

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS LOTTERY COMMISSION
AUSTIN, TEXAS
BINGO ADVISORY COMMITTEE MEETING

MARCH 4, 2020

10:00 a.m.

AT

TEXAS LOTTERY COMMISSION
611 East 6th Street
Austin, Texas 78701

Proceedings reported by electronic sound recording;
transcript prepared by Verbatim Reporting & Transcription
LLC.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPEARANCES

COMMITTEE MEMBERS:

William T. Smith III
Will Martin
Tommy Duncan
Jason Pohl
Melodye Green
Veronica Uriegas
Emile Bourgoyne

COMMISSION STAFF:

Tyler Vance, Staff attorney
Bob Biard, General Counsel
Tom Hanson, Acting Director Charitable Bingo Operations
Division
Sherri Wood, Commission staff, Licensing Coordinator

PUBLIC:

Stephen Fenoglio
Kim Kiplin
Margaret Baldwin

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

TABLE OF CONTENTS

	PAGE
1. Call to order	4
2. American Pledge	5
3. Texas Pledge.	5
4. Roll call	4/5
5. Meeting minutes from 16 Jan 2020.	6
- Public comment	
- Approval	
6. Report on TLC Commissioners meeting (Trace) . .	6
7. Discussion and possible recommendations on rules. 7	
and regulations regarding	
bills passed in 2019 Legislative session (HB914,	
HB882 & others)	
- Public comment	
8. Discussion and possible recommendations on BAC	
nominations:.	46
9. Any old business	49
- Public comment	
10. Any new business.	50
- Public comment	
11. Set date for next meeting	51
12. Adjourn	52

P R O C E E D I N G S

WEDNESDAY, MARCH 4, 2020

(10:00 a.m.)

AGENDA ITEM 1

CHAIRMAN SMITH: All right. So we're going to do call to order, the American Pledge, the Texas Pledge and the roll call, and I'm just going to break the agenda up a little bit and we're going to do introductions.

AGENDA ITEM 4

CHAIRMAN SMITH: But if you would be willing, we'll do the roll call first. Veronica.

MS. URIEGAS: Here.

CHAIRMAN SMITH: Wait a minute, you're taking notes, right Melodye?

MS. URIEGAS: She wanted me to take notes.

UNKNOWN SPEAKER: -- you to give another speech on this.

MS. URIEGAS: She wanted me to take notes.

CHAIRMAN SMITH: Okay, that'll work. All right. Veronica's going to take notes today. So for the roll call, Veronica's here, I'm here.

MS. GREEN: Melodye Green.

CHAIRMAN SMITH: Melodye.

MS. GREEN: Okay.

CHAIRMAN SMITH: Melodye's here. Will.

1 MR. MARTIN: Will Martin.

2 CHAIRMAN SMITH: Tommy.

3 MR. DUNCAN: Here.

4 CHAIRMAN SMITH: Jason.

5 MR. POHL: Here.

6 CHAIRMAN SMITH: Tom Hanson.

7 MR. HANSON: Here.

8 CHAIRMAN SMITH: Emile Bourgoyne.

9 MR. Bourgoyne: Here.

10 CHAIRMAN SMITH: Kim Rogers is not here today.
11 She had some things she had to do today.

12 AGENDA ITEMS 2 and 3

13 CHAIRMAN SMITH: All right. Will, if you
14 will, lead us in the America Pledge and the Texas Pledge.

15 MR. MARTIN: All right.

16 (Pledges Recited)

17 MR. MARTIN: How's that?

18 CHAIRMAN SMITH: That'll work.

19 AGENDA ITEM 4

20 CHAIRMAN SMITH: All right. Now I'm going to
21 introduce Tom Hanson, the new Acting Director for the Texas
22 Lottery Bingo Division.

23 MR. HANSON: Good morning Mr. Smith and
24 Chairman of the BAC, and members of the BAC. for the record,
25 my name is Tom Hanson. I was appointed the Acting Director

1 of the Charitable Bingo Operations Division on February 13th.
2 I have spent the last month trying to understand all the
3 processes involved here.

4 I had an opportunity yesterday to sit with
5 several members of this group and discuss rule changes. Our
6 intent as a group is trying to partner with the industry in
7 order to increase the amount of money that goes to charitable
8 purposes. So, to that end, I am here and can answer any
9 questions and participate as much as you need.

10 CHAIRMAN SMITH: Well, we certainly appreciate
11 that. And we can be utilized as a resource at any time if
12 you need us as well.

