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STATE OF DELAWARE
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DIVISION OF PROFESSIONAL REGULATION

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MEETING MINUTES:	BOARD OF CHARITABLE GAMING
MEETING DATE AND TIME:	Thursday, October 6, 2011 at 1:00 p.m.
PLACE:	861 Silver Lake Boulevard, Dover, Delaware Conference Room B , second floor of the Cannon Building
APPROVED:	November 3, 2011

MEMBERS PRESENT

James Greene, Chairman, DE Volunteer Fireman's Association Member
Deborah Messina, Vice Chairperson, Public Member
Sharon McDowell, Public Member
Scott Angelucci, Public Member (entered at 1:06 p.m.)

DIVISION STAFF/DEPUTY ATTORNEY GENERAL PRESENT

Robert Willard, Deputy Attorney General
James Collins, DPR Director (entered at 1:38 p.m.)
Kay Warren, DPR Deputy Director
Sandra Wagner, Administrative Specialist III
Michele Howard, Administrative Specialist II
Jennifer Childears, Administrative Specialist II (1:41 p.m. – 2:15 p.m.)
Nicole Williams, Administrative Specialist II (1:43 p.m. – 2:15 p.m.)

MEMBERS ABSENT

Janet Williams-Coger, Non-profit Member

ALSO PRESENT

Jessica Eisenbrey, Delaware State News
Carol Torre, Full House Poker
Brittany Scott, University of Delaware
A.J. Hemphill, Charitable Games of Delaware

CALL TO ORDER

Mr. Greene called the meeting to order at 1:00 p.m.

Mr. Greene made a motion, seconded by Ms. Messina, to amend the agenda to add item 5.3 "Autism Delaware – Request to change Member-In-Charge of Charitable Gaming Event on 10/14/11." The motion passed unanimously.

REVIEW AND APPROVAL OF MINUTES

The Board reviewed the meeting minutes of September 1, 2011. Referring to the discussion regarding a raffle permit for Delmar Fire Company on page 4 of the minutes, Ms. Messina stated she did not mean to say that alcohol was permissible at charitable gaming events. Ms. Messina asked that the statement be clarified as

follows: "Alcohol is permitted at the facility if it is properly licensed to serve alcohol." Ms. Howard will clarify the statement per Ms. Messina's request. Ms. Messina asked if the application of Delmar Fire Company indicated that there would be alcohol at the raffle event. Ms. Howard confirmed that the application did in fact state that alcohol would be available during the event. Mr. Greene stated that the representative from Delmar Fire Company had stated during the September meeting that alcohol would be sold in a separate room from the raffle. Mr. Willard questioned whether the Board understood that alcohol could be purchased and brought into the raffle. Mr. Greene and Ms. Messina confirmed that there was "no doubt" that alcohol would be brought into the raffle area. Ms. Messina made a motion, seconded by Ms. McDowell, to approve the minutes as amended. The motion passed unanimously.

Mr. Greene asked that members of the public introduce themselves for the Board. Introductions were made by Carol Torre of Full House Poker, Kay Warren of the Division, Jessica Eisenbrey of the Delaware State News, A.J. Hemphill of Charitable Games of Delaware, and Brittany Scott of the University of Delaware.

UNFINISHED BUSINESS

Final Denials

Delaware Blue Hens (revocation of IRS exemption)

Ms. Messina stated that the proposal to deny correspondence mailed to Delaware Blue Hens was returned to the Board office unopened. Ms. Messina made a motion, seconded by Ms. McDowell, to make a final denial of the application of Delaware Blue Hens for proposed charitable gaming events to be held on 9/18/11, 10/16/11, and 11/20/11, due to the revocation of its IRS exemption. The motion passed unanimously.

St. Nicholas Ukrainian Catholic Church – July-December 2012 Raffles (over 6 months)

Ms. McDowell made a motion, seconded by Ms. Messina, to make a final denial of the application of St. Nicholas Ukrainian Catholic Church for proposed raffle drawings to be held between July and December 2012, because the Board will only approve six months of raffle drawings at one time. The motion passed unanimously.

Re-Review of Contingent Approvals and PTD Applications - None

Joint Sunset Review & Rules and Regulations

Charitable Gaming Vendor License

Public Hearing, Rules & Regulations – November 3, 2011

Mr. Willard stated that at its September meeting, the Board reviewed and approved proposed amendments to its Rules and Regulations, including the addition of the definition of "officer" as it relates to Charitable Gaming Vendors. Mr. Willard has received confirmation from Mr. Hague that the proposed amendments to the Rules and Regulations were posted in the October 1st Register of Regulations. A public hearing regarding the Board's proposed changes is scheduled during the November 3rd Board meeting. A final version of the Rules will appear in the December 1st Register of Regulations, and will take effect 10 days after publication.

