

FINAL MINUTES

Charitable Gaming Board
Department of Agriculture and Consumer Services (VDACS)
Electronic Meeting via WebEx
Tuesday, May 11, 2021

CALL TO ORDER

Mr. Charles Lessin called the meeting to order at 11:00 a.m.

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

MEMBERS PRESENT:

Mr. Charles Lessin, Chair
Ms. Tanya Conrad, Vice-Chair
Ms. Lasonja Black
Mr. Mark Cooper
The Honorable William Feasenmyer
Mr. Samuel Kaufman
Mr. James Lewis (Arrived Late)
Ms. Amy Solares
The Honorable Ryant Washington

MEMBERS ABSENT:

Mr. Clay Dawson
Ms. Lea Roberts

VDACS STAFF PRESENT:

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

OFFICE OF THE ATTORNEY GENERAL STAFF PRESENT:

Ms. Heather Hays Lockerman, Senior Assistant Attorney General/Section Chief
Mr. Justin Bell, Assistant Attorney General

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

MESSAGE FROM THE CHAIR

Mr. Lessin stated that he appreciates members' patience with him over these last several months as he catches up on charitable gaming and Board matters after he was impacted by COVID-19 himself. With no further remarks, Mr. Lessin moved onto the next item on the agenda.

APPROVAL OF MINUTES

Mr. Lessin asked members to review the draft minutes of the March 22, 2021, Board meeting after which, he asked for a motion to approve them. Ms. Amy Solares motioned approval of the draft minutes, as presented. Mr. Samuel Kaufman seconded the motion and Mr. Lessin asked Mr. Menefee to call the roll in order to record each member’s vote.

Member	Vote on the Motion
Lessin	Yes
Conrad	Yes
Black	Yes
Cooper	Yes
Feasenmyer	Yes
Kaufman	Yes
Solares	Yes
Washington	Yes

Mr. Menefee informed Mr. Lessin that the vote for the motion to approve the draft minutes was eight ayes, and no nays. Mr. Lessin announced to the members that the motion passed and the minutes were approved.

REPORT FROM BOARD MEMBERS

Mr. Lessin asked members whether they had any reports for the Board.

Ms. Solares made a statement on the allegations of conflicts of interest in the charitable gaming arena, and she further stated lobbyists are making it difficult for organizations to run a successful charitable gaming operation. With no other reports or comments from members, Mr. Lessin then moved onto Old Business.

OLD BUSINESS

Mr. Lessin asked Mr. Menefee to update the Board on the status of the Texas Hold’em poker tournament regulations that the Board passed on December 31, 2020; and he sent to the agency and Registrar of Regulations on January 4, 2021.

Mr. Menefee deferred to Mr. Larry Nichols, who provided an update to the Board. Mr. Nichols referred to the comments he made during the March 22, 2021, Board meeting, and the regulations became effective on March 23, 2021. Mr. Nichols further stated since that time, the Virginia General Assembly passed the revised state budget, which contained certain language and after consultation with legal counsel, the agency was advised that the Texas Hold’em poker tournament regulations were not in effect. As a result, the agency did not issue any permits for Texas Hold’em poker tournaments and it will not do so until the Texas Hold’em poker tournament regulations become effective.

There was a further discussion between Mr. Lessin and Mr. Nichols in regards to the timeframe with getting the proposed Texas Hold'em poker tournament regulations in the correct format for submission to the Virginia Registrar of Regulations.

Mr. Lessin asked if Mr. Nichols, Mr. Menefee and the Office of the Attorney General received the Freedom of Information Act (FOIA) request that he sent via email and United States (US) Mail. Mr. Lessin stated that he has not received a reply or the documents he had requested through his FOIA request. Mr. Nichols, Mr. Menefee and Ms. Heather Hays Lockerman with the Office of the Attorney General stated that they were not in receipt of a FOIA request.

Mr. Lessin asked if anyone from the public had any comments and as such, the following individuals and comments were made to the Board:

Mr. Justin Russell commented on how he became unemployed as a poker dealer during the COVID-19 pandemic and as such, he moved to Virginia in anticipation of working as a charitable gaming poker dealer, which is now on hold due to the state budget. He wanted to know when Texas Hold'em poker tournaments will begin. Ms. Alta Henry commented that she changed careers due to the COVID-19 pandemic and trained to become a poker dealer. She further stated she is now waiting for the launch of the Texas Hold'em poker tournament in order to support her family and she stated she is worried about her future. She wanted to know when Texas Hold'em poker tournaments will begin. Mr. Rich Lehman stated he is opening a Texas Hold'em poker game room and he further stated the agency's delay in issuing permits for Texas Hold'em poker tournaments is affecting companies, people and the charities they represent. Mr. Steven Skaist commented that the Board should look forward to turning these issues into actionable solutions. He further stated that the Board should also ensure that their perspective is heard in the upcoming report. Mr. Even Yandle commented that the agency should listen to the constituents of the Commonwealth and the Board, and release the permits in order to get the poker halls open. With no further comments from the public, Mr. Lessin moved on to New Business.

