



CANNON BUILDING
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STATE OF DELAWARE
DEPARTMENT OF STATE
DIVISION OF PROFESSIONAL REGULATION

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MEETING MINUTES:	BOARD OF CHARITABLE GAMING
MEETING DATE AND TIME:	Thursday, November 1, 2012 at 1:00 p.m.
PLACE:	861 Silver Lake Boulevard, Dover, Delaware Conference Room B , second floor of the Cannon Building
APPROVED:	December 6, 2012

MEMBERS PRESENT

Scott Angelucci, Chairman, Public Member
Tim Winstead, State Lottery Office Member
Janet Williams-Coger, Non-Profit Member

MEMBERS ABSENT

Sharon McDowell, Vice Chair, Public Member
James Greene, DE Volunteer Fireman's Association Member

DIVISION STAFF/DEPUTY ATTORNEY GENERAL PRESENT

Robert Willard, Deputy Attorney General
Amanda McAtee, Administrative Specialist II
Michele Howard, Administrative Specialist II
James Collins, Director of Division of Professional Regulation
Elaine O'Neill, Gaming Inspector
Jeff Ford, Investigative Supervisor

PUBLIC PRESENT

Earl Robinson, Beach House Poker

CALL TO ORDER

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

Mr. Angelucci made a motion, seconded by Ms. Williams-Coger, to amend the agenda to add item 4.5.3 under New Business, Review of Application(s) for Charitable Gaming Event(s), Camp Rehoboth. The motion carried unanimously.

Mr. Angelucci made a motion, seconded by Ms. Williams-Coger, to amend the agenda to add item 4.9.2 under New Business, Review of Request to Change Approved Event, Frederica Senior Center prize list. The motion carried unanimously.

Mr. Angelucci made a motion, seconded by Ms. Williams-Coger, to amend the agenda to add a discussion under item 4.10 concerning inclement weather and state of emergency requests. The motion carried unanimously.

REVIEW AND APPROVAL OF MINUTES

The Board reviewed the meeting minutes of October 4, 2012. Mr. Winstead made a motion, seconded by Ms. Williams-Coger, to approve the minutes as presented. The motion carried unanimously.

UNFINISHED BUSINESS

Continued Discussion Regarding Proposed Gaming Seminar

Mr. Angelucci reviewed the purpose of holding a proposed gaming seminar. Ms. Howard summarized the process of scheduling a proposed gaming seminar. Mr. Angelucci proposed to electronically send out a survey to determine the overall interest in holding a gaming seminar. Mr. Angelucci proposed survey questions to include, "would you attend," "time of day best to attend," and "what charitable gaming topics would you like to discuss?" Ms. Howard and Mr. Angelucci discussed a timeline of proposed dates the seminar could be held. Ms. Howard stated that an electronic survey would likely delay the scheduling of the seminar until the spring of 2013, providing time to draft and send the survey, and then receive and analyze the responses.

Public Hearing Regarding Rules & Regulations Governing Promotional Giveaways – Scheduled December 6, 2012

Mr. Willard stated that the Board asked him to draft a new Rule that states that a non-profit organization can hold a holiday event within seven days prior to a holiday. Mr. Willard stated that he drafted the new Rule and that it could be placed in the Register of Regulations in November, with the hearing scheduled for December, and adopted in January 2013. The new Rule would then be posted in the Register in February and would become effective February 2013. Mr. Willard stated he felt the Board had the authority to allow a charity to hold a Christmas event up to a week before a holiday. Mr. Willard presented the language he wrote to amend the current Rule 4.6. He stated that he would be adding a sentence to Rule 4.6 in order to make the change. Mr. Angelucci asked Ms. McAtee and Ms. Howard to add this to the next meeting agenda and to send a copy of the Rule change to the Board members prior to the next scheduled meeting.

NEW BUSINESS

Executive Session - None

Board Member Reports - None

Delegation of Authority – None

Review of Applications for Texas Hold'Em Tournaments – None

Review of Applications for Charitable Gaming Events

American Legion Post 24 – (Response to question 19 on application: percent of funds)

Mr. Angelucci reviewed and summarized the Charitable Gaming application of American Legion Post for the Board. Mr. Winstead made a motion, seconded by Mrs. Williams-Coger, to approve the application of American Legion Post 24, contingent upon the receipt of an acceptable written statement clarifying that all of the proceeds from the event would be donated to a specific charity. The motion carried unanimously.

Metropolitan Community Church of Rehoboth – (MIC)

Mr. Angelucci reviewed and summarized the Charitable Gaming application of Metropolitan Community Church of Rehoboth for the Board. Mr. Angelucci made a motion, seconded by Mrs. Williams-Coger, to approve the application of Metropolitan Community Church of Rehoboth, contingent upon the receipt of an updated member-in-charge letter. The motion carried unanimously.

