

VIRGINIA LOTTERY BOARD MEETING

April 27, 2022 - 9:30 a.m.
Lottery Headquarters, Richmond, Virginia
Presiding - Ferhan Hamid, Chairman

- | | | | |
|-------|--|---------|-------------------|
| I. | <u>CALL TO ORDER</u> | | Chairman |
| II. | <u>MINUTES OF LAST MEETING</u> (January 12, 2022) | (Tab A) | Chairman |
| III. | <u>DIRECTOR'S REPORT</u> | (Tab B) | Ms. Gee |
| IV. | <u>FINANCIAL REPORT</u> | (Tab C) | Ms. Courtney |
| V. | <u>BOARD ISSUES</u> | | |
| | • Audit Committee Report | (Tab D) | Ms. Collins |
| | • Proposed Changes to Self-Exclusion Program Regulations - ATTACHED | (Tab E) | Mr. Fontaine |
| | • Gaming Compliance Update | (Tab F) | Ms. Smith |
| | • Hard Rock Bristol Casino Presentation | (Tab G) | HR Bristol Casino |
| | • Hard Rock Bristol Casino Applications and Background Investigations | | Ms. Smith |
| | • Waiver Request of Regulation Concerning Physical Specifications for Value Chips and Pai Gow Dice | (Tab H) | Mr. Fontaine |
| VI. | <u>OTHER BUSINESS</u> (Next meeting: July 20, 2022) | | Chairman |
| VII. | <u>BOARD MEMBERS' OPEN DISCUSSION</u> | | Chairman |
| VIII. | <u>CLOSED MEETING</u> | | Chairman |
| | • Motion | (Tab I) | |
| | • Lottery Games Prize Structures - Scratchers | (Tab J) | Mr. Wesley |
| | • Lottery Games Prize Structures - Draw Game | (Tab K) | Mr. Wesley |
| | • Lottery Games Prize Structures - Instant | (Tab L) | Mr. Wesley |
| IX. | <u>RECONVENED MEETING</u> | | Chairman |
| | • Certification | (Tab M) | |
| | • Motion for Approval | (Tab N) | |
| X. | <u>ADJOURNMENT</u> | | Chairman |

1 **Virginia Administrative Code**

2 **Chapter 60. Self-Exclusion Program**

3 **11VAC5-60-10. Definitions.**

4 The following words and terms when used in this chapter shall have the following meanings
5 unless the context clearly indicates otherwise.

6 "Department" or "Virginia Lottery" means the independent agency responsible for the
7 administration of the Virginia Lottery Department, the independent department that pursuant to
8 § 58.1-4031 of the Code of Virginia is responsible for the operation of the Commonwealth's
9 sports betting program set forth in Articles 1 (§ 58.1-4000 et seq.) and 2 (§ 58.1-4030 et seq.) of
10 Chapter 40 (Lottery and Sports Betting) and Chapter 41 (Casino Gaming) of Title 58.1 of the
11 Code of Virginia.

12 "Self-excluded individual" means any individual whose name is included, at the individual's own
13 request, on the self-exclusion list maintained by the department.

14 "Self-exclusion list" means a list maintained by the department of names of individuals who,
15 pursuant to this chapter, have voluntarily agreed to refrain from (i) playing any account-based
16 lottery game authorized under the provisions of the Virginia Lottery Law; (ii) participating in
17 sports betting, as defined in § 58.1-4030 of the Code of Virginia; ~~and~~ (iii) participating in casino
18 gaming, as defined in § 58.1-4100 of the Code of Virginia; and (iv) participating in gaming
19 activities administered by the Office of Charitable and Regulatory Programs or the Virginia
20 Racing Commission. Self-excluded individuals whose names are on the self-exclusion list are
21 prohibited from collecting any winnings or recovering any losses resulting from violation of the
22 restrictions to which such individuals have agreed.

23 "Targeted mailing" means an advertisement or promotional offer directed to an individual on the
24 basis of specific criteria, such as being a member or former member of a casino rewards club, a
25 former sports betting participant, or a participant in social games. "Targeted mailing" does not
26 include mass mailings made to an entire area or zip code nor does it include an advertisement
27 that arrives in a packet of five or more non-gaming advertisements if such packet of
28 advertisements is addressed to "resident," "occupant," or some similar wording and not to a
29 specific individual. "Targeted mailing" further does not include any internet "pop-up"
30 advertisement that appears on an individual's computer or mobile device on the basis of the
31 individual's internet protocol address.