13 MR. HANSON: Thank you.

14 AGENDA ITEM 5

15 CHAIRMAN SMITH: Meeting minutes from January
16 16th. We're going to skip that. We will redo those on the
17 next meeting. Kim has those and we're still waiting on
18 copies of those to be finished, so we will address that
19 later.

20 AGENDA ITEM 6

21 CHAIRMAN SMITH: The report on the Texas
22 Lottery Commissioner's Meeting was very short and sweet. It
23 was given in email to the Lottery Commissioners at the last
24 meeting. There wasn't a lot to report, just our last meeting
25 that we had.

1 AGENDA ITEM 7

2 CHAIRMAN SMITH: We're going to Item Number 7,
3 discussion and possible recommendation on rules and
4 regulations regarding the bills passed in the 2019
5 legislative session: House Bill 914, and quadrennial rule
6 review. And I'm going to turn that over to Melodye.

7 If anybody would like to add anything we'll
8 have that for public comment open as well. So if you would
9 like to add anything onto the rules as we go through them, if
10 you'll raise your hand and step to a mic we'll be glad to
11 hear what you have to say. Melodye, all yours. Start from
12 the top.

13 MS. GREEN: Thank you. We had a really great
14 meeting, I think, yesterday with Tommy and Tyler. Thank you
15 both for staying the whole time and helping us through this.
16 It was myself, Will, Tommy Duncan, Veronica, Kim Kiplin,
17 Steve Fenoglio, Sharon Ives, Tom Stewart, Tyler Vance and
18 Tom.

19 No rule was completely eliminated in its
20 entirety. The -- we went through every, single page. Which
21 thank you for sitting through all that. So -- but 402.200,
22 general restrictions to the prizes of Bingo. We talked about
23 the donated prizes while -- why non-annual license holders
24 can have donated prizes and annual cannot. They said they
25 were going to -- Tyler and Tom Stewart were going to look

1 into that.

2 And then we talked about the final game
3 schedule. Since your -- all your information's on the top
4 sheet, talk about eliminating attaching the final game
5 schedule so it would be one more thing we wouldn't forget to
6 do during our -- so we wanted to look at that also.

7 Then unit accounting: We talked about
8 removing the operator on duty laws and the operator on duty
9 to every single sheet. But Tom brought up the point that,
10 you know, we need to see who was on duty so maybe you could
11 contact during an audit.

12 Moving on down to pulltabs, Tommy has a point
13 that eliminating or modifying the -- submitting the artwork
14 for sample tickets. Right now I think you have to do a whole
15 -- a run, Tommy? To --

16 UNKNOWN SPEAKER: You have to send two
17 tickets. But I think he's got something to say about that
18 this morning.

19 MS. GREEN: Okay, who?

20 UNKNOWN SPEAKER: Tom does.

21 MS. GREEN: All right. Please speak up.

22 MR. HANSON: Thank you. I asked Veronica to
23 give me some figures as to how many submissions led to
24 additional research after the two sample tickets arrive.
25 What we're finding is in about three percent of the

1 submissions there is cause to actually reach back out to the
2 manufacturer for an anomaly between what the two sample
3 tickets were versus what the art -- approved artwork was.

4 So, to that end, any percentage of that
5 creates a situation in which if that game went out to the
6 field it could potentially put the manufacturer in a position
7 of having to rescind that game because it didn't meet the
8 original parameters that were agreed to.

9 So I'm not saying we're totally against it.
10 I'm just saying its -- that it's, although small, are
11 indicative of there is still issues between artwork approved
12 versus the samples that are completed and issued by the
13 manufacturer.

14 MR. BOURGOYNE: Tom, if I may, of those -- of
15 those three percent how many would -- could have been
16 resolved where the product didn't have to be reprinted? Or
17 do you have any idea of that?

18 MR. HANSON: I don't have that as far as a
19 statistic. I don't believe -- I'm not -- I'm not going to
20 answer that. I'm sorry. Yeah.

21 MR. BOURGOYNE: I mean, the format could be --
22 could be resubmitted as a change request.

23 MR. HANSON: Correct.

24 MR. BOURGOYNE: Electronic artwork could be
25 resubmitted, you know, if there was nothing against the

1 regulations about the artwork, sort of thing, like the --

2 MR. HANSON: What I'll do, Emile, is I'll
3 actually ask for those specific anomalies and take a look at
4 those to see if they were something that actually would
5 interfere or would cause a reprint or a change.