Camp Rehoboth – (Omaha Card Game)

Mr. Angelucci reviewed and summarized the Charitable Gaming application of Camp Rehoboth which included the rules for the Omaha card game for the Board. Mr. Earl Robinson from Beach House poker stated that the only game to be played at Camp Rehoboth's event would be non-tournament Texas Hold'Em Poker. Mr. Robinson also stated that his facility does not have a blackjack table. Mr. Angelucci made a motion,

seconded by Mrs. Williams-Coger, to approve the application of Camp Rehoboth, contingent upon the receipt of a letter from Camp Rehoboth stating that it will not have Stud Poker, Blackjack, or Omaha card games and that the only game to be played will be non-tournament Texas Hold'Em Poker. The motion carried unanimously.

Review of Applications for Instant Bingo Events

Our Lady of Fatima Catholic Church (All instant bingo events reviewed)

Mr. Angelucci reviewed and summarized the Instant Bingo application of Our Lady of Fatima Catholic Church for the Board. Mr. Angelucci made a motion, seconded by Mrs. Williams-Coger, to approve the application of Our Lady of Fatima Catholic Church. The motion carried unanimously.

Review of Applications for Bingo Events – None

Review of Applications for Raffles

United Way of Delaware Inc. (First time applicant)

Sanford Home and School Association (All raffles reviewed)

Mr. Angelucci reviewed and summarized the Raffle applications of the United Way of Delaware Inc. and Sanford Home and School Association for the Board. After discussion, Mr. Winstead made a motion, seconded by Mrs. Williams-Coger, to approve both Raffle applications. The motion carried unanimously.

Review of Requests to Amend Previously Approved Event

Frederica Senior Center (Change prize list)

Mr. Angelucci reviewed and summarized a letter and amended prize list received from the Frederica Senior Center for the Board. Mrs. Williams-Coger made a motion, seconded by Mr. Winstead, to approve the amended prize list for the Frederica Senior Center. The motion carried unanimously.

Kiwanis Club of Greater Millsboro Inc. (Request to change event date due to Hurricane Sandy)

Mr. Angelucci reviewed and summarized a letter received from the Kiwanis Club of Greater Millsboro for the Board. Mr. Angelucci made a motion, seconded by Mrs. Williams-Coger, to approve the event date change from November 3, 2012 to December 8, 2012. The motion carried unanimously.

Inclement Weather/State of Emergency Requests

Discussion of Future Handling of Inclement Weather/State of Emergency Requests

Ms. Howard summarized for the Board the current policy in place for handling inclement weather/state of emergency requests. She stated that the current policy only allowed the Division, under delegation of authority, to approve date changes if the date was declared a state of emergency by the Governor.

Mr. Angelucci stated that the Division should be given the delegation of authority to approve date changes for areas affected by natural disasters on a case by case basis. Mr. Angelucci made a motion, seconded by Mrs. Williams-Coger, to grant delegation of authority to the Division to approve date changes for events affected by Hurricane Sandy that would take place before the Board's next meeting. The motion carried unanimously.

Approval of Licensure List – None

Ratification of Charitable Gaming Event Permits Issued - attached

Mrs. Williams-Coger read aloud the Charitable Gaming ratification list. Mr. Winstead made a motion, seconded by Mrs. Williams-Coger, to ratify the Charitable Gaming licensure of the First State Harmonizers, Laurel Fire Department, Knights of Columbus Father Vincent Cappodanno Assembly 2413, Delaware Society for the Prevention of Cruelty to Animals, and Newark Senior Center. The motion carried unanimously.

Ratification of Bingo Event Permits Issued - attached

Mrs. Williams-Coger read aloud the Bingo ratification list. Mr. Winstead made a motion, seconded by Mrs. Williams-Coger, to ratify the Bingo licensure of Saint Peter and Paul Ukrainian Orthodox Church, Ladies Auxiliary of the Delaware City Fire Company, Delaware Veterans Post 2, Laurel Lioness, Indian River Volunteer Fire Company, Inc., Holy Cross Church, Saint Margaret of Scotland Parish, Cape Henlopen Senior Center, Kent

County 4-H, Vietnam Veterans of America Chapter 546, St. Elizabeth Ann Seton, Milford Elks Lodge No. #2401, Georgetown, Ellendale VFW Post # 2931, Bowers Fire Company Ladies Auxiliary, Delaware Pride, Clayton Fire Company #1, Walter L. Fox American Legion Post No. 2, Mill Creek Fire Company Ladies Auxiliary, Claymont Fire Company Ladies Auxiliary, and Delaware Veterans Post 2. The motion carried unanimously.

Hearings/Consent Agreements

Complaint 22-02-11 (MERR Institute) Status of Compliance with Consent Agreement

Ms. Howard stated that Ms. Betley had no update to report on the MERR Institute.