32 "Thing of value" means anything of value that may be used to engage in lottery, ~~or~~ sports
33 betting, or casino gaming activity, including cash and other forms of payment permissible under
34 Chapters 40 (§ 58.1-4000 et seq.) and 41 (§ 58.1-4100 et seq.) of Title 58.1 of the Code of
35 Virginia, as well as free play offers and incentives.

36 "Winnings" means the aggregate total of proceeds from each individual winning lottery ticket, ~~or~~
37 sports wager, or casino game and shall not be reduced by any individual losses resulting from
38 such activities.

39 **11VAC5-60-20. Request for self-exclusion.**

40 A. An individual may ~~have his name~~be placed on the department'sself-exclusion list by
41 submitting a request in the form and manner required by this section.

42 B. An individual requesting placement on the self-exclusion list shall submit a completed request
43 for self-exclusion over the internet or as otherwise required by ~~this chapter~~the department. If an
44 individual requests to be placed on the self-exclusion for life list, such request shall be made in
45 person at department headquarters or any other location specified by the department.

46 C. An individual requesting placement on the self-exclusion for life list shall submit, in person, a
47 completed request for self-exclusion as required by this chapter. The request shall be delivered to
48 department headquarters or any other location specified by the department. ~~Any individual~~
49 ~~submitting a self-exclusion for life request shall be required to present valid identification~~
50 ~~credentials containing the individual's signature and either a photograph or a general physical~~
51 ~~description.~~

52 D. A request for self-exclusion shall be in a form prescribed by the department that shall include:

53 1. The following identifying information concerning the individual submitting the request:

54 a. Name, including any aliases or nicknames;

55 b. Date of birth;

56 c. Street and mailing address of current residence;

57 d. Telephone number; ~~and~~

58 e. Social Security Number, which information is voluntarily provided in accordance with § 7 of
59 the Privacy Act (5 USC § 552a); and

60 f. Valid identification credentials containing the individual's signature and a photograph of the
61 individual.

62 2. The length of self-exclusion requested by the individual:

63 a. Two years;

64 b. Five years; or

65 c. Lifetime;

66 3. An acknowledgment that individuals on the self-exclusion list shall be prohibited from
67 participating in any form of legalized gaming in the Commonwealth and are prohibited from
68 collecting any winnings or recovering any losses resulting from violation of the restrictions to
69 which such individuals have agreed;

70 4. An acknowledgment that the department shall coordinate the administration of the self-
71 exclusion program with the Office of Charitable and Regulatory Programs and the Virginia
72 Racing Commission pursuant to procedures developed by the department;

73 5. An acknowledgment that the department will share the self-exclusion list with operators of
74 legal gambling in the Commonwealth and that such operators, pursuant to their own policies,
75 may extend the exclusion of the individual to offerings at the operators' locations outside the
76 borders of the Commonwealth;

77 6. An acknowledgment that the individual requesting self-exclusion shall notify the department
78 within seven days if the individual's address or other contact information changes; and

79 7. A waiver and release that shall release and forever discharge the Commonwealth of Virginia,
80 the department, the department's employees and agents, all holders of permits to operate a sports
81 betting platform and licenses to operate a casino gaming establishment and their employees and
82 agents, the Office of Charitable and Regulatory Programs, and the Virginia Racing Commission
83 and their employees and agents from any liability to the individual requesting self-exclusion, as
84 applicable, and the individual's heirs, administrators, executors, and assigns for any harm,
85 monetary or otherwise, that may arise out of or by reason of any act or omission relating to the
86 request for self-exclusion or request for removal from the self-exclusion list, including:

87 a. The processing or enforcement of the request for self-exclusion or request for removal from
88 the self-exclusion list;

89 b. The failure to withhold gaming privileges from or restore gaming privileges to a self-excluded
90 individual;

91 c. Permitting a self-excluded individual to engage in gaming activity while on the list of self-
92 excluded individuals; and

93 d. Disclosure of the information contained in the self-exclusion list, except for a willfully
94 unlawful disclosure of such information.

95 E. For self-exclusion submissions for a stated period of time:

96 1. A sports betting permit holder or casino gaming establishment shall provide a link directly to
97 the department's self-exclusion application form.