Review Vendor Licensure Application (approved by Mr. Greene)

Mr. Greene approved the new Vendor Licensure Application through the delegation of authority granted to him at the Board's September meeting. Mr. Greene stated that the licensing fee would be \$400, and added that the Board does not have any control of licensure fees, as they are set by the Division. Ms. Howard reported that the Division was still awaiting approval from the FBI to process requests for federal criminal background reports from officers of Charitable Gaming Vendors. Ms. Howard summarized an email received from the Information Technology Section of the Delaware State Police, stating that the SBI does not believe that the FBI will approve the federal criminal background reports based on the language presented from the Board's Rules and Regulations until the language is added to the Board's statute. Ms. Warren stated that there is specific language that the FBI requires. Once the FBI approval is received, the Vendor Licensure Application will be posted on the Board's website, and current vendors will be notified. Ms. Messina made a motion, seconded by Ms. McDowell, to ratify the approval of the Charitable Gaming Vendor Licensure Application. The motion passed unanimously.

Review of JSC Progress Report and Discussion on Sunset Recommendations B4 and B5

At 1:15, Ms. Warren asked the Board to delay the discussion until later in the meeting when Mr. Collins would be present. The Board agreed.

Rules & Regulations

Sign Final Rules & Regulations Order from 8/4/11 Public Hearing (Angelucci & McDowell)

Mr. Willard stated that the Board Order finalized Rules and Regulations from a public hearing held in August 2011, but two members of the Board still needed to sign the final Order. The Board Order was signed by Ms. McDowell and Mr. Angelucci. Ms. Messina questioned and Ms. Howard confirmed that the Rules and Regulations amended with the Board Order referenced raffles and cookie jar bingo.

Legal Interpretations from Mr. Willard

Raffle Record Keeper

Collecting Raffle Funds Thru Paypal

Mr. Willard stated that there was some discussion at the Board's September meeting regarding organizations who were collecting raffle ticket funds online through Paypal. The Board had questioned whether Paypal was acceptable, since the Rules and Regulations state that a member of the charitable organization must handle the funds. Mr. Willard stated that he is not sure how Paypal works. If Paypal "collects the money, processes it, and turns it right in, and the charitable organization has an ongoing record of everything, then the organization is still in charge." Mr. Willard believes that scenario would be acceptable under the Board's Rules. However, if Paypal collects the money and sends it to the organization at a later time, then Mr. Willard does not believe that scenario is acceptable under the Board's Rules. Mr. Willard questioned whether the organization loses control of the money and can keep on top of everything as it is occurring. Mr. Angelucci stated that Paypal receives a percentage of the funds. Ms. Messina stated that a few months ago, the Board was advised that an organization using Paypal to collect funds was told by Paypal that it does not collect "gambling funds" and shut down the online raffle without refunding the monies collected. Mr. Willard and Mr. Angelucci agreed that if that were indeed the case, then "it's a moot point." Ms. Messina noted that Delmar Fire Company was approved for an online raffle last month where Paypal collects funds, and has used Paypal for past raffles without a problem. Ms. Messina added that the Board had made a decision not to allow online raffles based on the situation where Paypal had shut down the raffle and refused to return the funds to the organization. Mr. Willard stated that if that was the Board's decision, then there was no further discussion needed. Ms. Messina stated that she does not know how Delmar Fire Company is able to conduct its online raffle using Paypal, without Paypal shutting the raffle down. Mr. Willard recommended that the Board contact Paypal to confirm that it does not collect gaming funds, and that if Paypal does indeed collect gaming funds, then the Board should revisit the discussion at a later time. Ms. Messina stated that the fire company whose online raffle was shut down by Paypal had a difficult time receiving the funds collected, as Paypal did not want to refund the money. She added that the organization asked if the funds could be used as "donations."

Mr. Greene gave the following scenario: If Paypal receives a fee to collect raffle funds, and the raffle does not raise enough money to award the raffle prize, and as a result, the raffle is cancelled, then how does the money get returned to the ticket purchasers, since the fees collected by Paypal would not be refunded? In other words, if someone purchased a raffle ticket for \$5 through Paypal, and Paypal took a \$1 fee from that amount, and the raffle was cancelled because it did not raise enough money to award a prize, then how does the organization refund the full \$5 ticket price back to the individual as required by the Board's Rules and Regulations? Mr. Greene and Ms. Messina agreed that based on this scenario, the Board had made a decision several months ago that it would not approve online raffles. Mr. Willard stated that if that were the Board's decision, there was no further research necessary. Ms. Howard and Mr. Willard advised that the Board had approved Delmar Fire Company last month to have an online raffle using Paypal to collect its funds based on the fact that the fire company had held an online raffle using Paypal for the previous four years, but advising them that future online raffles would not be permitted. Ms. Messina stated that Delmar Fire Company's online raffle was approved last month because they had "already started" collecting the funds through Paypal before the Board reviewed its application. Mr. Greene stated that the Paypal issue started about two and a half years ago when an organization tried to raffle a house using Paypal. Mr. Greene asked Ms. Howard to send

a letter to Delmar Fire Company, reiterating that online raffles and/or online merchant services, such as Paypal, will not be approved in the future. Ms. Messina made a motion, seconded by Ms. McDowell, that the Board will not approve online raffles or raffles where funds are collected by any online merchant service, such as Paypal. The motion passed unanimously.

Review Drafts of Revised Applications and Webpages from Ms. Howard

Mr. Willard stated that "Ms. Howard deserves a tremendous amount of credit for doing this." He added that the Division had tried to "put together things to help the Board" and that he may have mis-phrased something last month. Mr. Willard clarified that the Division was trying to help the Board by proposing new ideas for the Board to consider and make a final decision on. Mr. Willard apologized if he said anything to the contrary last month. He added that "given all the work that went into this, all the current applications and all the changes, I really think the Division and Ms. Howard have done a tremendous job." Ms. Howard thanked Mr. Willard for the acknowledgement.

