

## New Year, New Learning: GCB to Roll Out Enhanced Education Programs

### A Message from the Executive Director

Happy New Year from the Gambling Control Board! 2024 was another excellent year for Minnesota's charitable gambling industry. And as we move into 2025, we're excited to be exploring new ways to help organizations keep that momentum going.

One way is by creating even better resources to support the industry in avoiding common mistakes that can lead to big problems—so we'll be introducing specialized classes teaching CEOs, oversight committees, and sellers effective strategies for helping their licensed organizations be successful and maintain the highest level of integrity. The GCB will also be focusing on a legislative initiative to require all CEOs to take an online continuing education class to help gambling managers keep lawful gambling activities on track.

By strengthening our educational programs, we're reinforcing the foundation of trust that Minnesotans place in charitable gambling operations. This proactive approach to training and support helps ensure that the impressive results—over \$139 million raised for charitable missions in FY24!—will continue in the years to come.

Minnesota leads the nation in the size and strength of its charitable gambling industry, and for good reason—together, we know how to do it right!



Executive Director, MN Gambling Control Board

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## Sure You're Secure? A Refresher on Equipment Storage

The new year is the perfect time for a refresher on how to keep equipment stored securely. It's easy to fall into bad habits, especially when things get busy. For example, you might leave games on the bar after delivery or on the floor while setting up the booth. Although this may seem harmless, leaving games unattended, even for a few minutes, can lead to theft, tampering, or fund loss if they go missing.

- Always store inventory in a locked, secure area, like a backroom or cabinet. Put it away immediately after delivery.
- Your gambling equipment must be kept separate from gambling equipment owned by other organizations.
- Control who has access to storage keys. Keep a list of everyone who has access to the storage area.
- Maintain an up-to-date inventory list and conduct a monthly physical inventory to make sure all gambling equipment is accounted for.
- If you notice any missing games, report them to your compliance specialist right away.

For more information, check out the Lawful Gambling Manual on the Gambling Control Board's website. It can be found under the "Publications" tab. You can also reach out to your compliance specialist with questions or concerns.

## Out of Gambling Funds? Here's What You Can Do

Due to unforeseen circumstances, organizations may find themselves without enough gambling funds to cover expenses which, if not paid, would force them to immediately stop their gambling operation. It's a rare occurrence, but if it happens to your organization, here's what you'll need to know:

### Emergency Expenditures

When gambling funds are insufficient to cover essential expenses, you may make emergency payments to vendors directly from your general fund to prevent shutting down your gambling operation. Once sufficient funds are available in the gambling account, you should:

- Submit Form LG275 "Request to Transfer Gambling Funds to General Fund" to the Gambling Control Board along with documentation that the expenditures were necessary to prevent a shutdown
- Wait for an approval letter from the Gambling Control Board before making any reimbursements back into your general fund

### Startup Loans

For newly-licensed organizations, different rules apply:

- A newly-licensed organization may loan general fund money to its new gambling account for initial startup expenses
- Once the gambling account has sufficient funds, the organization must obtain Gambling Control Board approval before repaying its startup loan
- After establishing initial operations, no additional startup loans are permitted

To ensure compliance with applicable laws, and to report these payments correctly on your monthly financial reports, it's crucial to contact your compliance specialist before transferring any money to the gambling account or making any gambling-related expenditures from the general fund.

Reimbursement requests may be denied if:

- Non-gambling funds were used improperly
- Expenditures don't qualify as true emergencies
- Staff determines the payment wasn't essential to continue operations

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## Citations Paid

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 are determined on a case-by-case basis.

