

**FINAL MINUTES**

Charitable Gaming Board  
Department of Agriculture and Consumer Services (VDACS)  
Libbie Mill Library  
LM Meeting Room  
2100 Libbie Lake East Street  
Henrico, Virginia  
Tuesday, September 10, 2019

**CALL TO ORDER**

Mr. Charles Lessin called the meeting to order at 10:31 a.m. Mr. Lessin led the Board and the public in attendance with the Pledge of Allegiance.

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

**MEMBERS PRESENT:**

Mr. Charles Lessin, Chair  
The Honorable William Feasenmyer  
Ms. Petrina Jones  
Ms. Lea Roberts  
Ms. Amy Solares

**MEMBERS ABSENT:**

Ms. Tanya Conrad, Vice-Chair  
Mr. Kenneth Fitzgerald  
Mr. Samuel Kaufman  
Mr. James Lewis  
Mr. Bob Sussan

**VDACS STAFF PRESENT:**

Mr. Larry Nichols, Director, Division of Consumer Protection  
Mr. Michael Menefee, Program Manager, Office of Charitable and Regulatory Programs

**OFFICE OF THE ATTORNEY GENERAL STAFF PRESENT:**

Mr. Justin Bell, Assistant Attorney General, Office of the Attorney General

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

**APPROVAL OF MINUTES**

Mr. Lessin asked for a motion to approve the draft minutes of the June 18, 2019, Board meeting. The Honorable William Feasenmyer motioned approval of the draft minutes as presented. Ms. Amy Solares seconded the motion and it passed by a unanimous vote.

### **REPORT FROM BOARD MEMBERS**

Mr. Lessin asked members whether they had any reports for the Board. The Honorable Feasenmyer expressed his appreciation to the Office of Charitable and Regulatory Programs (OCRP) for assisting him earlier when he experienced issues with the office's Online Financial Reporting System. With no further remarks from members, Mr. Lessin informed members that there were no further reports before the Board.

### **REPORT FROM THE BOARD'S WORKGROUPS**

Mr. Lessin asked Ms. Petrina Jones, Chair of the Legislative Recommendation workgroup to make her report to the Board on the workgroup's activities. Ms. Jones informed members that the workgroup submitted its legislative recommendation to the Virginia Department of Agriculture and Consumer Services. As such, Mr. Lessin, as the Board's Chair met with the Secretary of Agriculture and Forestry and the Deputy Secretary of Agriculture and Forestry to discuss with them the Board's legislative recommendation. Ms. Jones further stated the Governor's Policy Office is reviewing the Board's legislative recommendation. Lastly, Ms. Jones informed members that the workgroup left out the proposal to remunerate game workers in the legislative recommendation due to possible federal tax issues. With no further comments, Mr. Lessin moved to the Program Manager's report.

### **PROGRAM MANAGER'S REPORT**

Mr. Lessin asked Mr. Menefee whether he had any operational updates on OCRP. Mr. Menefee provided members with an update on the program's Online Financial Reporting System, which experienced a login issue. The Information Technology contractor quickly identified and resolved the issue. In addition, during the last fiscal year, on average it took OCRP 33 calendar days to process a licensing application. Lastly, OCRP is working on its Annual Report to the General Assembly, which is due to the General Assembly in early October.

### **OLD BUSINESS**

With no old business before the Board, Mr. Lessin moved onto new business.

### **NEW BUSINESS**

Mr. Lessin asked whether any member had new business, it wished to bring before the Board. With no new business brought forth to the Board, Mr. Lessin asked the Board to consider taking a stance on whether charitable gaming should expand to encompass Texas Hold'Em and charitable poker. Mr. Lessin further stated that he had received a phone call informing him that the issue was coming to the General Assembly for its consideration. Ms. Solares stated that several jurisdictions in the Hampton Roads region already allow the play of Texas Hold'Em and charitable poker. Mr. Lessin asked for comments from the public on this matter and as such, Mr. Charlie Daniels, Treasurer of the Virginia Charitable Gaming Council expressed his support to expand charitable gaming to encompass Texas Hold'Em and charitable poker. Mr. Daniels stated charitable gaming organizations are competing with pari-mutuel wagering machines, skilled-based games and sweepstake machines. He further stated that 20 other states allow charities to

conduct some form of Texas Hold'Em and charitable poker. Mr. Daniels further stated that he predicts a 50% drop within the next three to five years in the number of charitable gaming licenses issued by OCRP and the gross receipts generated by licensed charitable gaming organizations. Mr. Ken Wiseman, a representative of the Veterans of Foreign Wars (VFW) and a member of the Virginia Charitable Gaming Council supports expanding charitable gaming to encompass Texas Hold'Em and charitable poker as a means to allow VFW posts to continue to conduct charitable gaming as a means to raise funds for its veteran services initiative. Mr. Bob Jekanowski from Powerhouse Gaming, Inc. offered comment to the Board to consider the use of electronic pull-tab devices as part of any expansion of charitable gaming into Texas Hold'Em and charitable poker activities. Mr. Lessin asked members whether they had any remarks or questions on this topic. With no remarks or questions from members, Mr. Lessin asked members for a motion and as such, Ms. Solares motioned for the Board to support the idea of expanding charitable gaming to encompass Texas Hold'Em and charitable poker as a new form of charitable gaming. Ms. Jones seconded the motion and Mr. Lessin called the vote on the motion, which the motion passed by a unanimous vote. Mr. Lessin stated that he will present this motion to the Secretary of Agriculture and Forestry.

#### **PRESENTATION**

Mr. Lessin asked Mr. Menefee to make his presentation on the first quarter financial reports filed by licensed charitable gaming organizations. Mr. Menefee made his presentation to the Board. At the conclusion of the presentation, Mr. Lessin asked members whether they had any question for Mr. Menefee. With no further questions, Mr. Lessin moved onto the next agenda item.

#### **PUBLIC COMMENT**

Mr. Lessin reminded members of the upcoming Board meeting on December 10, 2019, in Richmond. Mr. Lessin asked whether anyone from the public wishes to provide comment to the Board. Ms. Marcie Blum informed members that she is a landlord of a commercial bingo hall and she believes that smoking is hurting charitable gaming organizations with obtaining volunteer game workers and wishes for a smoking ban to resolve this issue. She further stated that the audit and administration fees assessed against charitable gaming organizations is hurting their bottom line. Mr. Steven Skaist, an attorney from Hirschler Fleischer invited by Mr. Lessin spoke to the Board on the effects of unrelated business tax on charities, who pay game workers for their involvement with a bingo session.

With no further comments from the public and there being no further business, the Board adjourned at 11:41 a.m.

Respectfully submitted,

Michael Menefee  
Program Manager  
Office of Charitable and Regulatory Programs