**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*
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.)

- **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!

**October Topic: Lawful Purpose Expenditures**

<table>
<thead>
<tr>
<th>Tuesday, October 15, 7:00 pm</th>
<th>Wednesday, October 16, 7:00 pm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ralph Engelstad Arena</td>
<td>AmericInn Lodge &amp; Suites</td>
</tr>
<tr>
<td>525 Brooks Ave. N.</td>
<td>1406 E. Lyon Street</td>
</tr>
<tr>
<td>Thief River Falls</td>
<td>Marshall</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wednesday, October 16, 7:00 pm</th>
<th>Monday, October 21, 7:00 pm</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Plaza Hotel &amp; Suites</td>
<td>Country Inn &amp; Suites by Radisson</td>
</tr>
<tr>
<td>1025 Highway 61 East</td>
<td>Duluth North</td>
</tr>
<tr>
<td>Winona</td>
<td>4257 Haines Road</td>
</tr>
<tr>
<td></td>
<td>Duluth</td>
</tr>
</tbody>
</table>

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.

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

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.

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.

Braiderd 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 GCBReports with the Gambling Control Board for calendar year 2017 through March 2019.
- Resolve all liabilities and matters arising from filing the amended returns and GCBReports to current.
- Reconcile/reimburse profit carryover variance.
- Focused Compliance Review.

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

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

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

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

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

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

<p>| Trends in Lawful Gambling Gross Receipts |</p>
<table>
<thead>
<tr>
<th>CY 2019</th>
<th>% change</th>
<th>CY 2018</th>
<th>% change</th>
<th>CY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>$186,552,054</td>
<td>18.5%</td>
<td>$157,459,065</td>
<td>12.0%</td>
</tr>
<tr>
<td>Feb</td>
<td>$180,827,364</td>
<td>13.2%</td>
<td>$159,796,596</td>
<td>11.6%</td>
</tr>
<tr>
<td>Mar</td>
<td>$226,673,774</td>
<td>13.7%</td>
<td>$199,422,545</td>
<td>19.5%</td>
</tr>
<tr>
<td>Apr</td>
<td>$210,568,428</td>
<td>15.2%</td>
<td>$182,831,946</td>
<td>15.5%</td>
</tr>
<tr>
<td>May</td>
<td>$211,162,279</td>
<td>23.3%</td>
<td>$171,345,048</td>
<td>11.8%</td>
</tr>
<tr>
<td>Jun</td>
<td>$200,493,088</td>
<td>13.9%</td>
<td>$175,956,259</td>
<td>19.2%</td>
</tr>
<tr>
<td>Jul</td>
<td>$199,879,409</td>
<td>13.1%</td>
<td>$176,798,810</td>
<td>15.9%</td>
</tr>
<tr>
<td>Aug</td>
<td>$183,595,695</td>
<td>16.6%</td>
<td>$157,512,617</td>
<td></td>
</tr>
<tr>
<td>Sep</td>
<td>$181,043,428</td>
<td>15.2%</td>
<td>$157,217,820</td>
<td></td>
</tr>
<tr>
<td>Oct</td>
<td>$191,296,296</td>
<td>16.9%</td>
<td>$163,566,987</td>
<td></td>
</tr>
<tr>
<td>Nov</td>
<td>$187,091,299</td>
<td>18.7%</td>
<td>$157,585,683</td>
<td></td>
</tr>
<tr>
<td>Dec</td>
<td>$192,042,405</td>
<td>16.4%</td>
<td>$164,937,129</td>
<td></td>
</tr>
<tr>
<td>YTD</td>
<td>$1,416,156,396</td>
<td>15.7%</td>
<td>$2,158,679,392</td>
<td>15.9%</td>
</tr>
</tbody>
</table>

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