6 MR. DUNCAN: Well I've got one other -- I got
7 one other question about that. Right now, it used to not be
8 this way, but now when they do send you the two tickets
9 they're going back in line behind all the artwork that's been
10 submitted.

11 Now if we have artwork approval, why do we
12 have to go the back of the line? I mean, shouldn't there be
13 a separate -- can't we, you know, they come in for the two
14 tickets. Second approval should be ever -- be fast tracked.
15 Like right now, we have to -- he's number 40 to 60 on the
16 second approval on some. Because we have to go back --
17 they're putting us in line behind the artworks submittals.

18 MR. BOURGOYNE: I know. So we're -- the six
19 games that submitted, the two tickets were submitted on the
20 24th. We're not week and a half and we're 40 out of 60 in
21 queue for those tickets to even be looked at.

22 That product is finished sitting on American
23 Games Warehouse floor. It could be shipped. I mean, it's
24 just sitting there. It's -- that's a frustrating thing
25 that's --

1 MR. DUNCAN: I don't know why we go back to
2 the end of the line on the second approval.

3 MR. HANSON: You know, I think that's a result
4 of a willingness to be first-in, first-out, and that no one
5 was getting special treatment. And I can tell you that
6 Veronica is the only person that's doing that right now, and
7 she gets a little bit of help, but for the most part she
8 gives the one doing all of it.

9 And because of the current staffing this
10 division is down 13 positions. And so I can't really
11 redirect someone to that, nor speed up the process, but what
12 I can do is check into Veronica's methodology and see if
13 there's any reason to make that modification.

14 CHAIRMAN SMITH: If I may, is that a process
15 deal, or is that a rule issue that we're talking about?

16 UNKNOWN SPEAKER: Process.

17 MR. DUNCAN: It's a process. I believe
18 Alfonso is the one that actually started the process of
19 putting the second approvals back in behind the first
20 approval artwork.

21 UNKNOWN SPEAKER: Yeah, right.

22 MR. DUNCAN: I don't want to get off in the
23 weeds. There should be two queues.

24 CHAIRMAN SMITH: I think we can move on.

25 MR. DUNCAN: Yeah. I don't want to get off on

1 the weeds.

2 MR. HANSON: -- a little research on that and
3 bring that before the committee next time?

4 CHAIRMAN SMITH: Yeah. We've got a lot of
5 stuff to look at today. I don't want to get off in the weeds
6 too far.

7 MR. DUNCAN: Thank you.

8 CHAIRMAN SMITH: But I agree, that's
9 important.

10 MR. DUNCAN: That's why we're here.

11 CHAIRMAN SMITH: Yeah, well, you know, you're
12 right. That is why we're here. And but that's something
13 that needs to be talked about.

14 MS. GREEN: Okay. And next 402.301: Bingo
15 cards and paper. I talked to Tom and Tyler a little bit
16 about the bonus ball provisions, and then that's going to be
17 something that I'm going to have to talk to you about and go
18 back and forth to see which way we could go on that. But it
19 was something that you had wanted made.

20 And General License Provisions 5(e),
21 incomplete licenses: That was a quite a -- you wanted to
22 address that and instead of sending people a decline letter
23 we talked about sending the whole license back to somebody.
24 You do have a hard time getting people to respond.

25 MR. HANSON: Correct. In a small number of

1 circumstances we're not getting the responses. And although
2 there are -- there was a discussion yesterday about what that
3 process included, it's not just sending a letter out asking
4 for it to be modified. There are phone calls made, there are
5 emails sent to everyone in the chain in an effort to get a
6 response. And then we're sending out a 21-day letter.

7 As it stands right now, we're in a position to
8 where we have to do a denial. So we have to actually move
9 forward as if we were going to SOAH to do a denial on an
10 incomplete application.

11 So Tyler's reviewing that with the intent of
12 just sending the application back rather than if there's no -
13 - and this is if there is no response to the 21-day letter,
14 send it back rather than start moving forward with the
15 denial. And that way they have the opportunity then to make
16 the fix and send it in as a continue and a fresh application.

17 MS. GREEN: Right.

18 MR. HANSON: That would simplify our process
19 of it. I think it would also be better for the charities in
20 the long run.

21 MS. GREEN: I agree. And we also talked about
22 maybe notifying the hall that they're thinking about playing
23 in. Because if you notify the hall that one of the charities
24 is having a problem or has not responded, that hall manager
25 will get onto him.

