

DRAFT MINUTES

Charitable Gaming Board
Oliver Hill Building, Richmond, Virginia
September 9, 2014

CALL TO ORDER

Mr. Randy Green called the meeting to order on Tuesday, September 9, 2014 at 10:05 a.m., in the Oliver Hill Building, 102 Governor Street, Conference Room 220 Board Room, 2nd Floor, Richmond, Virginia. He informed the Board that two out of the three new members, who were recently appointed by the Governor, were in attendance and he welcomed them to the Board. Each of the newest members, Ms. Tanya Conrad and Ms. Betty Sword introduced themselves to the Board.

Mr. Green asked Mr. Michael Menefee to call the roll.

Members present:

Ms. Tanya Conrad
Mr. James Corrigan
Mr. Randy Green
Mr. Thomas Stiles
Mr. Bob Sussan
Ms. Betty Sword

Member absent:

Mr. Nicholas Curry
Mr. Charles Kelley
Mr. James Lewis

Staff present:

Mr. Michael Menefee, Program Manager, Office of Charitable and Regulatory Programs

Office of the Attorney General Staff present:

Mr. Josh Laws, Assistant Attorney General, Office of the Attorney General

Mr. Menefee informed Mr. Green that a quorum was present.

APPROVAL OF MINUTES

Mr. Green asked for a motion to approve the draft minutes of the March 11, 2014, and May 27, 2014, Board meetings. Mr. Bob Sussan moved that the draft minutes be approved as distributed. Mr. Thomas Stiles seconded the motion and it was passed by a unanimous vote.

ELECTION OF OFFICERS

Mr. Green turned the gavel over to Mr. Menefee who opened the floor for nomination for Board Chair. Mr. Stiles nominated Mr. Sussan for Chair and Ms. Conrad seconded the nomination. There being no other nominations, Mr. Menefee then called for a vote on the nominee and the Board elected Mr. Sussan as Chair by a unanimous vote.

Mr. Menefee then returned the gavel to Mr. Sussan, who opened the floor for nominations for Vice-Chair. Mr. Stiles nominated Ms. Conrad for Vice-Chair and Mr. Green seconded the nomination. There being no other nominations, Mr. Sussan then called for a vote on the nominee and the Board elected Ms. Conrad as Vice-Chair by a unanimous vote.

REPORT FROM BOARD MEMBERS

There was no report from any member.

PROGRAM MANAGER'S REPORT

Mr. Sussan asked Mr. Menefee for an operational update on the Office of Charitable and Regulatory Programs (OCRP). Mr. Menefee reported the following to the members:

- Since the beginning of 2014, manufacturers of electronic pull-tab systems reportedly generated more than \$134 million in gross receipts. At this time, there are approximately 167 locations are utilizing 632 electronic pull-tab devices.
- OCRP held three town hall meetings with charitable gaming stakeholders throughout Virginia. The objective of the meetings was to discuss potential legislative, regulatory, and administrative initiatives that could reinvigorate the charitable gaming sector. The meetings were held in Richmond, Virginia Beach, and Vienna. In total, 84 stakeholders were in attendance.
- During the 2014 fiscal year, OCRP accomplished the following:
 - Conducted an audit or financial review of 104 out of 365 permitted charitable gaming organizations. These actions uncovered a total of \$1,440,840 in unreported revenue.
 - Conducted an audit or financial reviews of 65 organizations that reported using less than 10% of their proceeds for lawful religious, charitable, community or educational purposes. These actions resulted in the issuance of 39 letters of caution, 14 notices of violation, and 12 compliance agreements.

- Conducted a compliance review of 15 out of 15 permitted suppliers and four out of four manufacturers of electronic pull-tab systems.
- Processed 365 charitable gaming applications with an average processing time of 22 days. Processed 17 supplier applications with an average processing time of 25 days. Processed six applications for manufacturers of distributed pull-tab systems with an average processing time of 79 days.
- Conducted 836 on-site inspections of charitable gaming operations permitted to conduct bingo.
- Received and investigated 83 complaints, which were all closed within an average of 30 days.
- Conducted 34 in-person training sessions, of which six were new organization training sessions, five were audit required training sessions, and 23 were training sessions requested by specific organizations.
- Assisted charitable gaming organizations on the proper completion of financial reports. Received 602 financial reports via online submission and 1,349 financial reports via manual submission.
- Provided an online service for applicants to submit their bingo manager/caller registration applications minimizing the need for applicants to mail it. Sixty-three percent of 210 applications were submitted online by applicants and the average processing time was four days.

NEW BUSINESS

Mr. Menefee asked the Board to adopt the proposed text to 11 VAC 15-40, *Charitable Gaming Regulations* and to move it from stage one to stage two of the three-stage regulatory process. The proposed text includes provisions regarding a new bingo called “network bingo”, pursuant to legislation enacted by the 2013 Session of the General Assembly. Additionally, the proposed text includes amendments to clarify provisions of the current regulation. Mr. Sussan asked for a motion to adopt the proposed text to 11 VAC 15-40, *Charitable Gaming Regulations* and to authorize staff to take any and all actions necessary to submit on behalf of the Board the text for executive branch review and public comment period. Ms. Conrad motioned, seconded by Mr. Stiles. The motion passed by a five to one vote (ayes: Ms. Conrad, Mr. Green, Mr. Stiles, Mr. Sussan, and Ms. Sword; nay: Mr. Corrigan).

NEXT BOARD MEETING

Mr. Sussan informed members that the next Board meeting will be held on Tuesday, December 9, 2014, in the offices of the Virginia Department of Agriculture and Consumer Services, in Richmond, Virginia.

PUBLIC COMMENT

Mr. Marty Williams (Fraternal Order of Police) spoke about reducing the audit and administrative fee and developing a new method to assess the fee.

There being no further business, the Board adjourned at 10:50 a.m.

Respectfully submitted,

Michael Menefee
Program Manager
Office of Charitable and Regulatory Programs