

**FINAL MINUTES**

Charitable Gaming Board  
Department of Agriculture and Consumer Services (VDACS)  
Miller Hall, College of William & Mary  
101 Ukrop Way  
Williamsburg, VA  
Tuesday, June 18, 2019

**CALL TO ORDER**

Mr. Charles Lessin called the meeting to order at 10:05 a.m. Mr. Lessin led the Board and the public in attendance with the Pledge of Allegiance.

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

**MEMBERS PRESENT:**

Mr. Charles Lessin, Chair  
The Honorable William Feasenmyer  
Mr. Kenneth Fitzgerald  
Ms. Petrina Jones  
Mr. Samuel Kaufman  
Ms. Lea Roberts  
Ms. Amy Solares

**MEMBERS ABSENT:**

Ms. Tanya Conrad, Vice-Chair  
Mr. James Lewis  
Mr. Bob Sussan

**VDACS STAFF PRESENT:**

Mr. Larry Nichols, Director, Division of Consumer Protection  
Mr. Joel Maddux, Deputy Director, Division of Consumer Protection  
Mr. Michael Menefee, Program Manager, Office of Charitable and Regulatory Programs

**OFFICE OF THE ATTORNEY GENERAL STAFF PRESENT:**

Mr. Justin Bell, Assistant Attorney General, Office of the Attorney General

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

**INTRODUCTION OF APPOINTED, REAPPOINTED & RESIGNED BOARD MEMBERS**

Mr. Lessin welcomed Mr. Samuel Kaufman back to the Board as the Senate Rules Committee reappointed him to the Board. Mr. Lessin also welcomed Mr. Kenneth Fitzgerald to the Board as

the Senate Rules Committee appointed him to the Board. Lastly, Mr. Lessin informed members that Captain Daniel Minton resigned from the Board.

#### **MESSAGE FROM THE CHAIR**

Mr. Lessin informed members that the Board's workgroups were productive earlier that morning as they worked on their assigned tasks.

#### **APPROVAL OF MINUTES**

Mr. Lessin asked for a motion to approve the draft minutes of the March 19, 2019, Board meeting. Mr. Kaufman motioned approval of the draft minutes as presented. The Honorable William Feasenmyer seconded the motion and it passed by a unanimous vote.

#### **REPORT FROM BOARD MEMBERS**

Mr. Lessin asked members whether they had any reports for the Board. Ms. Amy Solares commented that she wishes for the Board to meet in Richmond and she will make a motion to do so under the new business portion of the agenda. Mr. Fitzgerald, a newly appointed member to the Board introduced himself. With no further remarks from members, Mr. Lessin informed members that there were no further reports before the Board.

#### **REPORT FROM THE BOARD'S WORKGROUPS**

Mr. Lessin asked Mr. Kaufman, Chair of the Use of Proceeds workgroup to make his report to the Board on the workgroup's activities. Mr. Kaufman informed members that there are approximately 109 licensed charitable gaming organizations, which did not the minimum use of proceeds requirement during the 2018 calendar year. The organizations were required to file their annual financial reports for the 2018 calendar year on March 15, 2019. Mr. Kaufman further informed members that the workgroup would hold a public hearing, review statistical information, and look at other states to see how they address this similar matter as it develops a recommendation for the Board to consider. Mr. Lessin commented that he looks forward to receiving the workgroup's recommendation on this matter.

Mr. Lessin asked Ms. Petrina Jones, Chair of the Legislative Recommendation workgroup to make her report to the Board on the workgroup's activities. Ms. Jones informed members that the workgroup is using Senate Bill 1527, which the General Assembly considered during its 2019 legislative session as a basis to begin the workgroup's discussion. Ms. Jones informed members the workgroup is considering the following as a legislative recommendation to the Department of Agriculture and Consumer Services (VDACS): 1) increase the number of electronic pull-tab devices, which may be used by an organization; 2) lift the current restrictions placed on the frequency of a bingo session; and 3) assist the organizations in recruiting workers for their bingo session. With no further comments, Mr. Lessin moved onto the Program Manager's report.

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

Mr. Lessin asked Mr. Menefee whether he had any operational updates on the Office of Charitable and Regulatory Programs (OCRP). Mr. Menefee provided members with an update on

the program's Online Financial Reporting System as OCRP looks to improve its online service. Mr. Menefee also informed members that the program hired recently a Licensing Specialist position and two Senior Auditor positions. Lastly, Mr. Menefee informed members that during March, on average, it took OCRP 41 calendar days; during April, on average it took OCRP 38 calendar days; and during May, on average it took OCRP 16 calendar days to process licensing applications. With no further comments, Mr. Lessin moved onto old business.

