

Gaming News

Director's Column

Peggy Mancuso, Acting Director

Another Record Year for Charities

Preliminary FY19 numbers show over \$2.3 billion in sales. That's 16.5% above the previous fiscal year—the 9th year in a row for increased sales. There are many metrics for measuring success, but an increase in the top line (sales) is a positive indicator for a higher bottom line (missions). Congratulations on your hard work and the remarkable contributions you make to your communities.

One item of interest is that the new sports tipboards, allowed since July 2018, grossed over \$3 million in tax-exempt sales in FY19.

Once the FY19 numbers are final, we will begin pulling together FY19 statistics for the Board's annual report, and for organizations' annual reports.

New Board Member Appointed

William (Bill) English has been appointed to the Minnesota Gambling Control Board by the Attorney General. Bill is from Plymouth, and brings a wealth of civic engagement experience to the Board. His term runs through June 2023. I know you join me in giving a warm welcome to Bill.

New Forms and Tutorial

Two forms have been updated as a result of recent changes to statute and rule.

- Electronic Pull-Tabs and Electronic Linked Bingo Daily Cash Bank Accounting. If your organization conducts electronic games and provides the starting cash bank(s), the LG861e, Daily Cash Bank Accounting for Electronic Pull-Tabs and Electronic Linked Bingo, is required to document electronic activity. A helpful tutorial on completing the LG861e is also available to assist you in documenting your electronic gaming activity.

Both the LG861e and the tutorial are available at www.mn.gov/gcb under the Forms tab. Go to the LG800 series under "All forms sorted by form number".

- Bingo Gift Certificate Tracking. Organizations that sell bingo gift certificates are now required to track the gift certificates. Download form LG914, Bingo Gift Certificate Tracking (in Excel format), from our website at www.mn.gov/gcb under the Forms tab. Go to the LG900 series under "All forms sorted by form number". The LG914 is also available in PDF format.

If you have any questions about the LG861e or LG914, please contact your Compliance Specialist.

The three ordinary things that we often don't pay enough attention to, but which I believe are the drivers of all success, are hard work, perseverance, and basic honesty.

Azim Premji

Board Members:

William Goede, Chair
(Plainview)

Committee: Executive

Geno Fragnito, Vice Chair
(Woodbury)

Committees: Executive; CRG;
Rules; Legislative

Kenneth Koch, Secretary
(Eagan)

Committees: Executive;
Legislative (chair); Rules

Norm Pint (New Prague)

Committee: CRG (chair)

James Nardone
(Grand Rapids)

Committee: Rules (chair)

Beth Pinkney (Woodbury)

Committee: Legislative

Bill English (Plymouth)

Committee: CRG

Board meetings are open to the public and are held at the:

**Gambling Control Board
Suite 300 South
1711 W. County Road B
Roseville, MN 55113**

Meetings start at 10:00 a.m.

Upcoming meetings:

Monday, October 21, 2019
Monday, November 18, 2019
Monday, December 16, 2019

Meetings are subject to change. For the latest schedule and agenda go to www.mn.gov/gcb.

The *Gaming News* is published quarterly. Current and previous issues are available on our website, www.mn.gov/gcb.



Continuing Education

Online Continuing Education Courses

These courses are available at www.mn.gov/gcb, under the “Education” tab. A PDF version of each course is also available for printing as a go-to guide. (To download the PDF, once you log into the class click the red logo on upper left-hand corner of the screen, which is next to the State of Minnesota outline.)

Gambling managers are required to take at least one continuing education course, either online or in person, each calendar year.

ATTENTION!

New Phone Numbers at Board’s Regional Offices

The Fergus Falls, Hibbing, and Mankato offices will be getting new phone numbers the end of September/beginning of October. While we don’t have the new Mankato numbers yet, Fergus Falls and Hibbing will be:

*Fergus Falls:
(218) 332-3024
(218) 332-3028*

*Hibbing:
(218) 231-0532
(218) 231-0534*

We are unable to provide the exact date of the change, so if you use the old number and there’s no answer, and you do not get a voice recording, be sure to try the new number. We apologize for the inconvenience.

We will post the new Mankato numbers as soon as we receive them.