Mr. Greene asked Ms. McDowell and Mr. Angelucci if they had reviewed the drafts. Ms. McDowell and Mr. Angelucci stated they had not looked at the application drafts. Mr. Greene made a motion, seconded by Ms. Messina, to table the review of application and webpage drafts until Mr. Angelucci and Ms. McDowell have reviewed them. The motion passed unanimously.

NEW BUSINESS

Executive Session None

Board Member Reports None

Delegation of Authority

Nemours / A.I. DuPont Hospital for Children

Mr. Greene stated that he had reviewed and approved a raffle application for Nemours / A.I. DuPont Hospital for Children at Mr. Collins' request. Mr. Greene made a motion, seconded by Ms. Messina, to ratify the issuance of a raffle permit for Nemours / A.I. DuPont Hospital for Children. The motion passed unanimously.

Review of Applications for Texas Hold'Em Tournaments None

Review of Applications for Charitable Gaming Events

St. Elizabeth Ann Seton (bingo & CG events same date/time/location)

Ms. Messina reviewed the application and advised that the organization was proposing to hold bingo and charitable gaming events on the same date, at the same time, at the same location. Ms. Messina stated that the application could be approved so long as the bingo event was not held in the same room as "alcohol was going to be for the Charitable Gaming" event. Ms. Howard questioned if the organization was proposing to have alcohol at the events. Ms. Messina stated that she misspoke, and that there would be no alcohol at either of the events. Ms. Messina re-stated her position that the application could be approved so long as the two events are not held in the same room at the same time because "sixteen year olds are allowed in bingo as workers, but you must be eighteen to be in a charitable gaming room." Ms. Messina stated that "a few places that we've gone to have separate areas – an engine room, a backroom, a hall." Mr. Angelucci made a motion, seconded by Ms. Messina, to approve the Charitable Gaming application of St. Elizabeth Ann Seton for events proposed to be held on 11/4/11, 12/12/11 and 1/6/12 contingent upon confirmation that the bingo and charitable gaming events are held in separate rooms (due to age restrictions). The motion passed unanimously.

The Beez Foundation, Inc. (1st time app, no DE address)

Ms. Messina reviewed the Charitable Gaming application of The Beez Foundation, Inc. and stated that the organization was not from Delaware. The group's address is in New Jersey and the address for the Member-In-Charge is in Pennsylvania. Ms. Messina made a motion, seconded by Ms. McDowell, to propose to deny the application for an event proposed to be held on 11/17/11 for lack of a physical Delaware location. The motion passed unanimously.

Review of Applications for Instant Bingo Events None

Review of Applications for Bingo Events

Greater Millsboro Chamber of Commerce (1st time app, 501(c)6)

Ms. Messina reviewed the application and stated that the prize list was originally too high but an acceptable prize list had been resubmitted. Ms. Messina added that the organization is a 501(c)6. Mr. Willard advised that the IRS list states “not allowed, see footnote” on many 501(c) designations. Mr. Willard summarized the footnote as stating that even if the organization’s 501(c) designation is “not allowed”, the Board can still approve the application if the organization has set up a separate charitable fund. Ms. Messina stated that there was no indication of a separate charitable fund. Mr. Willard advised that 501(c)6 organizations included business leagues, chambers of commerce, etc., that are normally not permitted. Ms. Messina made a motion, seconded by Ms. McDowell, to propose to deny the Bingo application of Greater Millsboro Chamber of Commerce for an event proposed to be held on 10/13/11 because the organization’s IRS designation of 501(c)6 does not qualify it as a charitable organization. The motion passed unanimously.

Kent County 4-H (affiliated with DE 4-H which is part of UD – using UD's EIN & 501(c)3)

Ms. Messina reviewed the application, and noted that Kent County 4-H is affiliated with Delaware 4-H, which is part of the University of Delaware, and that Kent County 4-H was using the University’s EIN and 501(c)3 designation. Ms. McDowell made a motion, seconded by Mr. Angelucci, to approve the Bingo application of Kent County 4-H for an event proposed to be held on 11/3/11. The motion passed unanimously.

Frankford Volunteer Fire Company (1st time bingo app)

The Way Home Program, Inc. (1st time app)

Delaware Seaside Railroad Club, Inc. (1st time app)

Ms. Messina reviewed the applications. Ms. McDowell made a motion, seconded by Ms. Messina, to approve the Bingo applications of Frankford Volunteer Fire Company for an event proposed to be held on 10/22/11, The Way Home Program Inc. for an event proposed to be held on 10/26/11, and Delaware Seaside Railroad Club Inc. for an event proposed to be held on 10/18/11. The motion passed unanimously.

Review of Applications for Raffles

FOCAS, Inc. (1st time app)

Ms. Messina reviewed the application. Ms. McDowell made a motion, seconded by Mr. Angelucci, to approve the application of FOCAS, Inc., for a proposed raffle drawing to be held on 10/28/11. The motion passed unanimously.

