

VIRGINIA LOTTERY
Gaming Compliance Committee
December 19, 2023

The Virginia Lottery Gaming Compliance Committee met on December 19, 2023, at 9 a.m. at Lottery Headquarters in Richmond, Va.

Members Present: Orrin Gallop, Chairman
 Vonda Collins
 Jonathan Comer
 Scott Price
 Adam Tolbert
 Ferhan Hamid, Board Chairman

Staff Present: Tony R. Russell, Interim Director
 Amy Dilworth, General Counsel
 Deborah Courtney, Deputy Executive Director of Finance and
 Administration
 Gina Smith, Deputy Executive Director of Gaming Compliance
 Robert Fontaine, Deputy General Counsel for Gaming
 Jo Murphy, Executive Assistant

Chief Gallop, chairman, presided, and Jo Murphy was the recording secretary.

Call to Order

Chief Gallop called the meeting to order and noted that a quorum was present.

2024 Meeting Dates/Frequency

Chief Gallop opened the floor for discussion about 2024 meeting dates and frequency. He said that the Gaming Compliance Committee and the Operations Committee should meet on the same days since several members are on both committees. The members agreed to meet in March 2024, June 2024, September 2024 and December 2024 with the dates to be determined.

Gaming Compliance Committee Charter

Chief Gallop opened the floor for discussion about the proposed Gaming Compliance Committee Charter. The only amendment was to note that meetings will take place four times per year.

On motion duly made by Mr. Hamid and seconded by Mr. Price, the committee recommends that the Board approve the Committee's charter as amended.

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Appeals Process

Ms. Smith provided an overview of the licensing appeals process. She also provided an overview of the revocation process. So far, there have been 27 denials, 19 revocations and three hearings. Ms. Smith said that she believes that one case will be coming before the Board. Mr. Hamid asked if the person appealing would have an attorney. Mr. Fontaine said that the person has a right to an attorney. Chief Gallop asked if the appeals process would be provided to the Board members. Ms. Dilworth said that it is in the Administrative Process Act. She also said that the Board will be provided with an information sheet that details the Board's role. Ms. Dilworth said that the appeals hearing would take place in the open session of the Board meeting, and the Board's deliberations would take place in the closed session. Mr. Hamid asked if the Board's decision was appealable. Ms. Dilworth said yes. Mr. Hamid asked what the most common reason for a denial is. Ms. Smith said that having a felony is the most common reason.

Board Member Gaming 101 Discussion

Ms. Smith reminded the committee that Mr. Fontaine provided an "Introduction to Gaming Compliance" to the Board members on October 26, 2022. At that time, he provided an overview of the regulations. A slot machine also was on the premises during that presentation. A demonstration was provided showing how the slot machine connected to the central system. Since that time, new members have been appointed to the Board. Ms. Smith said that another training for the new members will be provided as well as a refresher course for the others if they would like one. Ms. Smith also said that the Board members could take a casino tour and see the back of the house, the surveillance room, the count room and other pertinent areas. Ms. Smith recommended Rivers Casino Portsmouth due to its proximity to everyone. She also recommended that they split up into small groups of two or three Board members at a time.

Mr. Hamid asked about police and security presence at the casinos. Ms. Smith provided an overview of the police and security presence at each casino. She also said that we work closely with a gaming-enforcement coordinator who works for the Virginia State Police. He plans to grow his department at the beginning of 2024.

Ms. Collins acknowledged that there is an initial screening for employees and vendors. She asked if there is any ongoing screening that occurs throughout the process. Ms. Smith said that employees and vendors are supposed to report issues to us. She said that the casinos are good about telling us if an employee was arrested, but, if you file bankruptcy, you are supposed to report that to us. The license is for five years, so, unless anything is brought to our attention, we do not do ongoing investigations. Ms. Collins asked if we require the casinos to do minimum ongoing screening requirements. Ms. Smith said no. Mr. Fontaine said that failure to report is grounds for revocation.

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Closed Meeting

Mr. Comer made the following motion, which was seconded by Mr. Hamid.

In accordance with the provisions of Section § 2.2-3705.3(1) of the Code of Virginia, I move that the Committee convene a closed meeting for the purpose of discussion, consideration or review of:

Information relating to investigations conducted by the Virginia Lottery of licensees and permittees pursuant to Chapter 40 (§ 58.1-4000 et seq.) and Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1.

Reconvened Meeting

Following its closed meeting, the committee reconvened in open session. Mr. Tolbert read the following certification for the closed meeting:

WHEREAS, the Virginia Lottery Gaming Compliance Committee has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Committee that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the Virginia Lottery Gaming Compliance Committee certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Committee.

By roll call, all members in the room voted in the affirmative that the certification was accurate as read.

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Adjournment

There being no further business to come before the committee, the chairman declared the meeting adjourned.

Tony R. Russell, Secretary

Orrin Gallop, Chairman