

FINAL MINUTES

Charitable Gaming Board
Department of Agriculture and Consumer Services (VDACS)
American Legion Post 3
710 Apperson Drive
Salem, VA
Tuesday, September 12, 2017

CALL TO ORDER

Mr. Bob Sussan called the meeting to order at 9:00 a.m.

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

MEMBERS PRESENT:

Mr. Bob Sussan, Chair
Ms. Tanya Conrad, Vice-Chair
Mr. Randy Green
Mr. Samuel Kaufman
Mr. Charles Lessin
Mr. James Lewis
Ms. Amy Solares

MEMBERS ABSENT:

Mr. James Corrigan
Mr. Nicholas Curry

VDACS STAFF PRESENT:

Mr. Michael Menefee, Program Manager, Office of Charitable and Regulatory Programs

OFFICE OF THE ATTORNEY GENERAL STAFF PRESENT:

Ms. Elizabeth Myers, Assistant Attorney General, Office of the Attorney General

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

APPROVAL OF MINUTES

Mr. Sussan asked for a motion to approve the draft minutes of the January 24, January 25, April 4, and June 27, 2017, Board meetings. Mr. James Lewis motioned that the draft minutes be approved as distributed. Ms. Tanya Conrad seconded the motion and it was passed by a unanimous vote.

PRESENTATION

Mr. Sussan asked Mr. Menefee to make his presentation on the online charitable gaming licensing system. Mr. Sussan and Ms. Conrad had questions related to the system. With no questions, Mr. Sussan moved onto the next item on the agenda.

REPORT FROM BOARD MEMBERS

Mr. Sussan asked the members whether they had any reports that needed to be brought to the Board. With no remarks from members, Mr. Sussan informed members there were no reports before the Board.

PROGRAM MANAGER'S REPORT

Mr. Sussan asked Mr. Menefee whether he had any operational updates on the Office of Charitable and Regulatory Programs (OCRCP). With no updates, Mr. Sussan moved onto old business.

OLD BUSINESS

Mr. Sussan asked whether there was a report from the Curry-Lewis workgroup. With no report from the workgroup, Mr. Sussan encouraged members to review the workgroup's survey results and to bring their ideas to the Board for its consideration.

NEW BUSINESS

Mr. Sussan asked Mr. Menefee to present the final amendments to 11VAC15-40, *Charitable Gaming Regulations* for increasing the number of electronic pull-tab devices in a qualified organization's private social quarter from five to nine. Mr. Menefee provided a brief summary on the public feedback he received on the matter, and the feedback was primarily in favor of increasing the number of devices. Mr. Sussan asked members whether they had any remarks on the final amendments to the regulations. Mr. Charles Lessin had several questions related to how OCRCP will ensure compliance with the new device limitations requirements. With no further remarks from members, Ms. Conrad motioned that the final amendments to 11VAC15-40, *Charitable Gaming Regulations* be approved as distributed. Mr. Lewis seconded the motion and it was passed by a unanimous vote.

Mr. Sussan asked the members to consider forming a workgroup, which will examine whether the current 10% use of proceeds requirement needs to remain the same or be changed and if change is warranted, to recommend specific changes to the Board. Mr. Sussan further asked members to appoint Ms. Conrad, Ms. Amy Solares, and Mr. Randy Green to this workgroup with Ms. Conrad serving as its Chair. Mr. Green motioned to form this workgroup and to appoint these members to the workgroup. Mr. Lewis seconded the motion and it was passed by a unanimous vote.

In response to the passage of House Bill 2177 and Senate Bill 1509, Mr. Sussan asked the members to consider approving the following process when it considers approving game variations to conduct raffles, bingo, network bingo, and instant bingo games:

1. All requests for any game variations for the conduct of raffles, bingo, network bingo, and instant bingo games, which are to be considered by the Charitable Gaming Board must be submitted to the Department of Agriculture and Consumer Services (the Department) on a form prescribed by the Department.
2. Upon request, the Office of the Attorney General will provide the Board with any legal analysis, on whether the request meets the provisions set forth in § 2.2-4002 (24) of the *Code of Virginia*.
3. Upon request, the Department will provide the Board with any operational or industry impact analysis on the request.
4. The Chair of the Game Variation workgroup will schedule a meeting, when appropriate, to discuss all submitted requests. The Chair will work with the Department to ensure meeting notification to the public meets the requirements under Virginia's Freedom of Information Act.
5. The Department, on behalf of the workgroup, will inform individuals, who had submitted the request that if they wish to do so, may be present as the workgroup takes it up for consideration.
6. The workgroup may amend, approve, reject or defer action on any request for game variations.
7. The workgroup will present their recommendations and rationale for action to the full Board, who will render a final decision on the matter.

Mr. Sussan further asked members to appoint Ms. Solares, Ms. Conrad, and Mr. Green to this workgroup with Ms. Solares serving as its Chair. Mr. Lewis motioned to form this workgroup and to appoint these members to the workgroup. Ms. Conrad seconded the motion and it was passed by a unanimous vote.

Mr. Sussan asked members on whether they had any comments on sweepstake machines and other "grey market devices" as it impacts charitable gaming activities in the Commonwealth. Mr. Samuel Kaufman, Mr. Lessin, Ms. Solares, and Mr. Sussan offered their concerns about the impact of the machines/devices on charitable gaming. Mr. Sussan asked the public in attendance whether any comments needed to be brought before the Board on this matter. Mr. Bud Oakey of Advantus Strategies, who represents the Virginia Charitable Gaming Council, stated that this matter is an area of concern for the council. He further commented on the council's discussion with various state officials on the best way to address this matter. Mr. Bob Jekanowski of Powerhouse Gaming, Inc. offered his observations on the machines/devices moving into the marketplace and its impact on the company. With no further comments, Mr. Sussan asked members to consider an official statement, which states the following:

Today, the Board resolves that the influx of sweepstake machines and "grey market devices" throughout the Commonwealth continue to detrimentally impact our charities and stakeholders. It further resolves that illegal gambling is occurring in the Commonwealth and it is not being prosecuted accordingly. As such, it is the sense of the Board to work with state legislators, the Governor's Office and the Commonwealth's Attorneys to address these concerns for the betterment of our charities.

Mr. Lessin motioned to approve the official statement, which the motion was seconded by Ms. Conrad. The motion was passed unanimously.

With no further comments from members, Mr. Sussan moved onto the next item on the agenda.

NEXT BOARD MEETING

Mr. Sussan informed members that the next Board meeting will be held on December 12, 2017, in Richmond at the American Legion State Headquarters at 10:00 a.m.

PUBLIC COMMENT

Mr. Sussan asked the public in attendance whether any comments needed to be brought before the Board. Mr. Oakey informed the Board that he no longer represents Powerhouse Gaming, Inc. as he now represents the Virginia Charitable Gaming Council exclusively. He further stated that on September 23, 2017, in Staunton, the council will be hosting a summit for the regional state legislative delegation and charitable gaming organizations to discuss challenges facing the charitable gaming industry.

With no comments from the public and there being no further business, the Board adjourned at 10:50 p.m.

Respectfully submitted,

Michael Menefee
Program Manager
Office of Charitable and Regulatory Programs