privacy Professor where Sand provided all the details about the crime and the case.

Rob Sand said during the show this case provides a couple of lessons about mitigating the trusted insider threat in businesses including, “First, trust but verify. Second, you’ve got to actually mean it. The only way you show you mean it is by doing the work necessary to find out [by actually doing the verification work].”

“One of the important lessons of this case is that all organizations must address insider threats, no matter how small,” said Herold, a long-time cyber security, data privacy and IT expert. “These threats are easy to overlook with so many new and emerging data privacy and cyber security risks

popping up nearly every day. When providing personnel access to software code, systems controls, and cyber security and data privacy controls, it is imperative other controls exist to ensure trusted access is not exploited. A significant percentage of employees will take advantage of extensive data and systems access to commit crimes, fraud and other malicious acts...especially if they believe they will get away with it. The Eddie Tipton case, and how Rob



Rob Sand, Currently Auditor, State of Iowa

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Key Security Video Footage Used in Trial

A photo from the key evidence video footage from the convenience store showing the winning ticket being purchased.

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[Listen to Rob describe the details to Rebecca](#) of how Tipton rigged the Iowa Lottery drawings through his trusted access to the lottery technology and software, and how Rob was able to successfully prosecute him in this episode of Data Security and Privacy with the Privacy Professor, which airs on the VoiceAmerica network.

About Rebecca Herold

Rebecca Herold provides information security, privacy, IT and compliance consulting and expert witness services to organizations of all sizes, in a wide range of industries, throughout the world. Aside from hosting the on-demand radio show and podcast Data Security & Privacy with The Privacy Professor (voiceamerica.com/show/2733), Herold is CEO of The Privacy Professor consultancy. Herold has built a loyal and growing global listenership for her show over the past two years. Its success is due in part to the diverse group of high-profile legal, information security and privacy experts who have served as guests. To learn more, visit privacysecuritybrainiacs.com.

About Privacy & Security Brainiacs

Rebecca Herold launched Privacy & Security Brainiacs in partnership with her son Noah Herold on Data Privacy Day 2021. The online platform offers IT, security, privacy and compliance education, training and awareness tools to help organizations of all sizes, in a wide range of industries, throughout the world. Privacy & Security Brainiacs provides online Software as a Service (SaaS) training modules, with business admin capabilities for organizations to assign and manage training for their employees. They also provide videos, podcasts, e-books, custom training, awareness events, and learning activities for the general public. To learn more, visit privacysecuritybrainiacs.com.

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Media Contacts:

Rebecca Herold (for The Privacy Professor Consultancy), rebeccaherold@rebeccaherold.com
Noah Herold (for Privacy & Security Brainiacs), noahherold@privacysecuritybrainiacs.com



Privacy & Security Brainiacs

Rebecca Herold

[Privacy and Security Brainiacs](#)

+1 515-491-1564

[email us here](#)

Rebecca Herold

Privacy and Security Brainiacs

+1 515-491-1564

rebeccaherold@privacysecuritybrainiacs.com

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