- **NEW! New Statutes and Rules 2019**

In this course, you will learn about the changes made to lawful gambling statutes effective July 1, 2019, and about some significant changes to the lawful gambling rules effective July 15, 2019. This course covers the following topics:

- √ Statute changes effective July 1, 2019.
- √ New rules on the conduct of sports tipboards.
- √ New rules on the conduct of electronic pull-tabs/electronic linked bingo.
- √ Other miscellaneous rule changes.

This course has been a huge success—over 13% of gambling managers took the course in the first 3-1/2 weeks! We welcome any feedback you may have.

- **Sports Tipboards**

In this course, you will learn how to legally conduct and report sports tipboards.

- **What Every Pull-Tab Seller Needs to Know**

Designed for pull-tab sellers and supervisors of sellers, this course includes information on:

- √ Posting
- √ Prize receipts
- √ Buyouts
- √ Establishing and enforcing house rules
- √ Redeeming and defacing tickets
- √ Closing games/redeeming
- √ Using scales
- √ Spot audits
- √ Inside information
- √ Restrictions on who may play
- √ And more!

Remember that you don’t have to preregister for in-person continuing education classes, but do remember to sign in for credit!

In-Person Continuing Education Classes

October Topic: Lawful Purpose Expenditures

Tuesday, October 15, 7:00 pm
Ralph Engelstad Arena
525 Brooks Ave. N.
Thief River Falls

Wednesday, October 16, 7:00 pm
AmericInn Lodge & Suites
1406 E. Lyon Street
Marshall

Wednesday, October 16, 7:00 pm
The Plaza Hotel & Suites
1025 Highway 61 East
Winona

Monday, October 21, 7:00 pm
Country Inn & Suites by Radisson
Duluth North
4257 Haines Road
Duluth

Continuing Education (continued)

November Topic: Electronic Pull-Tabs and Electronic Linked Bingo

Wednesday, November 6, 7:00 pm
Hibbing Memorial Building
400 East 23rd Street
Hibbing

Wednesday, November 6, 7:00 pm
South Central College
1920 Lee Boulevard
North Mankato

Thursday, November 7, 7:00 pm
AmericInn Lodge & Suites
526 Western Ave. North
Fergus Falls

Tuesday, November 12, 7:00 pm
Best Western Kelly Inn
100 4th Ave. South
St. Cloud

December Topic: Internal Controls

Wednesday, December 11, 2:00 pm
AmericInn Lodge & Suites
526 Western Ave. North
Fergus Falls

Wednesday, December 11, 2:00 pm
Hibbing Memorial Building
400 East 23rd Street
Hibbing

Wednesday, December 11, 2:00 pm
Blue Earth County Library
100 East Main St.
Mankato

Thursday, December 19, 2:00 pm
Minnesota Gambling Control Board
1711 W. County Road B, Suite 300 S.
Roseville

Compliance Review Group (CRG) Report

McGrath Fire Relief Association, License 02545

Illegal gambling occurred at Pour Lewey's, one of the organization's lawful gambling sites.

Consent Order Requirements:

- 60 day suspension at premises, Pour Lewey's.

Brainerd Lions Club, License 02761

The organization failed to:

- correctly report audited games;
- file accurate information with the Gambling Control Board and the Department of Revenue; and
- maintain internal controls sufficient to protect the integrity of its lawful gambling.

Consent Order Requirements:

- \$1,500 civil penalty.
- Accurately re-audit all played games for calendar year 2017 through March 2019.
- File accurate amended returns with the Minnesota Department of Revenue and GCB Reports with the Gambling Control Board for calendar year 2017 through March 2019.
- Resolve all liabilities and matters arising from filing the amended returns and GCB Reports to current.
- Reconcile/reimburse profit carryover variance.
- Focused Compliance Review.



Reminder When Changing Officers!

*If your organization changes CEO or treasurer, be sure to notify the Board **within ten days of the change**. To meet this rule requirement, use the LG200B to report the change (for the most current version, go to www.mn.gov/gcb, Forms tab).*

To avoid a citation, be sure to submit the LG200B within ten days of the change.



The Compliance Review Group, a committee of the Gambling Control Board, meets with licensees to conduct informal inquiries into alleged violations of lawful gambling statutes and rules.

