

**FINAL MINUTES**

Charitable Gaming Board  
Department of Agriculture and Consumer Services (VDACS)  
American Legion Post 290  
1204 American Legion Post Road  
Fredericksburg, Virginia  
Tuesday, March 8, 2016

**CALL TO ORDER**

Mr. Bob Sussan called the meeting to order at 9:10 a.m. Mr. Sussan welcomed Major Humberto Cardounel, Jr., who was appointed recently by the Governor and Mr. Samuel Kaufman, who was appointed recently by the Senate Rules Committee, to the Board.

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

**MEMBERS PRESENT:**

Mr. Bob Sussan, Chair  
Ms. Tanya Conrad, Vice-Chair  
Major Humberto Cardounel, Jr.  
Mr. Nicholas Curry  
Mr. Randy Green  
Mr. Samuel Kaufman  
Mr. Charles Kelley  
Mr. Charles Lessin

**MEMBERS ABSENT:**

Mr. James Corrigan  
Mr. James Lewis  
Ms. Betty Sword

**VDACS STAFF PRESENT:**

Mr. Larry Nichols, Director, Division of Consumer Protection  
Mr. Michael Menefee, Program Manager, Office of Charitable and Regulatory Programs  
Ms. Laura Hare, Policy Analyst, Division of Consumer Protection

**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 8, 2015, Board meeting. Mr. Charles Kelley motioned that the draft minutes be approved as distributed. Mr. Charles Lessin seconded the motion and it was passed by a unanimous vote.

### **REPORT FROM BOARD MEMBERS**

Mr. Sussan asked the members whether they had any reports that needed to be brought before the Board. Mr. Sussan provided an update on charitable gaming related legislation taken up by the Virginia General Assembly. The legislation included the following:

<b>Legislation</b>	<b>Status</b>
Senate Bill 100	The legislation was continued to next year in Senate Finance Committee.
Senate Bill 242	The legislation was stricken at the request of the patron in Senate General Laws and Technology Committee.
House Bill 1092	The legislation was stricken at the request of the patron in House General Laws Committee.
House Bill 1233	The legislation was continued to next year in House General Laws Committee.
House Bill 1262	The legislation was continued to next year in House General Laws Committee.
House Bill 1302	The legislation was continued to next year in House General Laws Committee.

With no further remarks from members, Mr. Sussan informed members there were no further reports before the Board.

### **PROGRAM MANAGER'S REPORT**

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

- OCRP hired Mr. Justin Thomas, who is a wage inspector for the southwest region; Ms. Keshia Johnson, who is a full-time auditor; Ms. Alison Foster, who is the full-time Charitable Programs Team Leader; and Ms. Katie Land, who is a full-time investigator. OCRP is hiring for two other positions, which includes a wage licensing and registration specialist and a full-time investigator.
- During the next Board meeting, members will consider the final text to 11VAC15-40, *Charitable Gaming Regulations* for network bingo, which was prompted by legislation; and draft text to 11VAC15-40, *Charitable Gaming Regulations* for

increasing the number of electronic pull-tab devices in a qualified organization's private social quarter and bingo session, which was prompted by a rulemaking petition.

Mr. Sussan asked members whether they had any questions for Mr. Menefee. Mr. Lessin inquired on how the amount of charitable gaming related fees is determined to be spent on OCRP's charitable gaming operations. Mr. Menefee stated that those fees are collected by OCRP and deposited into the state's general fund. A portion of those fees, which is determined by the state's Appropriations Act, is appropriated to VDACS and OCRP for operations. Mr. Lessin further inquired on the administration's process to review and to approve budget requests, which Mr. Menefee provided a brief overall on it. Lastly, Mr. Lessin inquired about whether the Board could make recommendations to VDACS and OCRP on spending priorities. Mr. Sussan responded that the Board could make recommendations for spending priorities, but the recommendations are not legally binding upon VDACS or OCRP to follow.

### **NEW BUSINESS**

Mr. Sussan asked Mr. Menefee to present the feedback OCRP had received on amending the text to 11VAC15-40, *Charitable Gaming Regulations* for increasing the number of electronic pull-tab devices in a qualified organization's private social quarter and bingo session, which was prompted by a rulemaking petition. Mr. Menefee provided a brief summary on the public feedback it had received on matter, and the feedback was primarily in favor of increasing the number the number of devices.

Mr. Sussan asked Mr. Bob Jekanowski of Powerhouse Gaming, Inc., a licensed manufacturer of electronic pull-tab systems, whether he wished to provide any remarks to the Board for its consideration regarding possible text to 11VAC15-40, *Charitable Gaming Regulations*. Mr. Jekanowski responded that his company spoke with their customers, who expressed interest in allowing the market to determine the number of electronic pull-tab devices in a qualified organization's private social quarter and bingo session.

Mr. Sussan asked members whether they had any questions for Mr. Jekanowski. Mr. Green, Mr. Kaufman, and Mr. Lessin asked several questions of Mr. Jekanowski related to the payout percentage and the number of electronic pull-tab devices in a qualified organization's private social quarter and bingo session. Mr. Kaufman inquired from Mr. Sussan about whether the *Charitable Gaming Regulations* set the payout percentage, which Mr. Sussan stated that they do not. Mr. Green offered remarks on the public feedback received by OCRP on whether the Board should increase the number of devices in a qualified organization's private social quarter and bingo session.

Mr. Sussan asked members whether they had any remarks on increasing the number of electronic pull-tab devices in a qualified organization's private social quarter and bingo session. Mr. Green, Mr. Kelley and Mr. Lessin offered remarks on increasing the number of devices. With no further remarks from members, Mr. Sussan informed members there will be a five minute break.

Mr. Sussan reconvened the Board meeting, and asked Mr. Menefee to present information on the fourth quarter charitable gaming financial reports, which covered the period of October 1, 2015 to December 31, 2015. Mr. Menefee presented the financial report information to the Board. Mr. Sussan asked members whether they had any questions for Mr. Menefee.

With no questions, Mr. Sussan asked members to review the Board's bylaws, and if any member had thoughts regarding the bylaws to send them to him and Mr. Menefee. Mr. Sussan also asked members that if they wish to discuss any particular topic during any future meeting, then to inform him and Mr. Menefee. Mr. Sussan reminded all members to limit communication to no more than two members as three or more members would constitute a Board meeting and as such, OCRP would need to publicly announce the meeting as well as inform the members of the meeting.

Mr. Sussan asked members whether they had any further remarks, Mr. Kelly expressed interest in meeting in Richmond, which Mr. Curry and Mr. Lessin expressed support for it. Mr. Sussan asked Mr. Menefee to send an announcement to the charitable gaming industry regarding the upcoming Board meetings, and Mr. Curry expressed support for it.

#### **NEXT BOARD MEETING**

Mr. Sussan informed members that the next Board meeting will be held on Tuesday, June 14, 2016, in Front Royal.

#### **PUBLIC COMMENT**

Mr. Sussan asked the public in attendance whether any comments needed to be brought before the Board. Mr. Ron Miluszewski of American Legion Post 148 expressed support for sending an announcement to the charitable gaming industry regarding the upcoming Board meeting. On the matter related to increasing the number of electronic pull-tab devices in a qualified organization's private social quarter and bingo session, he expressed support for allowing an organization to decide without any limitation. Ms. Tanya Holmes of St. Jude Children's Research Hospital expressed support for raising the number of home raffles allowed currently under the charitable gaming statutes.

With no further comments from the public and there being no further business, the Board adjourned at 11:00 am.

Respectfully submitted,

Michael Menefee  
Program Manager  
Office of Charitable and Regulatory Programs