

FINAL MINUTES

Charitable Gaming Board
Oliver Hill Building
102 Governor Street, Compensation Board Room – Room LL22
Richmond, Virginia
Tuesday, December 9, 2014

CALL TO ORDER

Ms. Tanya Conrad called the meeting to order at 10:07 a.m.

Ms. Conrad asked Mr. Michael Menefee to call the roll.

Members present:

Ms. Tanya Conrad	Mr. Charles Kelley
Mr. Nicholas Curry	Mr. James Lewis
Mr. Randy Green	Mr. Thomas Stiles

Member absent:

Mr. James Corrigan
Mr. Bob Sussan
Ms. Betty Sword

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 Ms. Conrad that a quorum was present.

APPROVAL OF MINUTES

Ms. Conrad asked for a motion to approve the draft minutes of the September 9, 2014, Board meeting. Mr. Thomas Stiles motioned that the draft minutes be approved as distributed. Mr. Charles Kelley seconded the motion and it was passed by a unanimous vote.

REPORT FROM BOARD MEMBERS

Mr. Randy Green informed members that licensed charitable gaming suppliers have seen a slight increase in business due to the holidays and the recent increase in player's disposable income. He further informed members that permitted organizations continue to make operational changes to its bingo session in order to respond to the changing market conditions within the charitable gaming sector.

Ms. Conrad provided members with a report from Mr. Bob Sussan, who was unable to attend the Board meeting. In the report, Mr. Sussan informed members that attendance is down at some of the bingo sessions, which may be contributed to the current state of the economy and local competition. The report further informed members it appears the charitable gaming sector has an increased interest to use electronic pull-tab devices.

Ms. Conrad informed members she will meet with representatives of several organizations and suppliers to discuss ideas on reinvigorating the charitable gaming sector.

PROGRAM MANAGER'S REPORT

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

- Since the beginning of 2014, manufacturers of electronic pull-tab systems reportedly generated more than \$194 million in gross receipts. At this time, there are approximately 178 locations are utilizing 737 electronic pull-tab devices.
- On December 1, 2014, permitted organizations were required to submit their third quarter report to OCRCP. At this early stage, OCRCP was compiling the third quarter financial figures, which will be provided to the members during the next Board meeting. In the meantime, during the first and second quarters of 2014, permitted organizations reported over \$130 million in gross receipts and over \$14.4 million in use of proceeds. In comparison to the same period last year, the permitted organizations reported over \$141.6 million in gross receipts and over \$15.3 million in use of proceeds.
- Between September 1 and November 30, 2014, OCRCP completed audits and financial reviews of 26 permitted organizations. OCRCP identified more than \$750,000 in under-reported gaming receipts and disallowed more than \$402,000 in disbursements that were not used for lawful religious, charitable, community, or education purposes.
- OCRCP conducted 15 in-person training sessions, which consisted of game management, financial report, and internal control training. In addition, an interactive assessment tool was developed to assist organizations with evaluating the financial aspect of their charitable gaming operations. This tool has undergone field testing and final touches are being made to the tool prior to making it available to all organizations who wish to use it.

- The Online Agency Registration System (OARS), which is used by OCRP to process charitable gaming permit applications, was enhanced recently to allow for the electronic distribution of renewal notices to permitted organizations. The renewal notices are sent by email to these organizations at every 90, 60, and 30 days from the permit expiration date.
- 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. Some of the suggestions from stakeholders were shared with the members.
- The proposed text to amend the Charitable Gaming Regulations regarding network bingo, as mandated by Senate Bill 930 and House Bill 2178, which were enacted during the 2013 Session of the General Assembly, is currently being evaluated by the Department of Planning and Budget. Upon completion of the executive branch review, the proposed text will undergo another public comment period. OCRP will then prepare the final text to amend the regulations and bring it to the members for their final consideration.
- Members were reminded that the financial disclosure statement is due to the Secretary of the Commonwealth by no later than Monday, December 15, 2014.

NEW BUSINESS

Ms. Conrad asked the members to consider the following dates for its 2015 quarterly Board meeting schedule:

- Tuesday, March 10, 2015
- Tuesday, June 9, 2015
- Tuesday, September 8, 2015
- Tuesday, December 8, 2015

Ms. Conrad asked for a motion to adopt the meeting schedule. Mr. Nicholas Curry motioned that the meeting schedule be approved as presented. Mr. Kelley seconded the motion and it was passed by a unanimous vote.

NEXT BOARD MEETING

Ms. Conrad informed members that the next Board meeting will be held on Tuesday, March 10, 2015, in the offices of the Virginia Department of Agriculture and Consumer Services, in Richmond, Virginia.

Charitable Gaming Board Final Minutes
December 9, 2014
Page Four

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 10:30 a.m.

Respectfully submitted,

Michael Menefee
Program Manager
Office of Charitable and Regulatory Programs