Children & Families First of DE (alcohol)

Ms. Messina reviewed the application. Ms. Messina questioned whether alcohol could be permitted at raffle events. Mr. Willard advised that raffles are not specifically covered in statute. Ms. Messina advised that the lease from Baywood Clubhouse submitted with the application states that alcohol would be served, but would not be permitted in the clubhouse during a banquet event. Ms. Messina stated that there must be a separate bar and a separate event room at this location. Ms. McDowell made a motion, seconded by Ms. Messina, to approve the application for a proposed raffle drawing to be held on 10/21/11. The motion passed unanimously.

The Thomas Jefferson Learning Foundation (1st time app)

Holy Cross Church (fees, 6 or 7 months?)

Ms. Messina reviewed the applications. Mr. Angelucci made a motion, seconded by Ms. McDowell, to approve the applications for The Thomas Jefferson Learning Foundation for a proposed raffle drawing to be held on 11/30/11, and Holy Cross Church for proposed raffle drawings to be held between 10/16/11 and 4/15/12. The motion passed unanimously.

Review of Request to Change Date/Venue of Approved Event None

Director Collins entered the meeting at 1:38 p.m.

Incident Weather/State of Emergency Request

The Children's Theatre of Delmarva / Mirworth Enterprises (Hurricane Irene)

Ms. Messina reviewed the request of The Children's Theatre of Delmarva / Mirworth Enterprises to approve 1/4/12 as a rescheduled event date for their previously permitted event on 8/27/11 which was cancelled due to Hurricane Irene. Ms. Messina made a motion, seconded by Mr. Angelucci, to approve the request. The motion passed unanimously.

Unfinished Business (continued)

Review of JSC Progress Report and Discussion on Sunset Recommendations B4 and B5

The Board recognized Mr. Collins and Ms. Warren. Mr. Collins stated that the Division is working on the September progress report for the Joint Sunset Committee (JSC). Ms. Warren stated that additional reports would be due to the JSC in December and April. Mr. Collins read aloud the recommendations of items B4 and B5, as follows:

JSC Recommendation B4: Work with the Division to develop and establish a consistent process to increase the ability of the Division to administratively issue permits and licenses based upon specific criteria which would include the submission of the After Occasion Report.

JSC Recommendation B5: Work with the Division to explore the feasibility of reducing the number of applications for licenses and/or permits reviewed each year.

Mr. Collins expressed his thoughts for Recommendation B5. He stated that the Division issues a lot of bingo permits, and a separate permit is issued for each event date. Mr. Collins asked Ms. Howard to research the number of bingo permits issued in 2010. Ms. Messina stated that her understanding was that bingo permits were issued for six months at a time. Ms. Howard stated that the Board allows bingo applications to be submitted for up to three months of event dates on one application. When the application is entered, there must be a separate entry for each event date. One application from a grandfathered organization can be submitted for up to 30 bingo event dates, and each event must be entered separately in order to print a separate permit. Ms. Messina asked if it would help if the staff only had to issue one permit for all event dates on one application. Mr. Collins stated that it would be helpful to only process one permit for three or six months of event dates, rather than a separate permit for each date. Ms. Howard stated that the staff had discussed gaming permits relative to this recommendation, and that the team was concerned that if one application for multiple event dates was reduced to one permit, then as the database is currently configured, there would be no way to enter individual After Occasion Reports (AORs) for separate events. Ms. Messina stated that an AOR must be submitted for each event date. Mr. Collins advised that would be a database issue that we would solve internally. Mr. Angelucci questioned if an organization was approved for a specific list of event dates on one permit, and then needed to add an additional date, would they need to submit a new application. Mr. Angelucci added that if an organization was pre-approved for a specific list of bingo event dates, someone would need to keep track of those dates in order to prevent later approval of other event types, such as charitable gaming, on the same date, time and location.

After a database query, Ms. Howard stated that the Division issued 1,390 bingo permits in 2010. Ms. Messina questioned and Mr. Collins confirmed that 1,390 is the number of separate bingo event dates, not the number of applications received. Ms. Messina stated that she did not know that a separate permit was being issued for each event date. Ms. Messina questioned if the permits were mailed separately or together. Ms. Howard explained that once an application is approved by the Board, the licensing staff person must process the approval of each event date on the application and print a separate permit for each. All permits approved on one application are mailed at one time. Ms. Messina questioned where the savings would be if permits are already mailed in bulk. Mr. Collins advised that the savings would be in the time spent processing the approvals for each date and printing the permits for each date, which is a time-consuming process. Mr. Collins stated there is a history to this process; The reason event dates are treated individually is because at one time, the licensing database was feeding into a gaming calendar, so each event date had to be entered separately in order to appear on the calendar. We have since abandoned that calendar, but we have continued to

process event dates separately as agreed to by the Board. Ms. Messina questioned who agreed to the current process of entering event dates separately. Mr. Collins advised that the Division and the Gaming Board at the time of the change were in agreement about the process. Mr. Greene stated that when Texas Hold'em Tournaments came into play, the calendar was necessary to keep tournaments from being scheduled on the same day in the same geographical area. Mr. Collins stated that in order to generate the calendar, each event date had to be entered separately and generated its own permit. Mr. Collins proposed that entering applications, as opposed to event dates, would reduce the amount of data entry, processing, and permits. Ms. Messina stated she was "on board with whatever helps the staff, as long as the process in no way affects the After Occasion Reports."