Mr. Willard stated that the Board had recently rejected a consent agreement in an unrelated matter. Mr. Willard stated he was recently informed by a state prosecutor that the Board cannot levy any financial penalties under the current law. The current law states that the Board is authorized to fine licensees only, and the organization in question was operating without a license. By the time the Board caught their unlicensed activity; they had already applied and received a license to hold events. The current law permits the Board to deny a license on the grounds of not abiding by the Board's Rules and Regulations but cannot recommend a fine as a penalty. Mr. Willard proposed that this subject be brought before the Joint Sunset Committee since it has never been considered. Mr. Angelucci made a motion, seconded by Mrs. Williams-Coger, to include language in the Board's proposed statutory amendment to grant them the authority to impose monetary penalties on both licensees and non-licensees operating without a license. The motion carried unanimously.

Complaint Assignments and Updates

Complaint 22-08-12 (McDowell)

Mr. Angelucci stated that Complaint 22-08-12 has been forwarded to the Attorney General's Office.

Complaint 22-05-11 (Greene) Dismissed by Attorney General's Office – "Interest of Justice"

Mr. Angelucci stated that Complaint 22-05-11 was dismissed by the Attorney General's Office in the "Interest of Justice."

Inspection Reports

Delaware Seaside Railroad Club, Inc. (Basket Bingo) 10/16/12

Delaware Technical and Community College Educational Foundation (Raffle) 10/20/12

Howard J. Weston Community and Senior Center (Bingo) 10/14/12

St. Peter and Paul Ukrainian Orthodox Church (Bingo) 10/12/12

Mr. Angelucci stated that the Delaware Seaside Railroad Club, Inc., Delaware Technical and Community College Educational Foundation, Howard J. Weston Community and Senior Center, and St. Peter and Paul Ukrainian Orthodox Church were recently inspected. There was no discussion.

Responses to Inspection Letters of Concern/Warning

St. Joseph Catholic Church

Mr. Angelucci stated that St. Joseph Catholic Church had submitted a written response to the Board regarding the letter of concern issued to them as a result of a recent inspection. Mr. Willard stated that St. Joseph Catholic Church completely shut down their event after inspectors informed them of violations and they will not hold another Big Six Wheel event due to an insufficient number of volunteers to run the event. Mr. Angelucci requested that the St. Joseph Catholic Church be sent a letter stating that the Board regrets that they were unable to continue to hold their event. If at some stage they are able to have the appropriate number of members oversee the event, the Board welcomes them to reapply.

Discussion of Rule 4.11 regarding Basket Bingo "loser" prizes

Mr. Angelucci summarized the current basket bingo "loser prize" practice that occurs at Bingo events that do not play for money and have more than one winner. Mr. Angelucci explained how the practice violates Rule 4.11. Ms. Howard read Rule 4.11 for the Board.

Elaine O'Neill explained that the aggregate Bingo prize limit per event is \$1250 and that basket bingos have gotten around this limit by not stating an accurate appraised value for each item, the value of the prize is much greater than what is being listed. To aid Inspectors in enforcing Rules 3.10 and 4.11 Ms. O'Neill requested that the Board state its interpretation of the Rules.

Jeffrey Ford introduced himself to the Board as the new Investigative Supervisor. Mr. Ford stated that determining the value of any object is going to invoke a lot of conversation. Mr. Ford asked the Board to support the Gaming Inspectors during Inspections of basket bingos and other events.

Ms. O'Neill stated that the practice of holding basket bingos is unfair to the organizations that operate Bingo events within the \$1250 aggregate prize limit. Mr. Angelucci stated that the Board's language needs to be clear if there is a blatant exaggeration of a prize's value; prizes need to be based on a reasonable market value. Ms. O'Neill indicated that organizations also add items to the Bingo prizes by filling purses or baskets which further increases their value. Mr. Angelucci stated that adding items to prizes would be a violation since these additional prizes were not listed on the application. Even if items being added to the prizes are donated, they still have a value. Mrs. Williams-Coger stated that the Rules should be enforced and followed as written. Mr. Angelucci stated that the prizes should be based on current market values and the organizations should abide by the Rules as written.

Regarding Rule 4.11, governing more than one Bingo winner and loser prizes, Mr. Angelucci stated that the cash value of the original prize should be split evenly among each winner. The original prize should be saved and used at another event. Giving the prize to one winner and holding a drawing at the end of the night for the losers of that original Bingo prize is not part of a regular Bingo game and violates Rule 4.11 as it is written.

