

FINAL MINUTES

Charitable Gaming Board
Department of Agriculture and Consumer Services
102 Governor Street – Compensation Board Room – Room LL22
Richmond, Virginia
Tuesday, March 10, 2015

CALL TO ORDER

Mr. Bob Sussan called the meeting to order at 10:15 a.m. Mr. Sussan asked Mr. Michael Menefee to call the roll.

MEMBERS PRESENT:

Ms. Tanya Conrad
Mr. Nicholas Curry
Mr. Charles Kelley
Mr. James Lewis
Mr. Bob Sussan
Ms. Betty Sword

MEMBER ABSENT:

Mr. James Corrigan
Mr. Randy Green
Mr. Thomas Stiles

STAFF PRESENT:

Mr. Andy Alvarez, Director, Division of Consumer Protection
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 Mr. Sussan that a quorum was present.

APPROVAL OF MINUTES

Mr. Sussan asked for a motion to approve the draft minutes of the December 9, 2014, Board meeting. Mr. Charles Kelley motioned that the draft minutes be approved as distributed. Mr. James Lewis seconded the motion and it was passed by a unanimous vote.

REPORT FROM BOARD MEMBERS

Ms. Conrad informed members she attempted to meet with representatives of several organizations and suppliers to discuss ideas on reinvigorating the charitable gaming sector with no avail, but she will continue her efforts to do so.

Mr. Sussan informed members that permitted organizations within the northwest region of the Commonwealth has seen a recent increase in receipts at their bingo sessions.

LEGISLATIVE REPORT

Mr. Sussan asked Mr. Andy Alvarez for an update on the 2015 Session of the General Assembly. Mr. Alvarez reported several legislative bills affecting charitable gaming were introduced during the session. In the end, the General Assembly approved Senate Bill 1309, which changes the composition of the Board by increasing the total number of members from nine to eleven and the method of their appointment.

PROGRAM MANAGER'S REPORT

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

- During the 2014 calendar year, manufacturers of electronic pull-tab systems reportedly generated more than \$215 million in gross receipts. At this time, there are approximately 191 locations utilizing 809 electronic pull-tab devices and six licensed manufacturers of electronic pull-tab systems.
- On March 1, 2015, permitted organizations were required to submit their fourth quarter report to OCRCP. At this early stage, OCRCP was compiling the fourth quarter financial figures, which will be provided to members during the next Board meeting. In the meantime, during the first three quarters of 2014, permitted organizations reported over \$192 million in gross receipts and over \$20.6 million in use of proceeds, which equated to an overall use of proceeds of 10.7%. In comparison to the same period last year, the permitted organizations reported over \$204.9 million in gross receipts and over \$21.7 million in use of proceeds, which equated to an overall use of proceeds of 9.4%.
- OCRCP conducted nine in-person training sessions, which consisted of game management, financial report, and internal control training. In addition, an interactive assessment tool was made publicly available in February to all organizations who wish to use it. This tool will assist organizations with evaluating the financial aspect of their charitable gaming operations.
- In February, OCRCP launched an online directory of permitted bingo games throughout the Commonwealth. The directory is a searchable document that lists games by locality and it enables player to find a game of their choice. There are more than 400 games listed on the directory, which will be updated on a monthly basis.
- The proposed text to amend 11 VAC 15-40, the Charitable Gaming Regulations, particularly with respect to network bingo as mandated by Senate Bill 930 and House Bill 2178 of the 2013 Session of the General Assembly, is currently under review by the Governor's Policy Office. Upon completion of the executive branch review, the proposed text will undergo another public comment period. OCRCP will then prepare the final text to amend the regulations and bring it to the members for their final consideration.

NEW BUSINESS

Mr. Sussan asked the members whether any new business needed to be brought before the Board. With no further remarks from members, Mr. Sussan informed members there was no new business before the Board.

NEXT BOARD MEETING

Mr. Sussan informed members that the next Board meeting will be held on Tuesday, June 9, 2015, in Newport News, Virginia.

PUBLIC COMMENT

Mr. Matt Benka (Virginia Charitable Bingo Association) spoke about the association's legislative proposals, House Bill 1932 and Senate Bill 1309, which were introduced during the 2015 Session of the General Assembly. Mr. Benka also commented on the current funding approach by the General Assembly whereby fees collected by the charitable gaming program are deposited to the general fund.

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 10:45 a.m.

Respectfully submitted,

Michael Menefee
Program Manager
Office of Charitable and Regulatory Programs