00167 | **VFW Post 1216 Austin** | Austin

Failure to accurately reconciled gambling checking account    \$300

01625 | **Palisade Fire Department Relief Assoc** | Palisade

Failed to provide documents for a compliance review    \$500

19091 | **Amvets Post 1 Mendota** | Mendota

Repeatedly awarded bingo prizes in excess of the bingo prize limits    \$1,000

93176 | **Alexandria Wrestling Booster Club** | Alexandria

Failed to make paper pull-tab and electronic game deposits within required timeframe    \$1,000

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(Citations: continued from previous page)

2337 | **Albany Lions Club** | Albany

Failed to obtain Gambling Control Board approval prior to making donation to another licensed organization \$600

03006 | **Renville Lions Club** | Renville

Winning pull-tab tickets were not defaced \$100

02551 | **Le Center Firefighter's Relief Assoc** | Le Center

Conducted electronic games after 2:00 AM \$600

00997 | **American Legion Post 500 Crosslake** | Crosslake

Value of paper pull-tab prizes paid and unsold tickets reported inaccurately \$600



The Compliance Review Group (CRG), a committee of the Gambling Control Board, meets with licensees to conduct informal inquiries into alleged violations of lawful gambling statutes and rules. The information presented here is a condensed report of recently completed CRG conferences. The penalties imposed are based on specific and unique information reviewed for each licensee.

01433 **Onamia Lions Club**

Failure to comply with Board requests

- \$1,500 civil penalty
- Succession plan for CEO and GM
- CEO and another member to take in-person GM seminar and pass exam

01694 **Aitkin Lions Club**

Failure to comply with Board requests; inventory reported incorrectly; payment authorizations not signed by 2 active members; inaccurate LG861e; accounts not reconciled accurately

- \$2,000 civil penalty
- Provide corrective action plan that includes creation of a gambling oversight committee
- Succession plan including training of CEO and GM
- CEO attend the in-person GM seminar and pass exam

02577 **Chisago Lakes Area Recreation Association**

Failure to comply with Board requests; expenditures not authorized by membership; LG100A inaccurate; disallowed expenditures; inaccurate fund reconciliation; gambling account not reimbursed for fund loss; prize receipts not in compliance, winning tickets not defaced

- \$2,500 civil penalty
- Provide corrective action plan that includes creation of a gambling oversight committee
- CEO attend in-person GM seminar and pass exam
- All missing FY25 reports turned in completed accurately to Compliance Specialist

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**00293 VFW Post 4046 Shakopee**

Failure to pay gambling-related expenditures from gambling account; gambling funds transferred to the general account without Board approval

- \$1,500 civil penalty

**00972 American Legion Post 202 Hackensack**

Failure to comply with Board requests

- \$1,000 civil penalty
- Submit all previously requested records
- Fully resolve all compliance review items

**01182 Lake City Chamber of Commerce**

Failure to comply with Board requests; organization is not qualified for a license; failure to have a licensed Gambling Manager

- Submit Termination Plan

**94715 Ramsey Lake Property Owners Association, Inc**

Failure to comply with Board requests; expenditures made from the gambling account do not meet the definition of lawful purpose

- Reimburse \$16,840.81 to gambling account OR submit license termination plan

**04458 Palisade Super Sledders**

Failure to comply with Board requests; lawful purpose expenditures less than 30% of net receipts, profit carryover variance, inaccurate bingo program

- \$500 civil penalty
- Provide corrective action plan that includes creation of a gambling oversight committee
- Resolve all issues in pending compliance review
- File amended reports with Dept of Revenue
- Update internal controls
- GM attend in-person GM Seminar and complete class on site security
- CEO attend in-person GM seminar and pass exam

Gambling Control Board meetings are open to the public and may be attended either in person or online. Please check our website ([mn.gov/gcb](http://mn.gov/gcb)) to confirm the date, time, location, and for information on how to join online.

Upcoming meetings:  
Feb 18, 2025, 10:00 a.m.  
Mar 17, 2025, 10:00 a.m.  
Apr 21, 2025, 10:00 a.m.

**Board Members:**

**Janet Lorenzo, Chair** (Inver Grove Heights)

**Jim Nardone, Vice Chair** (Grand Rapids)

**Mike Sundin, Secretary** (Esko)

**Al deJesus** (Minneapolis)

**Bill English** (Plymouth)

**Doug Forsman** (Shakopee)

**Kate Luthner** (Forest Lake)