Mr. Collins stated that in terms of data requests that the Division had received regarding AORs, "we've only seen them get as granular as totals by event type by organization." Mr. Collins asked if the Board anticipates data requests getting more granular. Ms. Messina stated that anticipation that the data requests will change is not her concern. She is concerned, however, that the legislators of the Joint Sunset Committee were very specific about withholding gaming permits for organizations who have not submitted AORs in a timely manner. Ms. Messina quoted Representative Ramone as saying, "slam down the hammer." Ms. Messina stated that the Board will follow what the JSC recommends. Mr. Collins stated that if we enter just the totals of the different events from the AORs and stored the information and the reports electronically, that would provide the data by event type by organization. Ms. Messina questioned when organizations would be able to submit AORs electronically. Ms. Messina stated that currently organizations may electronically complete the AOR, but then must email or fax it to the Board office. Mr. Collins stated that electronic submission of AORs is not in the foreseeable future. Ms. Messina stated that "we are backtracking from what we said a few months ago." Mr. Collins explained that a few months ago AORs could not be faxed or emailed, and now they can. Mr. Collins added that going online, filling out the AOR, attaching it to an email, and sending it to the Division is electronic submission in his opinion. Ms. Messina stated that this is a topic that comes up for discussion every month. Mr. Collins reiterated that for the foreseeable future, AORs may be completed online, and then faxed, emailed, or delivered to the Division by snail mail. Ms. Messina stated that there were several customers that believed that we were working on the electronic submission of AORs. Mr. Collins stated that there was one customer who had demanded that AORs be submitted electronically, and that a conversation with that individual had prompted further research into the request. Mr. Collins added that he could not justify the cost to implement the technology needed to support the request, and gave the example that a new prescription monitoring program currently being implemented cost \$60,000 for the software program alone. Mr. Collins advised that when he considers the AORs and how we use them, it's difficult to justify spending a lot of money just for the electronic submission of these reports, when emailing the reports doesn't cost anybody anything and still has the same outcome. Ms. Messina stated that she understood, and in order to save money she is "fine with that." Mr. Willard asked if an AOR must be scanned before it can be emailed. Mr. Collins answered that the form itself is fillable online and can be saved to a computer and emailed as an attachment; scanning is not necessary. Mr. Greene stated that he doesn't have a problem with email because the Board has done everything it can to make the process easier for the organizations.

Mr. Greene asked why Recommendation B5 has to go to the Joint Sunset Committee for review. Mr. Collins explained that the JSC is "telling us to do that in this recommendation." Mr. Greene stated that he "trusts the Division enough to go ahead and do it your way, and leave it up to the Division to track and keep up with the After Occasion Reports." Mr. Collins stated that the AORs are not an issue, and are still going to be required after every event. Ms. Messina stated that the Board reduced the number of bingo and charitable gaming events that it would approve from one year to three months because AORs were not being submitted in a timely manner, and that some organizations had AORs overdue for events "two years out." She added that the JSC agreed with the Board that if organizations did not turn in their AORs within a specified window of time, then they would not receive permits for future events. Mr. Collins inquired and Ms. Howard stated that the Board reviews up to three months of bingo events on one application, up to three months of charitable gaming events on one application, and up to six months of raffle drawings on one application. Ms. Messina stated that there are very few organizations that are grandfathered to have bingo events twice a week. Ms. Messina agreed with Mr. Greene that this recommendation could be handled "right now." She added, "whatever

works for you and your staff and however you would like to do that as long as After Occasion Reports are not affected." Ms. Messina made a motion, seconded by Ms. McDowell, to "work out the details to your satisfaction as long as it does not affect AORs." The motion passed unanimously.

Regarding JSC Recommendation B4, Mr. Collins stated that he tried to bring solutions to the table, but he needed some help with how to accomplish this recommendation. Mr. Collins stated that the Division already issues bingo permits for clean applications. Mr. Collins asked Ms. Howard to research how many charitable gaming permits were issued in 2010. Mr. Greene and Ms. Howard agreed that applications for Texas Hold'em Tournaments and Instant Bingo were rare at this time. Mr. Willard asked the Board if it would consider delegating authority to the Division to issue charitable gaming permits for clean applications. Ms. Messina and Mr. Greene both answered, "no." Ms. Messina added, "there's too much associated with it." Ms. Messina stated that she would be willing to revisit the idea after the Board's "new proposed legislation goes in, in January." She added that the Board's new legislation would be an attempt to "get the three sections of the code all in line, in order, and get the confusion removed where some of it really only applies to bingo, but it sounds like it applies to bingo and charitable gaming. After the new legislation is written and proposed, I would be willing to look at it after a lot of these issues are taken off the table."