98 2. The department's online self-exclusion form shall provide to the self-excluding individual for
99 the individual's acknowledgment the following statement:

100 "I am voluntarily requesting exclusion from all Virginia sports betting, casino gaming, and
101 account-based lottery. I also understand that the department will share my information with the
102 Office of Charitable and Regulatory Programs, the Virginia Racing Commission, and all Virginia
103 sports betting permit holders and casino gaming establishments, any of whom may prohibit me
104 from participating in further gaming activities regulated or provided by those entities, including
105 out-of-state sports betting sites or casinos in accordance with the policies of that sports betting
106 permit holder or casino gaming establishment. I agree to notify the department within seven days
107 if my contact information changes. I certify that the information I have provided is true and
108 accurate, and that I have read and understand and agree to the waiver and release included with
109 this request for self-exclusion. I am aware that my digital signature authorizes the department to
110 prohibit me from participating in all account-based lottery games and to direct all holders of

111 sports betting permits and casino gaming establishments in Virginia to restrict my gaming
112 activities. I am further aware that my digital signature authorizes the department to share my
113 information with the Office of Charitable and Regulatory Programs and the Virginia Racing
114 Commission, who may further restrict my gaming activities. In accordance with this request and
115 until such time as the department removes my name from the self-exclusion list under the terms
116 of my request for voluntary self-exclusion, I am aware and agree that during any period of self-
117 exclusion any money obtained by me in violation of the terms of my self-exclusion shall be
118 subject to forfeiture and donated to the Commonwealth's Problem Gambling Treatment and
119 Support Fund."

120 F. For lifetime self-exclusion submissions:

121 1. The signature of the individual submitting the request shall acknowledge the following
122 statement:

123 "I am voluntarily requesting exclusion from all Virginia sports betting, casino gaming, and
124 account-based lottery. In addition, I understand that my information will be shared with the
125 Office of Charitable and Regulatory Programs, the Virginia Racing Commission, and all Virginia
126 sports betting permit holders and casino gaming establishments, any of whom may prohibit me
127 from participating in further gaming activities regulated or provided by those entities, including
128 out-of-state sports betting sites or casinos in accordance with the policies of that sports betting
129 permit holder. I agree to notify the department within seven days if my contact information
130 changes. I certify that the information I have provided is true and accurate, and that I have read
131 and understand and agree to the waiver and release included with this request for self-exclusion.
132 I am aware that my signature authorizes the department to prohibit me from participating in all
133 account-based lottery games and to direct all holders of sports betting permits and casino gaming
134 establishments in Virginia to restrict my gaming activities. I am further aware that my signature
135 authorizes the department to share my information with the Office of Charitable and Regulatory
136 Programs and the Virginia Racing Commission, who may further restrict my gaming activities.
137 In accordance with this request, I am aware and agree that any money obtained by me in
138 violation of the terms of my self-exclusion shall be subject to forfeiture and donated to the
139 Commonwealth's Problem Gambling Treatment and Support Fund."

140 2. The department shall document the type of identification credentials that were examined
141 containing the signature of the individual requesting lifetime self-exclusion.

142 3. A department employee authorized to accept a self-exclusion request shall sign the application
143 form and confirm that the signature of the individual on the request for lifetime self-exclusion
144 appears to agree with that contained on his-the individual's identification credentials.

145 4 The department shall confirm the individual's request to be placed on the lifetime self-
146 exclusion list.

147 **11VAC5-60-30. Self-exclusion list.**

148 A. The department shall maintain the official self-exclusion list and shall transmit notification of
149 any addition to or deletion from the list to:

- 150 1. Each Virginia sports betting permit holder;
- 151 2. Each Virginia casino gaming establishment;
- 152 3. The Office of Charitable and Regulatory Programs; and
- 153 34. The Virginia Racing Commission.

154 B. Each party noted in subsection A of this section shall maintain its own copy of the self-
155 exclusion list and shall establish procedures to ensure that its copy of the list is kept up to date.
156 All appropriate employees and agents of the parties noted in subsection A of this section who are
157 notified of any addition to or deletion from the self-exclusion list shall update their lists
158 accordingly. Changes to the list shall be made by each party noted in subsection A of this section
159 within seven days after the day the notice is transmitted and any remaining balance in the
160 individual's gaming account shall be refunded pursuant to internal control standards approved by
161 the department and the department's regulations. The notice provided by the department shall
162 include the following information concerning any individual whose name is added to the list:

- 163 1. Name, including any aliases or nicknames;
- 164 2. Date of birth;
- 165 3. Street and mailing address of current residence;
- 166 4. Telephone number; ~~and~~
- 167 5. Social Security number if voluntarily provided by the individual requesting self-exclusion; ~~and~~
- 168 6. A photograph of the individual.