### **OLD BUSINESS**

Mr. Lessin asked Mr. Menefee to present information on the petition that was before the Board. Mr. Menefee stated that on February 5, 2019, OCRP received a petition. The petitioner requested the Board to amend 11 VAC 15-40, *Charitable Gaming Regulations* to lower the minimum use of proceeds requirement rate for electronic pull-tab devices from the current 10% to a proposed 2% based on the gross receipts generated from the devices. Mr. Menefee stated on February 18, 2019, OCRP acknowledged receipt of the petition and on March 18, 2019, OCRP published the petition in the Register of Regulations, which began the 21-day public comment period. He further stated on April 7, 2019, the public comment period ended with no comments expressing an opinion on the petition. In accordance with 2.2-4007 of the *Code of Virginia*, the Board must decide on whether to grant or deny the petitioner's request within 90 days after the close of the 21-day public comment period.

Mr. Lessin asked the public in attendance whether any comments related to the petition. Mr. Bob Jekanowski of Powerhouse Gaming, Inc., a licensed manufacturer of electronic pull-tab systems, spoke in favor of the petition. With no further comments from the public, Mr. Lessin asked for a motion on the petition, which a motion to reject the petition was made by Ms. Lea Roberts and seconded by Ms. Solares.

Mr. Lessin asked members whether they had any remarks or questions on the motion to reject the petition. The Honorable Feasenmyer had several questions on the petition. With no further remarks or questions from the members, Mr. Lessin called the vote on the motion to reject the petition, which the motion passed by a unanimous vote. Mr. Lessin moved onto new business.

### **NEW BUSINESS**

Mr. Lessin asked whether any member had new business, it wished to bring before the Board. Ms. Solares motioned for the Board to meet in Richmond unless it explicitly approves another meeting location. Ms. Jones seconded the motion and Mr. Lessin asked members whether they had any remarks or questions on the motion. Mr. Fitzgerald questioned whether it was a benefit to the community to meet outside of Richmond in lieu of it serving as a convenience to members to meet in Richmond. Ms. Solares, Mr. Kaufman, and Ms. Jones spoke in favor of the motion citing travel time for members and attendance issues among members at earlier Board meetings. With no further remarks or questions from the members, Mr. Lessin called the vote on the motion, which the motion passed by a unanimous vote.

Ms. Jones asked the Board for a motion to empower the Legislative Recommendation workgroup to make a recommendation to VDACS directly in lieu of seeking a separate Board approval to do so. Ms. Jones informed members the workgroup is considering the following as a legislative recommendation to VDACS: 1) increase the number of electronic pull-tab devices, which may be used by an organization; 2) lift the current restrictions placed on the frequency of a bingo session; and 3) assist the organizations in recruiting workers for their bingo session. Ms. Solares expressed concerns on the recommendation to lift the current restrictions placed on the frequency of a bingo session and instead spoke in favor of a recommendation to increase the prize payouts. Ms. Roberts inquired whether the recommendation to lift the restrictions was a means to assist with the play of electronic pull-tab devices during the bingo session. Mr. Kaufman, Mr. Fitzgerald, and Mr. Lessin spoke in favor of the recommendation to lift the restrictions. In addition, Ms. Roberts and Mr. Lessin cautioned the workgroup on the recommendation to assist the organizations in recruiting workers for their bingo session due to potential federal tax liability for the organization. Mr. Fitzgerald motioned to empower the Legislative Recommendation workgroup to make a recommendation to VDACS directly in lieu of seeking a separate Board approval to do so. Mr. Kaufman seconded the motion and Mr. Lessin asked members whether they had any remarks or questions on the motion. Again, Ms. Solares expressed her concerns on the recommendation to lift the current restrictions placed on the frequency of a bingo session and instead spoke in favor of a recommendation to increase the prize payouts. With no further remarks or questions from the members, Mr. Lessin called the vote on the motion:

<b>Member</b>	<b>Voted For The Motion</b>
Lessin	Yes
Feasenmyer	Yes
Fitzgerald	Yes
Jones	Yes
Kaufman	Yes
Roberts	Yes
Solares	Abstained

With six members voting in favor of the motion and one abstention on the motion, Mr. Lessin announced the motion passed.

**PRESENTATION**

Mr. Lessin asked Mr. Menefee to make his presentation on the annual financial reports filed by licensed charitable gaming organizations on March 15, 2019. Mr. Menefee made his presentation to the Board. At the conclusion of the presentation, Mr. Lessin asked members whether they had any question for Mr. Menefee. Mr. Lessin and Mr. Feasenmyer had questions on the presentations. With no further questions, Mr. Lessin moved onto the next agenda item.

**PUBLIC COMMENT**

Mr. Lessin reminded members of the upcoming Board meeting on September 10, 2019, in Richmond. Mr. Lessin asked whether anyone from the public wishes to provide comment to the Board.

With no comments from the public and there being no further business, the Board adjourned at 11:42 a.m.

Respectfully submitted,

Michael Menefee  
Program Manager  
Office of Charitable and Regulatory Programs