

FINAL MINUTES

Charitable Gaming Board
Department of Agriculture and Consumer Services (VDACS)
Electronic Meeting via WebEx
Friday, December 18, 2020

CALL TO ORDER

Mr. Charles Lessin called the meeting to order at 11:08 a.m.

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

MEMBERS PRESENT:

Mr. Charles Lessin, Chair
Ms. Tanya Conrad, Vice-Chair
Ms. Lasonja Black
Mr. Mark Cooper
Mr. Clay Dawson
The Honorable William Feasenmyer
Mr. Samuel Kaufman
Mr. James Lewis
Ms. Amy Solares
The Honorable Ryant Washington

MEMBERS ABSENT:

Ms. Lea Roberts

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.

MESSAGE FROM THE CHAIR

Mr. Lessin welcomed the newest member to the Board, Mr. Mark Cooper, who was appointed to the Board by the Senate Rules Committee.

APPROVAL OF MINUTES

Mr. Lessin asked for a motion to approve the draft minutes of the November 10, 2020, Board meeting. Mr. Samuel Kaufman motioned approval of the draft minutes as presented. Mr. James Lewis seconded the motion and Mr. Lessin asked Mr. Menefee to call the roll in order to record each member's vote.

Member	Vote on the Motion
Lessin	Aye
Conrad	Aye
Black	Aye
Cooper	Aye
Dawson	Aye
Feasenmyer	Aye
Kaufman	Aye
Lewis	Aye
Solares	Aye
Washington	Aye

The Honorable William Feasenmyer and Ms. Amy Solares wished for these minutes to reflect that they were not present during the November 10, 2020, Board meeting.

Mr. Menefee informed Mr. Lessin that the vote for the motion to approve the draft minutes was 10 ayes, zero nays and zero abstentions. Mr. Lessin announced to the members that the motion passed and the minutes were approved.

REPORT FROM BOARD MEMBERS

Mr. Lessin asked members whether they had any reports for the Board. With no remarks from members, Mr. Lessin moved onto Old Business.

PROGRAM MANAGER'S REPORT

Mr. Lessin asked Mr. Menefee whether he had a report for the Board. Mr. Menefee informed members that the Office of Charitable and Regulatory Programs (OCRP) continues to work closely with VDACS's Information System and Virginia Interactive, an information system contractor to modify the Online Financial Reporting System, which tracks financial reports and maintains the report's data to change the audit and administration fee rate from 1.125% to 1.375% pursuant to Chapter 982 of the 2020 Acts of Assembly (SB936). Lastly, OCRP continues to process a high number of permit amendments as charitable gaming organizations continue adjust to the COVID-19 pandemic. Mr. Lessin asked members whether they had any questions for Mr. Menefee. With no questions, Mr. Lessin moved onto the next agenda item.

OLD BUSINESS

Mr. Lessin stated he reviewed the proposed Texas Hold'em poker tournaments regulations and as such, he proposed several amendments to them. Mr. Lessin presented each of his amendments to members and sought remarks from members as well as from the public.

At the conclusion of his presentation, Mr. Lessin presented to the Board the first public comment by Mr. Alex West, which the comment related to the proposed regulations' prohibition against the use of foreign languages by players during a poker tournament in order to prevent collusion among players. Mr. Lessin stated previous action by the Board addressed this comment, which the Board decided to allow a charitable organization to decide on its own what restrictions, if any it may make on the use of foreign languages by players during its poker tournaments. Ms. Lasonja Black and Mr. Lewis agreed with Mr. Lessin's earlier remarks. Mr. Lessin asked for remarks from both members and the public and after receiving it, he moved onto the next public comment.

Mr. Lessin presented to the Board the next public comment offered by Mr. Grant Fields, which the comment related to the administrator requirement. Mr. Lessin asked for remarks from both members and the public. With no remarks from anyone, Mr. Lessin moved onto the next public comment.

Mr. Lessin informed members the next public comments are from the Virginia Department of Agriculture and Consumer Services and he stated that they were already addressed by the Board earlier. Mr. Lessin stated before moving forward onto the next public comment, he wished to provide the agency with an opportunity to remark on its comments. Mr. Joel Maddux presented the agency's first comment related to the ability of the Board to adjust the use of proceeds on an annual basis without going through the Administrative Process Act. Mr. Lessin sought guidance of Mr. Justin Bell, Assistant Attorney General related to this matter. After receiving guidance from Mr. Bell, Mr. Lessin recommended to the Board to remove the language, which granted the Board the ability to adjust the use of proceeds on an annual basis. Mr. Lessin asked for remarks from members and with no remarks from members, Mr. Lessin asked Mr. Menefee to present the agency's second comment. The second comment related to the agency's belief that the operator of the poker tournament be independent of the charitable organization to ensure integrity and a concern that the proposed regulations did not prohibit any person affiliated with the charitable organization to be employed by the operator while contracted by the charitable organization to conduct its poker tournament. Mr. Lessin remarked that the Board's intentions is to maintain integrity in charitable gaming and he remarked the Board will stay on top of the issue of integrity. With no further remarks, Mr. Lessin moved onto the next public comment.