169 C. Information furnished to or obtained by the department pursuant to this chapter shall be
170 deemed confidential and not be disclosed except in accordance with this chapter. The voluntary
171 self-exclusion list and the personal information of participants in the voluntary self-exclusion
172 program shall not be subject to disclosure under the Virginia Freedom of Information Act (§ 2.2-
173 3700 et seq. of the Code of Virginia).

174 D. Except as provided in this subsection, no employee or agent of the department or any of the
175 parties included in subsection A of this section shall disclose the name of or any information
176 about any excluded individual to anyone other than employees and agents whose duties and
177 functions require access to such information.

- 178 1. Any sports betting permit holder or casino gaming establishment may disclose the name of
179 and information about a self-excluded individual to appropriate employees of other sports betting
180 permit holders or casino gaming establishments in Virginia for the purpose of alerting the
181 employees that a self-excluded individual has tried to gamble or obtain gaming related privileges
182 or benefits from the sports betting permit holder or casino gaming establishment. In addition, the
183 permit holder or casino may share the name of and information about self-excluded individuals
184 across the ~~permit holder's~~ corporate enterprise of the permit holder or casino, including sharing
185 such information with any of its affiliates.

186 2. It shall be permissible for a sports betting permit holder or casino gaming establishment, or an
187 employee or agent thereof, to disclose the names of individuals on the self-exclusion list to a
188 third party that is registered, ~~or~~ licensed, or permitted by the department pursuant to 11VAC5-70
189 or 11VAC5-90 for the purpose of allowing the third party to remove the names of such
190 individuals from a targeted mailing or other advertising or promotion to be made on behalf of the
191 sports betting permit holder or casino gaming establishment. The ~~company-third party~~ to whom
192 ~~such-the~~ self-exclusion list is disclosed shall be prohibited from distributing or disclosing the list
193 to the public or to any other party and shall be required to establish procedures approved by the
194 department to ensure the self-exclusion list is not disclosed.

195 3. A registered, licensed or permitted ~~registered-company-third party~~ that obtains the self-
196 exclusion list from a sports betting permit holder or casino gaming establishment shall be
197 permitted to use the list solely to exclude names or addresses from a marketing campaign on
198 behalf of the sports betting permit holder or casino gaming establishment. Such company may
199 not use the self-exclusion list for any other type of marketing or for any other purpose
200 whatsoever.

201 **11VAC5-60-40. Duties of sports betting permit holder and casino gaming establishment.**

202 A. ~~A-s~~ Sports betting permit holder s and casino gaming establishments shall establish procedures
203 that are designed, to the greatest extent practicable, to:

- 204 1. Prevent an individual on the self-exclusion list from opening a new sports betting or casino
205 gaming player's account and from entering onto the gaming floor of a casino;
- 206 2. Identify and suspend any sports betting or casino gaming accounts of an individual on the self-
207 exclusion list;
- 208 3. Refund any remaining balance to an individual on the self-exclusion list consistent with the
209 department's regulations and the ~~permit holder's department-approved~~ internal controls of the
210 permit holder or casino -standards as approved by the department;
- 211 4. Ensure that self-excluded individuals do not receive, either from the permit holder or casino or
212 any agent thereof, targeted mailings, telemarketing promotions, player club materials, or other
213 targeted promotional materials relating to sports betting or casino gaming; and
- 214 5. Enforce the provisions of this chapter.

215 B. Upon notification that an individual has been added to or deleted from the self-exclusion list,
216 each sports betting permit holder and casino gaming establishment shall comply with all relevant
217 provisions of 11VAC5-60-50.

218 C. Each sports betting permit holder shall maintain on file a current copy of the permit holder's
219 internal control standards procedures established pursuant to 11VAC5-60-60 and 11VAC5-70.

220 D. Each casino gaming establishment shall maintain on file a current copy of the casino's internal
221 control standards procedures established pursuant to 11VAC5-60-60 and 11VAC5-90.

222

223 **11VAC5-60-50. Removal from self-exclusion list.**

224 A. Upon expiration of the period of self-exclusion requested pursuant to [11VAC5-60-20](#), the
225 department shall remove the individual's name from the self-exclusion list and notify each sports
226 betting permit holder, [each casino gaming establishment](#), the Office of Charitable and Regulatory
227 Programs, and the Virginia Racing Commission of the removal.

