

**DRAFT MINUTES**

Charitable Gaming Board  
Department of Agriculture and Consumer Services (VDACS)  
American Legion Post 53  
22 West 8<sup>th</sup> Street  
Front Royal, Virginia  
Tuesday, June 14, 2016

**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. Nicholas Curry  
Mr. Randy Green  
Mr. Samuel Kaufman  
Mr. Charles Kelley  
Mr. Charles Lessin  
Mr. James Lewis

**MEMBERS ABSENT:**

Chief Humberto Cardounel, Jr.  
Mr. James Corrigan  
Ms. Betty Sword

**VDACS STAFF PRESENT:**

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 March 8, 2016, Board meeting. Mr. Nicholas Curry 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. Sussan asked the members whether they had any reports that needed to be brought before the Board. Mr. Sussan commented that the Board values and encourages comments from the charitable gaming community on matters before the Board. 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 (OCRCP). Mr. Menefee reported the following to the members:

- OCRCP completed its internal testing of an online system to submit charitable gaming permit applications. The next step is to launch a pilot program with external users in order to further test the new online system.
- OCRCP hired Ms. Sarah Moore, who is a wage licensing and registration specialist and OCRCP is hiring for two other positions, which includes a full-time investigator and Gaming Coach.

Mr. Sussan asked members whether they had any questions for Mr. Menefee and with no questions, Mr. Sussan moved onto old business.

## **OLD BUSINESS**

Mr. Sussan presented the proposed amendments to 11VAC15-40, *Charitable Gaming Regulations*, which includes provisions for a new bingo game called "network bingo", pursuant to legislation enacted by the 2013 Session of the General Assembly. Additionally, the proposed amendments clarify provisions of the current regulations. Mr. Sussan informed members that the proposed amendments before it were almost identical except for two non-substantive changes, to the amendments that they had originally approved during their Board meeting on September 9, 2014. Mr. Sussan asked for a motion to adopt the proposed amendments to 11VAC15-40, *Charitable Gaming Regulations*, thereby moving it from stage two to stage three of the three-stage regulatory process in order to begin the executive branch review and public comment period. Mr. Kelley motioned, seconded by Mr. James Lewis and it was passed by a unanimous vote.

Mr. Sussan presented the proposed amendments to 11VAC15-40, *Charitable Gaming Regulations* for increasing the number of electronic pull-tab devices in a qualified organization's private social quarter, which was prompted by a rulemaking petition. Mr. Sussan stated that prior to the meeting, Board received public comments on this proposed amendment. Mr. Sussan asked the public in attendance whether any further comments needed to be brought before the Board on the proposed amendments. Mr. Bob Guest of Loyal Order of Moose Lodge 1655, Mr. Matt Benka of Virginia Charitable Bingo Association, Mr. Clark Crawley of Loyal Order of Moose Lodge 1121, Mr. Rodger

Huffman of Moose International, and Mr. John McCauley of Loyal Order of Moose Lodge 2135 expressed support for increasing the number of electronic pull-tab devices in a qualified organization's private social quarters from five devices to nine devices.

Mr. Alonzo Scott of American Legion Second District expressed support for increasing the number of electronic pull-tab devices in a qualified organization's private social quarters from five devices to ten standalone devices and ten handheld-based devices. Mr. Robert Eidsvoog of American Legion Post 176, Mr. Clifton Barr of Fraternal Order of Police of Virginia, and Mr. Mark Newton of Powerhouse Gaming, Inc. expressed support for not limiting the number of devices in a qualified organization's private social quarters.

Mr. Sussan asked for a motion to adopt the proposed amendments to 11VAC15-40, *Charitable Gaming Regulations*, to increase the number of electronic pull-tab devices in a qualified organization's social quarters from five devices to nine devices; and to authorize staff to take any and all actions necessary to submit on behalf of the Board the proposed amendment for executive branch review and public comment period. Mr. Sussan informed members that with approval of the motion, the proposed amendments will move from stage one to stage two of the three-stage regulatory process. Ms. Tanya Conrad motioned, seconded by Mr. Randy Green and it was passed by a unanimous vote.

Mr. Sussan informed members there will be a five minute break.

## **NEW BUSINESS**

Mr. Sussan reconvened the Board meeting, and asked Mr. Menefee to present information on the annual charitable gaming financial reports, which covered the 2015 calendar year. Mr. Menefee presented the financial report information to the Board. Mr. Sussan asked members whether they had any questions for Mr. Menefee.

Mr. Sussan asked members whether it wished to create workgroups to address specific matters affecting the charitable gaming industry. Without objection from any member, Mr. Sussan appointed Mr. Samuel Kaufman and Mr. Charles Lessin to a workgroup focused on rejuvenating the charitable gaming industry, including electronic raffles.

Mr. Lessin made a motion for the Board to recommend legislation to require all organizations conducting charitable gaming to obtain a permit, to pay audit and administration fees on the gross receipts generated from those charitable gaming activities, and for the Board to control those fees. Mr. Curry seconded the motion. Mr. Sussan asked members whether they had any questions on the motion. Mr. Green asked several questions of Mr. Lessin related to his motion. Mr. Curry asked several questions of Mr. Menefee related to why the private social quarters were no longer required to obtain a permit. Mr. Sussan and Mr. Lessin offered remarks on the motion. Mr. Lessin agreed to have his motion tabled and without objection from any member, Mr. Sussan informed members that the motion was tabled.

Mr. Kaufman and Mr. Lewis asked for staff to provide information related to the amount of audit and administration fees collected by charitable gaming organizations, the amount needed by the program to oversee the charitable gaming industry, how additional funding will be used by the program to oversee the industry, and who pays the fees.

Mr. Lewis remarked on the need to create two workgroups in lieu of one workgroup with one workgroup focused on rejuvenating the charitable gaming industry and the other workgroup focused on a possible legislative proposal to require all organizations conducting charitable gaming to obtain a permit, to pay audit and administration fees on the gross receipts generated from those charitable gaming activities, and for the Board to control those fees. Without objection from any member, Mr. Sussan created the two workgroups. He also appointed Mr. Lewis and Mr. Curry to the rejuvenating workgroup; and Mr. Kaufman and Mr. Lessin to the legislative proposal workgroup.

#### **NEXT BOARD MEETING**

Mr. Sussan informed members that the next Board meeting will be held on Tuesday, September 13, 2016, at the State Capitol in Richmond.

#### **PUBLIC COMMENT**

Mr. Sussan asked the public in attendance whether any comments needed to be brought before the Board. Mr. Roy Swartz of Fraternal Order of Eagles Aerie 824 cautioned the Board on its approach to require an organization's private social quarters to obtain a permit and to pay audit and administration fees. Mr. David Huffman of Shenandoah Volunteer Fire Company cautioned the Board on its approach to require volunteer fire departments to pay audit and administrations.

With no further comments from the public and there being no further business, the Board adjourned at 11:17 am.

Respectfully submitted,

Michael Menefee  
Program Manager  
Office of Charitable and Regulatory Programs