NEW BUSINESS

Mr. Lessin asks Mr. Menefee to read item 105.D.1 of the state budget, which he read the following to the members:

The Office of the State Inspector General shall, with the assistance of the Office of Charitable and Regulatory Programs, review the regulatory structure of charitable gaming in Virginia, to include, at a minimum: (i) current permitting requirements and exemptions; (ii) net revenue dedicated to charitable activities and which types of gaming revenue is excluded from this calculation; (iii) charitable gaming occurring in remote locations not located in the same jurisdiction as the registered address of the charitable organization; (iv) enforcement of the "social quarters" and "members and guests" limitation; (v) the structure of the Charitable Gaming Board including any changes needed to prevent conflicts of interest; (vi) the adequacy of enforcement and resources dedicated to oversight activities of the Office of Charitable and Regulatory Programs; and (vii) whether

regulation of charitable gaming would be more appropriately vested with the Virginia Lottery. The Office of the State Inspector General shall report on their findings to the General Assembly no later than October 1, 2021.

Mr. Lessin asked if any members had any question related to Item 105.D.1 of the state budget. With no questions from any of the members, Mr. Lessin asked Mr. James Lewis to present a letter that he drafted to send to the Office of the State Inspector General (OSIG) on behalf of the Board. Mr. Lessin stated that the letter formally asks OSIG to interview the members as part of their review. Mr. Lessin asked for a motion to accept the letter as presented to the Board. Mr. Kaufman motioned approval of the draft letter, as presented. Ms. Solares seconded the motion and Mr. Lessin asked members if they had any remarks concerning the letter.

Hon. Ryant Washington opened the discussion, stating he did not agree with certain verbiage, which was used in the draft letter, as presented. Hon. William Feasenmyer also commented that he could not support the draft letter, as presented. Hon. Washington then read out what changes he would support in the draft letter. Mr. Cooper and Ms. Black stated that they agreed with Hon. Washington and they supported his changes to the draft letter. Ms. Solares commented that she was concerned that OSIG would not know about the qualifications or industry knowledge possessed by members if certain verbiage was removed from the draft letter. In response, Hon. Washington explained that OSIG would know about the qualifications and industry knowledge possessed by members as part of their fact-finding process. With no further remarks from members on the draft letter, Mr. Kaufman made a motion to accept the draft letter, as amended by the Board. Ms. Solares seconded the motion and Mr. Lessin asked Mr. Menefee to call the roll in order to record each member's vote.

Member	Vote on the Motion
Lessin	Yes
Conrad	Yes
Black	Yes
Cooper	Yes
Feasenmyer	Yes
Kaufman	Yes
Lewis	Yes
Solares	Yes
Washington	Yes

Mr. Menefee informed Mr. Lessin that the vote for the motion to approve the draft letter, as amended by the Board was nine ayes, and no nays. Mr. Lessin announced to the members that the motion passed and the draft letter was approved.

Mr. Lessin informed members of the joint legislative sub-committee to study charitable gaming, as mandated by Senate Bill 1127. Mr. Lessin stated he reached out to potential members of the joint legislative subcommittee and he asked to meet with each of them. He encouraged other members to do the same. With no further remarks from Mr. Lessin or other members, Mr. Justin Bell spoke on the status of the Texas Hold'em poker tournament regulations where he informed members that he is advising the Board that as a result of the language contained within the state budget, the regulations are not in effect. Mr. Bell further informed members that the Virginia General Assembly would need to change the language contained in the budget in order to allow the regulations to go into effect prior to June of 2022.

Mr. Lessin advised members that the next Board meeting is on June 15, 2021, and the Board will elect a new Chair and Vice Chair. Mr. Menefee clarified eligibility among the members on who may be elected as Chair, which the *Code of Virginia* limits this eligibility. Currently, the members, who are eligible to become Chair are Mr. Dawson, Mr. Cooper, Hon. William Feasenmyer and Mr. Lessin.

The Board adjourned at approximately 12:49 p.m.

Respectfully submitted,

Michael Menefee
Program Manager
Office of Charitable and Regulatory Programs