Ms. McAtee asked the Board if the Division should continue handling Bingo applications as they have in the past and leave the validity of prize values to the Gaming Inspectors. Ms. Howard read aloud the language that currently appears on Addendum A: Bingo Games and Prizes regarding retail cash value of prizes. Mr. Willard and Mr. Angelucci agreed that if a Bingo application is approved and the Gaming Inspectors discover that the organization blatantly devalued their prizes then they can be found in violation. Mr. Angelucci stated that the language on the Bingo applications and Rules and regulations are clear and he does not want the Division to do more work to determine the validity of prize values listed on applications. The Gaming Inspectors will be responsible for determining the validity of prize values listed on applications. Mr. Angelucci stated that the investigators should enforce the Rules as written and issue violations for organizations that blatantly devalue their prize lists.

Mr. Willard stated that Inspectors can issue violations anytime they find prizes are worth more than what was stated on the application. Mr. Angelucci stated that it should be made clear at this point to the non-profits that the Inspectors will be reviewing prize lists and will be issuing violations for blatant misrepresentations of prize values.

Ms. Howard asked the Board for clarification on Rule 4.11 regarding the Division accepting applications that list loser prizes. Mr. Angelucci stated that the Division should no longer accept applications listing "loser prizes" and that the organizations will have to divide the prize's cash value between multiple winners, and either return the prize or save it for a future event.

OTHER BUSINESS BEFORE THE BOARD

Public Workshop Schedules – Director James Collins

Director James Collins asked the Board about its plans to schedule a public workshop. Mr. Angelucci stated that the Board wished to send out a survey to gather a level of insight into public interest for the workshop and the topics they wished to discuss. He stated that the Board wanted to ensure attendance and interest in the workshop.

Mr. Collins stated that based on inspection reports there is an existing need for information and further education. Mr. Collins suggested an alternative approach regarding workshops. Mr. Collins suggested that the Board schedule a couple of workshop dates and request the public to Register for the dates. He then stated that if a lack of registration from the public occurs, then the Board could cancel a workshop due to lack of interest. Mr. Collins stated that he appreciated Ms. Howard reading the information included on the Bingo application and that it would be great if people did that for themselves. However, in this business the Division does a lot of public educating. Mr. Collins stated that he would prefer the Board take a more proactive approach to the public workshop sessions.

Mr. Collins stated that a recent law passed during the last Legislative session now requires all agencies to hold a hearing on existing Regulations between December 2012 and February 2013. The new law gives the public the opportunity to comment on existing regulations three years old and older. Mr. Collins stated that a Hearing Officer would conduct the hearing proceedings and would present feedback to the Board.

Ms. Howard asked the Board about covering Bingo topics as well as Charitable Gaming topics during the workshops because of issues brought up earlier regarding basket bingos by Ms. O'Neill. The Board agreed that both Bingo and Charitable Gaming topics should be covered and that the Inspectors should be available during the workshops. Mr. Angelucci stated that the workshops would be scheduled for two different dates; with one meeting time occurring in the afternoon and the other occurring in the evening. Mr. Angelucci stated that the workshops should be held at the Division after the holidays and the winter months to avoid inclement weather issues. Mr. Angelucci and Mr. Winstead both agreed that March would be a good month to schedule workshop dates.

Mr. Collins suggested YouTube videos could be produced and placed on the Division's website to answer frequently asked questions. Mr. Angelucci and Ms. Williams-Coger were receptive to the idea. Mr. Angelucci stated that videos would be a great way for the public to get information. Mr. Collins stated that he would come back to the Board for further discussion after a script was developed with the Inspectors.

Mr. Willard asked Mr. Collins for his thoughts about adding penalties for unlicensed activity into the law and presenting the issue before the Joint Sunset Committee. Mr. Collins stated that this issue is a current and ongoing problem with other Boards and that he has no problem with the Board proposing it to the Joint Sunset Committee.

PUBLIC COMMENT

Earl Robinson from Beach House Poker inquired about the status of permits for various charitable organizations that were scheduled to use his facility. Ms. Howard stated that the Division had ongoing contact with the non-profit organizations and not the third party vendor. Mr. Willard asked Ms. Howard if Mr. Robinson could list the organizations that he was inquiring about and if she could give him a status update. Ms. Howard asked for clarification from the Board to discuss applicant information with third party vendors. Ms. Howard stated that in the past the Division was instructed by the Board not to share applicant information with third party vendors. Mr. Collins stated that the Division could give Mr. Robinson the information he requested because it was public information. Mr. Collins reiterated that every application held by the Division was public information.

NEXT MEETING

The next scheduled Board meeting is December 6, 2012 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, Mr. Winstead made a motion, seconded by Mrs. Williams-Coger, to adjourn the meeting at 3:04 p.m. The motion carried unanimously.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "A McAtee". The signature is fluid and cursive, with the first letter of the first name being a large, stylized capital letter.

Amanda McAtee
Administrative Specialist II

The notes of this meeting are not intended to be a verbatim record of the topics that were presented or discussed. They are for the use of the Board members and the public in supplementing their personal notes and recall for presentations.