Jennifer Childears addressed the Board, stating that the clean charitable gaming applications currently awaiting the Board's approval represent about three hours of work for the licensing staff person, which must wait until after the monthly Board meeting. Ms. Childears proposed that if the Board were to allow the Division the authority to issue the clean charitable gaming permits, as they do with bingo, that the workload could be spread across the workweek instead of compiling it on one afternoon. Mr. Greene and Ms. Messina each responded, "we understand." Ms. Childears added that the Board does not review the clean charitable gaming applications, they are simply ratifying a list of names and dates. Mr. Willard agreed and stated that the Board does not look at the applications on the ratification list prior to approving them. Mr. Greene & Ms. Messina again responded, "we understand." Ms. Messina added that she is not willing to consider delegating authority for any other gaming applications "at this point." Ms. Warren stated that she would respond to the JSC's recommendation with Ms. Messina's response that the Board would revisit the item after its legislative package is presented to the JSC in January 2012. Mr. Collins stated that it is compelling that the Board is not looking at applications that the staff deems clean; "The only thing that's stopping the process of issuing those permits is this meeting occurring. Once the meeting is completed, we send out those permits without Board review. This has been an issue on the table for a while and I recognize that we needed to earn some trust and credibility with the Board. My hope is that we have done that. If we haven't, certainly you can tell me. We've tried to be diligent with bingo and charitable gaming and, that I'm aware of, there haven't been any issues related to the issuance of the charitable gaming permits. Like the push for AOR electronic submissions, there's also a push for efficiency. The easier it is for us to get things in and get them out just makes things a lot better for everyone. We thought we would start this discussion today with the hopes that the Board would recognize that we've already essentially been doing this, just not able to issue the permits until after the meeting occurred." After a database query, Ms. Howard reported that 1,689 charitable gaming permits were issued in 2010, averaging 141 permits per month, which is more than bingo. Mr. Collins added that delegation of authority would allow the Division to address issues that come up between meetings which is a challenge; although it's less of a challenge now than in the past. The ability to intake an application, review it, and if it's clean, issue the permit would resolve issues. Mr. Collins added that charitable gaming is one of the few things that the Division regulates that is event-based, which means it's set for a certain date at a certain time, and "if everything doesn't fall into place, nothing falls into place. We will implement B5 and revisit B4 after legislation is proposed to the JSC."

Ms. Warren questioned whether all of the Board members had reviewed the JSC September Progress Report. Mr. Greene stated that he had received and reviewed the report the day before, but other Board members were not given the report until the meeting. At the last meeting, the Board delegated authority to Ms. Warren to complete and submit the September Progress Report to the JSC. Ms. Warren advised that the Division was given additional time to submit the report. Ms. Warren summarized the response for each recommendation on the report, as follows:

- A1 - A6, the Board and the JSC agreed to include in January's new legislation. Ms. Messina asked Ms. Warren if two topics were added 1) alcohol at charitable gaming and raffle events, and 2) raffles explicitly covered in statute. Mr. Collins advised that the Division cannot add to the JSC's recommendations. Ms. Warren and Mr. Collins agreed that the JSC will have to discuss the two new topics and make new recommendations next session. Mr. Willard stated that the changes were already covered in his draft of the new statute. Mr. Collins advised that the Division can point out those two new topics to the Committee when the draft is presented in January. Mr. Willard advised that the JSC may or may not want to allow alcohol at charitable gaming and raffle events; We'll have to point out the changes in the new legislative draft for the JSC to consider and make a decision. Ms. Warren continued with her review of the September Progress Report, as follows:
 - A7 and A8, accomplished
 - A9 and A10, will be in the new bill
 - A11, accomplished
 - A12, new bill
 - A13, accomplished
 - A14, still working on the transfer of funds from the Lottery Office and hiring of inspectors which we anticipate will happen in November of this year. Mr. Collins added, "when we get to that point we want to ask that the chair or his designee be involved in interviewing for inspectors."
 - A15, new bill
 - A16, accomplished
 - A17, new vendor definition in Rules, public hearing 11/3/11. Per Ms. Messina's request, Ms. Warren will add language to the report about the issue pertaining to federal criminal background checks for officers of vendors, which also needs to be addressed in the new bill.
 - B1, Ms. Messina stated that she thought the Board wrote and approved a Letter of Concern two years ago. Mr. Collins explained that the current issue is working out the process; Once we get a complaint, at what point does it come to the board? Mr. Willard added that the problem is that current law states that the Board can issue a Letter of Concern *after an investigation*, and recommended that the language be changed to read, *before an investigation happens, the Board can issue a Letter of Concern*. Mr. Collins questioned how the Board could make a judgment before the Division checks to see if the complaint is accurate. Mr. Angelucci stated that the Letter of Concern could be issued based on the level of infraction. Mr. Collins stated that the Division must investigate to substantiate whether or not an infraction occurred.

Mr. Willard stated that his understanding is that when a complaint is received, it is assigned to a Board member and an investigator, and once the investigation is complete, then the Board can decide if the infraction can be addressed through a Letter of Concern, or if a hearing is necessary. Mr. Willard added that the Board would like to be able to determine on the surface if the complaint should be investigated, or if it's a minor infraction. Mr. Collins stated that if the minor infraction does not warrant an investigation, then the complaint should be dismissed. Ms. Messina stated that the Board had discussions with the JSC regarding Letters of Concern, and that the Board had requested that there be a way for the Division to send a Letter of Concern to a group if it was reported, for example, that they held an event without a permit, or for other types of minor infractions. Mr. Collins questioned how the Division would know if an alleged infraction had actually occurred. He added, "What if you were the organization and got a Letter of Concern from this Board saying 'you better not hold any more events without a permit', and you didn't hold an event without a permit?"