228 B. Within seven days of receipt of notice from the department, the parties notified in subsection
229 A of this section shall delete the name of the individual from the parties' self-exclusion lists.

230 **11VAC5-60-60. Forfeiture of winnings by self-excluded individual.**

231 A. If a sports betting permit holder [or casino gaming establishment](#) detects or is notified of the
232 presence of a ~~sports better~~ suspected ~~of being a~~ self-excluded individual who has engaged in or is
233 engaging in gaming activity, the permit holder [or casino gaming establishment](#) shall take
234 reasonable measures to verify that the ~~sports better~~[individual](#) is ~~a~~ self-excluded ~~individual~~ and
235 the evidence of the individual's exclusion.

236 B. Upon verification of the individual's self-excluded status, the sports betting permit holder [or](#)
237 [casino gaming establishment](#) shall:

238 1. Immediately prohibit access to the individual's sports betting [or casino gaming player's](#)
239 account, [prohibit any further gaming activity](#), return the balance accrued prior to the exclusion
240 request, and seize any winnings that accrue after the exclusion request; and

241 2. Issue a Payout Receipt and Notice of Forfeiture to the excluded player [in person or](#) via
242 electronic or regular mail, containing the following:

243 a. The total value and a detailed description of winnings that were seized;

244 b. The date of the incident;

245 c. The name of the self-excluded individual, if known, and basis for determining the individual is
246 a self-excluded individual;

247 d. The street and mailing address of the self-excluded individual, if known, at which the
248 individual may be notified regarding any future proceedings;

249 e. The date of the [in-person](#), internet or mobile wagering session during which the self-excluded
250 individual was engaged in ~~a~~ gaming ~~transaction~~; and

251 f. Notice to the self-excluded individual that the department shall be seeking forfeiture of the
252 winnings seized, that the individual has the right to be heard about the forfeiture, and that failure
253 to respond to a forfeiture notice from the department shall be deemed a waiver of the right to be
254 heard.

255 C. The original Payout Receipt and Notice of Forfeiture prepared and signed as required in
256 subsection B of this section shall be maintained on file by the sports betting permit holder [or](#)
257 [casino gaming establishment](#). Copies of the document shall be provided to the self-excluded
258 individual and filed with the department, which filing may be made electronically.

259 D. All funds identified by a permit holder or casino as subject to forfeiture shall be maintained
260 separately and held by the sports betting permit holder or casino until further order of the
261 department or upon notice from the department that the funds may be released.

262 E. Pursuant to the self-excluded individual's request submitted under 11VAC5-60-20, any
263 winnings seized from a self-excluded individual shall be subject to forfeiture, following notice to
264 the self-excluded individual and an opportunity to be heard. A failure to respond to a forfeiture
265 notice shall result in the waiver of the right to be heard.

266 F. The internal control standards of a sports betting permit holder or casino gaming
267 establishment shall contain procedures for processing any winnings seized from a self-excluded
268 individual as if the winnings were paid and reported in accordance with normal procedures
269 applicable to such payouts. Such procedures shall include, however, such modification to forms
270 or additional documentation as necessary to record and report the payout as a payout withheld
271 from a self-excluded individual. This documentation shall be compared by the sports betting
272 permit holder's accounting department of the permit holder or casino at the end of the gaming
273 day to the copy of the Payout Receipt and Notice of Forfeiture. Any winnings withheld from a
274 self-excluded individual that are paid and reported in accordance with the normal procedures
275 applicable to such payouts, as modified in this section, shall be deducted in the calculation of
276 gross revenue as if the winnings were actually paid to the self-excluded individual.

277 G. The department may initiate forfeiture of a self-excluded individual's winnings by sending
278 notice to the self-excluded individual via personal service or regular mail sent to the address
279 provided by the individual. Notice shall include a description of the winnings subject to
280 forfeiture and the self-excluded individual's right to a hearing.

281 H. If the self-excluded individual wishes to contest the forfeiture, the individual shall submit a
282 written request for a hearing within 15 days of the date of the notice of the forfeiture. If no
283 response is filed by the self-excluded individual within 15 days of the date of the notice of the
284 forfeiture, the winnings shall be deemed forfeited and transmitted to the Commonwealth's
285 Problem Gambling Treatment and Support Fund. The decision of the board-department shall be
286 final and may not be appealed.