

DRAFT MINUTES

Charitable Gaming Board
Science Museum of Virginia – Railroad Meeting Room
2500 West Broad Street
Richmond, VA 23230
March 9, 2010 – 10:00 a.m.

Call To Order

Chairman Fields called the meeting to order at 10:00 a.m. and asked other Board members if there were any items of business that needed to be added to the agenda.

The Chairman asked Ms. Trent to call the roll to confirm that a quorum was present.

Members Present:

Donald R. Fields, Chair
Wesley I. Crowder
Clay L. Dawson
Christina Eaton
Michael Sheffield
Delores E. Ray Wilson, Ph.D.

Members Absent:

C. D. Crouch
Linwood Williams
Ruth Modlin Ellett

Staff Present:

Andres Alvarez, Director, Division of Consumer Protection
Tom Clarke, Manager of Enforcement and Inspections, Office of Charitable Gaming
Roz Trent, Special Assistant, Office of Charitable Gaming
Attorney General's Office Staff Present:
Amy K. Dilworth, Assistant Attorney General

Approval of Minutes

The Chair asked for a motion to approve the draft minutes of the December 8, 2009 Board meeting. A motion was made and seconded that the minutes be approved unanimously.

Presentation of award to Ms. Betty Bowman

Chairman Fields and Mr. Alvarez made a special presentation to Ms Betty Bowman recognizing her services to the Charitable Gaming Board in her position as former Director of the Division of Charitable Gaming.

Operational Updates

In the area of Enforcement, since December 8, 2009 meeting of the board, inspection staff conducted 255 inspections, averaging 37 inspections per inspector. Staff was commended for being available to provide assistance needed regardless of inclement weather conditions that had been experienced

A criminal investigation had been adjudicated involving the theft of monies from the American Legion, Post #159 in Chincoteague, Va. Mr. Alvarez read excerpts from a letter sent by the Legion commending Special Agent Gail Greenia for the integral role she played in investigating this case.

Interviews were held for vacant Senior Auditor positions. Candidates were very impressive.

2009 Annual Reports are due March 15, 2010. Many organizations have experienced as much as 30% decrease in attendance. A report on how organizations are complying with the 10% use of proceeds requirement will be provided at the June Board meeting.

2010 General Assembly Report

Mr. Alvarez gave brief updates on the status of charitable gaming legislation introduced during the 2010 General Assembly session as follows:

HB 941 (Abbitt): This bill seeks to amend Chapter 8 of Title 18.2 of the Code of Virginia regarding the regulations of the Charitable Gaming Board by prohibiting the use of electronic and mechanical equipment used in the conduct of charitable gaming that resemble slot machines or which have flashing lights and sounds. The bill was amended in committee to allow the electronic devices to emit sounds which are incidental to playing and which are not intended to entice individuals to play.

HB 942 (Abbitt): This bill requires that any proposed action by the Department of Agriculture and Consumer Services to revoke, suspend, or deny a permit to conduct charitable gaming must first be reviewed and approved by the Charitable Gaming Board. The bill adds a step to the compliance process but does not detract from the agency's current statutory and regulatory oversight of charitable gaming.

HB 950 (Jones): This bill (i) authorizes full automatic daubing; (ii) increases to 55 the maximum number of bingo games that qualified organizations may play per session; the original bill provided that the maximum number of games was 50; (iii) requires the Charitable Gaming Board to adopt regulations prescribing the conditions under which nonmembers of an organization may participate in the conduct of bingo; and (iv) provides that in addition to predetermined numbers, progressive games can also include predetermined patterns. Other provisions include increasing the number of

Lucky 7 and other progressive bingo games from one to six per session, and eliminating winner-take-all games. The bill requires VDACS to report to the chairs of the House Committee on General Laws and the Senate Committee on General Laws and Technology by December 1, 2010 on the Department's efforts to increase the number of Department-approved independent laboratory testers. The bill will not impact the agency's regulatory oversight of charitable gaming and it is not expected to have a fiscal impact on agency operations.

HB 1030 (Pollard) left in General Laws. This bill would have reduced the scope of regulatory oversight of charitable gaming by the Department of Agriculture and Consumer Services. The bill would have limited agency oversight to (i) issuance and renewal of charitable gaming permits, (ii) registration of bingo managers and callers, and (iii) licensing of charitable gaming suppliers. The regulatory authority of the Charitable Gaming Board would have also been reduced to the above three areas.

HB 1078 (Lewis) also left in General Laws. This bill would have exempted volunteer fire departments and rescue squads from filing quarterly reports of their charitable gaming receipts and disbursements with the Department of Agriculture and Consumer Services, and it would have also exempted these entities from having their annual reports audited.

Regulations

The board voted and unanimously approved to adopt two pending regulatory actions to the final stage. Those regulations are 11 VAC 15-22, Charitable Gaming Rules and Regulations, to reflect Chapters 160, 226, and 347 of the 2007 Acts of the Assembly and 11 VAC-15-31, supplier Regulations, to reflect Chapters 196 and 790 of the 2007 Acts of Assembly.

Study Group to Discuss Electronic Gaming

Members of the sub-committee to discuss electronic gaming include Chairman Fields, Ms. Eaton and Dr. Wilson. A list of stakeholders has been compiled and will be notified of the exact date/time/location of the meetings. It is anticipated that several public meetings will be scheduled to discuss this issue. Recommendations from these meetings will be discussed at the June Board meeting.

New Business

None

Future Board Meeting Dates

The schedule of quarterly board meetings for 2010 is as follows:

Tuesday, June 8
Tuesday, September 14

Tuesday, December 14

Public Comment

Mr. Lane Kneeder, of Reed Smith LLP, expressed his enthusiasm in working with the study group in developing recommendations towards the electronic gaming effort.

Next Board Meeting

Chairman Fields reminded members that the next meeting of the Charitable Gaming Board will be held on Tuesday, June 8, 2010. Staff will advise the Board of the time and location prior to the meeting date.

Adjournment

There being no further business, meeting adjourned at 10:30 a.m.

Respectfully submitted,

Roz Trent
Special Assistant, Office of Charitable Gaming