MINNESOTA
GAMBLING CONTROL BOARD

The Minnesota Gambling Control Board regulates the lawful (charitable) gambling industry to ensure the integrity of operations and provide for the lawful use of net profits. Charitable gambling may be conducted only by registered, nonprofit organizations.

Minnesota Gambling Control Board
Suite 300 South
1711 West County Road B
Roseville, MN 55113

Roseville: 651-539-1900
Fergus Falls: 218-739-7402 (old)
218-332-3024 (new)
Hibbing: 218-262-7301 (old)
218-231-0532 (new)
Mankato: 507-345-7103

Website: www.mn.gov/gcb

State offices will be closed on
November 11, 28, and 29, and
December 25, 2019.

An equal opportunity employer

Minnesota's Bookstore

651-297-3000; 1-800-657-3757
Website:
www.comm.media.state.mn.us

Department of Public Safety

Alcohol & Gambling Enforcement
651-201-7500, ext. 3
Website:
www.dps.mn.gov

Department of Revenue

Lawful Gambling Tax Unit
651-297-1772
Email:
lawfulgambling.taxes@state.mn.us
Website:
www.revenue.state.mn.us/gambling-taxes

Internal Revenue Service

Questions: www.irs.gov or
1-800-829-1040
Forms: www.irs.gov/forms-pubs or
1-800-829-3676

**Minnesota Problem
Gambling Helpline**

1-800-333-HOPE

www.getgamblinghelp.com

Citation Report

The Director of the Gambling Control Board may issue citations for failure to comply with lawful gambling statutes or rules. Citation amounts for similar violations may vary depending on unique circumstances and information, and are determined on a case-by-case basis.

The following organizations failed to meet the minimum lawful purpose expenditure percentage requirement (lawful purpose rating) for two consecutive fiscal years:

- American Legion Auxiliary Unit 290, Cambridge, License 01000 (\$950 citation).
- American Legion Post 579, Millville, License 00292 (\$400 citation).
- Fraternal Order of Police, NW MN Lodge 8, Moorhead, License 32930 (\$350 citation).
- Northstar Search and Rescue, Golden Valley, License 93790 (\$300 citation).
- Belview Fire Relief Association, License 05297 (\$250 citation).

Eastview Hockey Association, Apple Valley, License 36438

- Failed to comply with Board requests for information (\$500 citation).

VFW Post 2735, Isanti, License 00291

- Conducted gambling without a licensed gambling manager (\$500 citation).

VFW Post 1296, Bloomington, License 00150

- Conducted gambling without a licensed gambling manager (\$450 citation).

American Legion Post 1776, Apple Valley, License 00694

- Administrative and internal control procedures repeatedly insufficient (\$500 citation).

Elks Lodge 1091, Rochester, License 00288

- Records not retained for 3-1/2 years (\$100 citation).

Plainview Polar Bearons Snowmobile Club, License 93273

- Lawful gambling funds were used to purchase capital assets without Board approval (\$100 citation).

Verndale Lions Club, License 01684

- Check not signed by two active members (\$50 citation).

Trends in Lawful Gambling Gross Receipts

	CY 2019	% change	CY 2018	% change	CY 2017
Jan	\$186,552,054	18.5%	\$157,459,065	12.0%	\$140,537,077
Feb	\$180,827,364	13.2%	\$159,796,596	11.6%	\$143,234,810
Mar	\$226,673,774	13.7%	\$199,422,545	19.5%	\$166,872,647
Apr	\$210,568,428	15.2%	\$182,831,946	15.5%	\$158,294,517
May	\$211,162,279	23.3%	\$171,345,048	11.8%	\$153,175,528
Jun	\$200,493,088	13.9%	\$175,956,259	19.2%	\$147,620,741
Jul	\$199,879,409	13.1%	\$176,798,810	15.9%	\$152,478,494
Aug			\$183,595,695	16.6%	\$157,512,617
Sep			\$181,043,428	15.2%	\$157,217,820
Oct			\$191,296,296	16.9%	\$163,566,987
Nov			\$187,091,299	18.7%	\$157,585,683
Dec			\$192,042,405	16.4%	\$164,937,129
YTD	\$1,416,156,396	15.7%	\$2,158,679,392	15.9%	\$1,863,034,050

Note: Figures for the current CY are subject to change due to amended, corrected, or late tax returns.