

**FINAL MINUTES**

Charitable Gaming Board  
Department of Agriculture and Consumer Services (VDACS)  
American Legion State Headquarters  
1708 Commonwealth Avenue  
Richmond, VA  
Monday, April 23, 2018

**CALL TO ORDER**

Mr. Bob Sussan called the meeting to order at 10:17 a.m. Mr. Sussan led the Board and the public in attendance with the Pledge of Allegiance.

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

**MEMBERS PRESENT:**

Mr. Bob Sussan, Chair  
Ms. Tanya Conrad, Vice-Chair  
Mr. Randy Green  
Ms. Petrina Jones  
Mr. Samuel Kaufman  
Mr. Charles Lessin  
Mr. James Lewis  
Captain Daniel Minton  
Ms. Amy Solares

**MEMBERS ABSENT:**

Mr. James Corrigan  
Mr. Nicholas Curry

**VDACS STAFF PRESENT:**

Mr. Larry Nichols, 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.

With a quorum present, Mr. Sussan reminded members on the purpose of the Board and cautioned members on any conflict of interest that they may have on matters before the Board.

### **APPROVAL OF MINUTES**

Mr. Sussan asked for a motion to approve the draft minutes of the December 5, 2017, and April 3, 2018, Board meetings. Mr. James Lewis motioned approval of the draft minutes as distributed. Mr. Randy Green seconded the motion and it passed by a unanimous vote.

### **REPORT FROM BOARD MEMBERS**

Mr. Sussan asked the members whether they had any reports that needed to be brought to the Board. With no remarks from members, Mr. Sussan moved onto the next item on the agenda.

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

Mr. Sussan asked Mr. Menefee whether he had any operational updates on the Office of Charitable and Regulatory Programs (OCRCP). Mr. Menefee informed the members that OCRCP allowed a limited number of organizations to submit their renewal license application online to further test the new system. Mr. Menefee stated that the test identified a few system errors, which is currently under review of VDACS' Information Technology staff. Mr. Sussan asked members whether they had any questions for Mr. Menefee and with no questions, Mr. Sussan moved onto the presentation by Mr. Menefee.

### **PRESENTATION**

Mr. Sussan asked Mr. Menefee to make his presentation. Mr. Menefee presented information to members on the annual financial reports for the 2017 calendar years, which were filed by licensed charitable gaming organizations with OCRCP. Mr. Sussan moved onto the next item on the agenda.

### **OLD BUSINESS**

Mr. Sussan asked whether there was a report from the Curry-Lewis. Mr. Lewis stated the Curry-Lewis workgroup drafted a public service announcement on charitable gaming and the workgroup wishes the Board to comment on it. In addition, the workgroup wants to identify characteristics of a successful bingo session as well as a role to promote the overall charitable gaming industry. Mr. Sussan asked members whether they had any questions for Mr. Lewis and with no questions; Mr. Sussan asked whether there was a report from the Use of Proceeds workgroup. Ms. Conrad stated the Use of Proceeds workgroup met to discuss the use of proceeds requirement and it is the recommendation of the workgroup not to change the current requirement. The workgroup presented a draft letter for the Board's consideration. Mr. Sussan asked for a motion to approve the draft letter and send it to staff for its consideration. Mr. Charles Lessin motioned approval of the draft letter. Mr. Lewis seconded the motion and it passed by a unanimous vote. Mr. Sussan asked members whether they had any questions for Mr. Lewis and with no questions; Mr. Sussan moved onto the presentation by Mr. Jonathan Smith, Chief Executive Office of Lancaster Bingo Company, a licensed charitable gaming supplier.

### **PRESENTATION**

Mr. Sussan asked Mr. Smith to make his presentation. Mr. Smith presented information to members on his experience with the impact of skill-based games, sweepstakes or other “grey market devices” on charitable gaming marketplace in the State of Ohio. Mr. Smith stated that in the State of Ohio, skilled-based games, sweepstakes or other “grey market devices” have had a negative fiscal impact on the charitable gaming marketplace. Mr. Sussan asked members whether they had any questions for Mr. Smith and with no questions, Mr. Sussan moved onto new business.

### **NEW BUSINESS**

After hearing the presentation from Mr. Smith, Mr. Sussan asked the public whether they had any comments on skill-based games, sweepstakes machines or other “grey market devices” and their impact on the charitable gaming marketplace. With no comments from the public on the presentation, Mr. Sussan asked members for their comments. Mr. Lewis, Mr. Lessin, and Ms. Amy Solares offered comments on the presentation. Mr. Lessin made a motion to adopt a resolution that it is the opinion of the board that games by Pace-O-Matic and other manufacturers in which the games of skill negatively impact charities are illegal and [the Board] wants an immediate meeting with the Attorney General and Governor. Ms. Petrina Jones seconded the motion. Mr. Sussan asked members whether they had any comments on the motion. Mr. Joshua Laws advised the members that it had the option to enter into a closed meeting for the purposes of consulting with its legal counsel. Ms. Conrad made a motion for the Board to enter into a closed meeting for the purposes of consulting with its legal counsel. Mr. Lewis seconded the motion and it passed by a unanimous vote. Mr. Laws read the disclosure for closing the meeting and the Board went into a closed meeting.

At the conclusion of the closed meeting, Ms. Conrad made a motion to exit from the closed meeting. Mr. Green seconded the motion and it passed by a unanimous vote. Mr. Laws read the disclosure to exit from a closed meeting. Mr. Kaufman offered an amendment to the original motion by Mr. Lessin, which the amendment stated that games of skill are a concern to this Board due to, among other reasons, the opinion letter of the Virginia ABC concerning the request of Pace-O-Matic pertaining to certain games placed at ABC licensed establishments. This board is of the opinion that games of skill are illegal, that the Commonwealth deems games of skill illegal, and that this Board request a meeting with the Attorney General’s office and the Governor’s office to discuss this issue in the interest of protecting the charities.<sup>1</sup> Mr. Sussan asked members for their comments on the amendment to the motion and with no comments, Mr. Sussan asked for a vote on the amendment. The amendment passed by a unanimous vote. Mr. Sussan asked for comments on the amended motion and with no comments, Mr. Sussan asked for a vote on the amended motion. The amended motion passed by a unanimous vote.

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<sup>1</sup> The Charitable Gaming Board rescinded this resolution/motion on May 18, 2018; please see the Board’s minutes from the May 18, 2018 meeting for additional information.

With no further comments from the members or the public, Mr. Sussan moved onto the next item on the agenda.

**NEXT BOARD MEETING**

Mr. Sussan informed members that the next Board meeting will be held on June 12, 2018, in Virginia Beach.

**PUBLIC COMMENT**

Mr. Sussan asked the public in attendance whether any additional comments needed to be brought before the Board. Mr. Thomas Lisk and Mr. Anthony Troy, attorneys with Eckert, Seamans, Cherin and Mellott, LLC, spoke. Mr. Lisk and Mr. Troy represent Pace-O-Matic and they expressed concerns over the Board's motion and the impact on their client.

With no additional comments from the public and there being no further business, the Board adjourned at 11:40 a.m.

Respectfully submitted,

Michael Menefee  
Program Manager  
Office of Charitable and Regulatory Programs