Ms. Messina stated that somebody has to file a complaint and most of the time it's a Division staff person. Mr. Angelucci added that complaints filed by Division staff are usually for non-compliance. Mr. Angelucci stated that the Board wanted to issue Letters of Concern for minor infractions because investigations often take a long time, and the organization continues to be out of compliance during that time and the number of minor infractions adds up. Ms. Messina stated that

the JSC was "very adamant" that permits and licenses not be issued to groups that were not in compliance. Mr. Collins stated that he was okay with that proposal, but there must be due process. He added that the Board is accountable and Board actions may be appealed. Ms. Messina stated that the Board has been trying to do this for a couple of years. Mr. Collins stated that he is not trying to stand in the way, but the Board's attorney has to insure that there's due process. Mr. Angelucci stated that the Board also felt that Letters of Concern would reduce the workload of investigators so that they could focus on bigger complaints. Mr. Collins stated that Letters of Concern may be a good tool for the Board because inspectors may observe infractions that could most likely result in a Letter of Concern, rather than an investigation. Mr. Collins stressed that the Board's attorney needs to make sure that there's due process.

Ms. Messina stated that she asked a year and a half ago, that Board members receive complaint updates in writing from investigators, and that any action taken on a complaint be entered in the Board's meeting minutes in the month that the action was taken. Ms. Messina stated, "we still don't get that." Ms. Howard stated that any action on any gaming complaint is included on the Board's agenda for the month that the action was taken, and is subsequently added to the minutes for that month. Ms. Howard directed the Board to item 4.14.1 on the agenda, and noted that the update for Complaint 22-02-11 was the only action taken since the Board's last meeting. Ms. Messina stated, "that's the first time I've seen that, upcoming hearing." Ms. Howard responded that complaint status updates are on every agenda, whether a complaint is assigned to a Board member, closed by an investigator, forwarded to the Attorney General's office, dismissed by the Attorney General's office, or scheduled for a hearing. Ms. Howard added that the hearing officer process is new, and the Board has not had a complaint to be considered by the hearing officer before this meeting. Ms. Messina questioned if the Board had seen an update on Complaint 22-02-11 before this month. Ms. Howard responded that the Board has not seen that particular update on that particular complaint before this month, because it had occurred since the last meeting.

Mr. Collins stated that the Board will now have its own inspectors/investigators conducting its investigations so there should be a lot more communication between the contact person and the investigator. Gaming inspectors will provide feedback to the Board at its meetings, and recommend adjustments based on what they are observing at gaming events. Ms. Messina added that the Board can also help cut down the investigator's workload by issuing Letters of Concern for minor infractions observed by Division staff. Mr. Collins clarified that the gaming inspectors/investigators will be reporting to the Board and recommending infractions for which a Letter of Concern is warranted, based on their observations at gaming events. Mr. Collins believes there will be a lot more coordination between the Board and the investigative process. Mr. Greene stated that investigators have asked his opinion in the past on certain complaints, and he believes that the investigative process is helped by getting a board member's opinion. Mr. Collins agreed that the whole purpose of having a Board contact person is for the investigator to consider the Board member's opinion. Ms. Messina stated that rewriting the Board's statute and making it clearer should stop a lot of concerns and questions. Mr. Collins stated that if a complaint is a simple, cut and dry case, the investigator is not going to send the Board member documents or records for review and discussion. He added that the level of participation a Board member will have in the complaint/investigation process depends on the complexity of the case; if it's a simple case, you'll get a simple phone call.

Mr. Greene asked why it would take five years to process a complaint. Mr. Collins stated that the Division doesn't have any complaints that are five years old, and asked for the complaint number. Mr. Greene responded that the complaint number is 22-02-11. Mr. Collins stated that based on that number, the complaint was filed in 2011. Mr. Greene stated that complaint 22-02-11 has been ongoing since May 6, 2006. Ms. Howard clarified that the event in question occurred in 2006, but the complaint about the event was not filed until the beginning of 2011. Mr. Greene revised his question, and asked why we were looking at complaints for events that occurred five years ago. Ms. Messina

questioned why the Division would take a complaint in 2011 for an event that occurred in 2006. Mr. Angelucci asked if there was a statute of limitations. Mr. Willard responded that if someone files a complaint, the Division has to take the complaint. Mr. Collins responded that he is not aware of a statute of limitations, and that based on the nature of this specific case, it will not be too hard to determine whether the group did or did not comply with the law.

Mr. Greene stated that he would like to revisit Recommendation B5 regarding delegation of authority for the Division to issue permits. Mr. Greene made a recommendation to the Board that they temporarily delegate authority to the Division to issue permits for clean charitable gaming applications received between now and December 31, 2011. Mr. Greene added that this temporary approval will give the Board a feeling of how the Division will handle the process for three months. Mr. Collins stated that the Division would love to have the opportunity to prove to the Board that it can do the work, and suggested that the Board audit the applications during the trial period. Mr. Greene stated that the Board's hesitation has not been an issue of trust, but of the complexity of charitable gaming applications. Mr. Collins stated that any questionable applications would still come before the Board. Ms. Howard asked for clarification that this approval is for charitable gaming applications only, and does not include raffles. Mr. Greene confirmed that raffles are not included in the trial period. Mr. Greene made a motion, seconded by Ms. McDowell, to "allow the Division to go ahead and process the clean applications for charitable gaming only, up until December 31, 2011." The motion passed unanimously. Mr. Collins thanked the Board and excused himself from the meeting. Ms. Warren continued with her review of the September Progress Report, as follows:

- B2, the review of draft applications was tabled until the next meeting
- B3, Ms. Warren read aloud the response to B3. Ms. Messina stated that the wording of the response is very important so that everyone understands that the electronic submission is via email or fax.
- B4, the Board agreed to pilot the issuance of charitable gaming permits through December 31, 2011. Ms. Messina asked that the response include the term "Ratification List", as that term is used on the Board's agenda to describe the issuance of bingo permits through delegation of authority.
- B5, Ms. Messina stated that she will approve whatever administrative process will help the Division issue permits as long as it doesn't affect AORs. Ms. Warren asked and Ms. Messina confirmed that one permit may be issued for 3 months of charitable gaming events, 6 months of raffle drawings, or 3 months of bingo events, so long as AORs are still required for each event date.

Approval of Licensure List

Ms. McDowell read aloud the charitable gaming licensure list. Mr. Angelucci made a motion, seconded by Ms. Messina, to approve the charitable gaming applications of Fraternal Order of Police Lodge 2 (Millsboro), Knights of Columbus Our Lady of Fatima Council, Friends for Rescue & Pet Care Inc. (formerly Friends for Responsible Pet Care), Forgotten Cats Inc., Solomon Lodge #36 A.F. & A.M., Fraternal Order of Police Lodge 9 (Sussex Co.), Mirworth Enterprises dba The Children's Theater, DelTech Educational Foundation, American Legion Post 24 (Dagsboro), Laurel Fire Department Inc., Southern DE Horse Retirement Association, Friends of the Seaford Library, and Seaford Alumni Association Foundation, Inc. The motion passed unanimously.

Ms. McDowell read aloud the raffle licensure list. Ms. Messina made a motion, seconded by Mr. Angelucci, to approve the raffle applications of Little Sisters of the Poor Delaware Inc. and Beebe Medical Foundation. The motion passed unanimously.

Ratification of Bingo Event Permits Issued

Mr. Angelucci read aloud the bingo ratification list. Ms. McDowell made a motion, seconded by Mr. Greene, to ratify the licensure of Christiana Fire Company, Ladies Auxiliary of Good Will Fire Company, Sgt. William Lloyd Nelson VFW Post 3792, Newark Elks Lodge 2281, Milton Fire Company Ladies Auxiliary, Camden-Wyoming Fire Company, Camden-Wyoming Moose Lodge 203, Aetna Hose, Hook and Ladder, Bowers Fire Company, Harrington Fire Company, Mamie A. Warren Senior Center, Rainbow Chorale, Indian River Senior Center, Mill Creek Fire Company Ladies Auxiliary, Debra L. Sipple Memorial, Friends for Rescue and Pet Care, Millsboro Fire Company Ladies Auxiliary, Holy Cross Church, St. John the Baptist Roman Catholic Church, St. Elizabeth Ann

Seton, MOT Senior Center, Indian River Volunteer Fire Company, Milford Elks Lodge 2401, American Cancer Society Relay For Life CCC, Trinity Foundation, Adas Kodesch Shel Emeth, Magnolia Fire Company Ladies Auxiliary, Lenape Indian Tribe of DE, Delaware City Fire Company Ladies Auxiliary, Bowers Fire Company Ladies Auxiliary, and Laurel Lioness Club. The motion passed unanimously.

Hearings/Consent Agreements None

Complaint Assignment and Status

Mr. Greene reported that he was the assigned Board Contact for Gaming Complaint 22-02-11. The agenda noted that Complaint 22-02-11 was currently under review by the Division's Legal Department as to whether or not the matter would be heard by a Hearing Officer or the Board.

OTHER BUSINESS BEFORE THE BOARD

New DE Business License Received from Full House Poker, Inc.

Mr. Greene reported that the Board had received a copy of the new Delaware business license of Full House Poker, Inc.

2012 Meeting Schedule

Ms. Howard provided a copy of the 2012 Meeting Schedule in each Board member's file. There was no discussion regarding the schedule.

Autism Delaware – Request to Change Member-In-Charge of Charitable Gaming Event on 10/14/11

Mr. Greene stated that Autism Delaware had requested a change of the Member-In-Charge for its upcoming charitable gaming event on 10/14/11 from Mr. Hamer to Debbie Morrison. Ms. Messina made a motion, seconded by Ms. McDowell, to approve the request. The motion passed unanimously.

PUBLIC COMMENT

Carol Torre asked for clarification of the fee for a Vendor license. Ms. Howard confirmed that the license fee will be \$400 for a 3-year license.

NEXT MEETING

The next scheduled Board meeting is November 3, 2011 at 1:00 p.m., at 861 Silver Lake Boulevard, Cannon Building, Conference Room B, Dover, Delaware.

ADJOURNMENT

There being no further business before the Board, Ms. Messina made a motion, seconded by Mr. Angelucci, to adjourn the meeting at 2:42 p.m. The motion passed unanimously.

Respectfully Submitted,



Michele Howard
Administrative Specialist II