Mr. Lessin asked for Mr. Lehman to explain to the Board his next public comment. Mr. Lehman recommend amending 11VAC15-50-140 (B)(18) of the proposed Texas Hold'em Poker Tournament Regulations to allow dealers and employees, on their day off to participate in a Texas Hold'em poker tournament played at the same location that they work earlier.

Mr. Lessin asked for a motion on this particular amendment. Mr. Kaufman seconded the motion and Mr. Lessin asked Mr. Menefee to call the roll in order to record each member's vote.

Member	Vote on the Motion
Lessin	Aye
Conrad	Aye
Black	Not Voting
Cooper	Nay
Dawson	Not Voting
Feasenmyer	Aye
Kaufman	Aye
Lewis	Not Voting
Solares	Aye
Washington	Aye

Mr. Menefee informed Mr. Lessin that the vote for the motion to allow dealers and employees, on their day off to participate in a Texas Hold'em poker tournament played at the same location that they work earlier was six ayes, one nay, zero abstentions and three members not voting. Mr. Lessin announced to the members that the motion on the amendment passed.

Mr. Lessin asked for Mr. Lehman to explain to the Board his next public comment. Mr. Lehman recommend amending 11VAC15-50-60 (C)(1)(d) and 11VAC15-50-60 (C)(1)(e) of the proposed Texas Hold'em Poker Tournament Regulations to allow immediate family members of the qualified organization's game manager, volunteer game worker, volunteer dealer, and charitable host representative; or person residing in their household to participate or otherwise play in the qualified organization's Texas Hold'em poker tournament. Mr. Lehman further recommended to the Board to allow immediate family members of the operator's director, officer, owner, partner, tournament manager, employee independent contractor or agent; or person residing in their household to participate or otherwise play in the Texas Hold'em poker tournament administered by the operator.

Mr. Lessin asked for a motion on this particular amendment. Hon. Feasenmyer motioned approval of the amendment. Mr. Salores seconded the motion and Mr. Lessin asked Mr. Menefee to call the roll in order to record each member's vote.

Member	Vote on the Motion
Lessin	Aye
Conrad	Aye
Black	Not Voting
Cooper	Nay
Dawson	Not Voting
Feasenmyer	Aye
Kaufman	Aye
Lewis	Not Voting
Solares	Aye
Washington	Aye

Mr. Menefee informed Mr. Lessin that the vote for the motion to approve the amendment was six ayes, one nay, zero abstentions and three members not voting. Mr. Lessin announced to the members that the motion on the amendment passed.

Mr. Lessin asked for Mr. Lehman to explain to the Board his next public comment. Mr. Lehman recommend amending 11VAC15-50-140 (B)(7) of the of the proposed Texas Hold'em Poker Tournament Regulations to clarify that a qualified organization may purchase a card shuffler.

Mr. Lessin asked for a motion on this particular amendment. Mr. Cooper motioned approval of the amendment. Mr. Salores seconded the motion and Mr. Lessin asked Mr. Menefee to call the roll in order to record each member's vote.

Member	Vote on the Motion
Lessin	Aye
Conrad	Not Voting
Black	Not Voting
Cooper	Aye
Dawson	Not Voting
Feasenmyer	Aye
Kaufman	Not Voting
Lewis	Not Voting
Solares	Aye
Washington	Not Voting

Mr. Menefee informed Mr. Lessin that the vote for the motion to approve the amendment was four ayes, zero nay, zero abstentions and six members not voting. Mr. Lessin announced to the members that the motion on the amendment failed due to lack of quorum.

PUBLIC COMMENT

Mr. Lessin asked whether anyone from the public had any comments for the Board.

With no comments from the public and there being no further business, Mr. Lessin informed members that it will meet electronically on December 31, 2020, at 10:00 a.m. The Board adjourned at approximately 4:19 p.m.

Respectfully submitted,

Michael Menefee
Program Manager
Office of Charitable and Regulatory Programs