1 MR. DUNCAN: And I understand that. One of
2 the issues there is that the application specifies who we are
3 to make contact with. And so without someone from the hall
4 being the authorized representative, then we have to list by
5 who the chairperson is, who the directors and officers are.
6 So that's an application issue that might be something to
7 discuss with your charities. But at this point we're kind of
8 tied in who we can make contact with.

9 MS. GREEN: Okay. Then we talked about an
10 administrative hold, that cannot go onto administrative hold
11 until it's renewal time. The option of going into
12 administrative hold with no location, operating until the
13 renewal. Because that can create a problem in the halls, I
14 mean, if you have a charity that does leave, they just --
15 they're just going into limbo if it's not time to renew the
16 license. So that's another thing that ruling is talking
17 about, correct?

18 MR. HANSON: Yeah. And we're going to do some
19 research on that. I wasn't able to do that yesterday
20 afternoon. So we're going to look at that to see if the
21 admin hold could be done in the system at any other time than
22 at the renewal and whether it is an option for them to send
23 an amendment that shows no location, or shows a location
24 outside of the hall they're working in.

25 MS. GREEN: Because when they do leave, it

1 does need to be amended, so --

2 MR. HANSON: Absolutely.

3 MS. GREEN: Then the temporary license: This
4 is something I've been asking for for a long time. And Tyler
5 -- we -- you can apply for 24 temporaries ahead of time, and
6 if you have a really great night and your temporaries have
7 been approved, and you don't have a timeline, then if you
8 want to play at 10:00, I believe what you said, at 9:59 you
9 can notify the Lottery Commission that we're going to play a
10 temporary at the time. There's one sentence in there I
11 believe, Tyler, that negates that. And you're -- we were
12 talking about removing that sentence.

13 MR. VANCE: Yes. This is Tyler Vance of the
14 Legal Division. The issue here is that the rule requires
15 that during the occasion you post a verification from the
16 Commission that we've received your notice that you're going
17 to use the temporary. And I think that rule has to go,
18 because the statute clearly allows you to notify us up to the
19 last minute. In which case it could be a Friday night so
20 you're not going to get verification till Monday, at the
21 earliest.

22 MS. GREEN: Right.

23 MR. VANCE: So I don't think the -- the
24 verification requirement is -- needs to go.

25 MS. GREEN: I think that'd be very beneficial.

1 Thank you for looking into that and working on that.

2 And the license fees and classes: I think
3 Tyler was wanting to just get rid of everything we talked
4 about fees. That's just not applicable anymore. The license
5 fees were going towards commercial lessors were going to be
6 lowered 25 percent. Correct? Okay.

7 MR. VANCE: Yes. That's manufacturers and
8 distributors are going down 50 percent each, and commercial
9 lessors are going down 25 percent, which is the minimum
10 that's in the Bingo Enabling Act, so that's as low as we can
11 go.

12 MS. GREEN: Okay. And designation of members:
13 We asked for an option for designated members to be able to
14 print a license. Because if a designated member is acting as
15 an operator at the hall at that time and they need to print
16 something off, they're not able to. And they should be,
17 because they're acting as the operator. So that's in there,
18 I think you were going through it.

19 MR. VANCE: As stated here, I'll do a little
20 research on that and bring it back before the committee
21 whether that can be done.

22 MS. GREEN: Okay. Qualifies -- Qualifications
23 and requirements for a conductor license. Again, Tyler went
24 through a scenario to where if you are not a fraternal
25 organization, you don't have to be a 501(c) for three

1 continuous years, the years can be broken up. Is that
2 correct?

3 MR. VANCE: That's correct.

4 MR. GREEN: And you're going to modify the
5 application to say that?

6 MR. VANCE: Yes. So the biggest problem is
7 the rule says that in order to be eligible you have to have
8 had your status for the three years immediately preceding the
9 application and that's not true for anybody.

10 Most folks needed to -- everyone needs at
11 least three years of existence and fraternal organizations,
12 nonprofit medical organizations, and veterans organizations
13 need three years of tax exempt status. But those three years
14 can have occurred at any point in history. So currently
15 we're requiring the immediate three years preceding the
16 application and, I mean, that's not the case in the Act.

17 MS. GREEN: Request for a waiver: The
18 credible business plan, which has really been a problem to --
19 if people come in to ask for a waiver, credible business
20 plans are probably about the top of your wheelhouse. So we
21 were asking for the staff to provide examples of what they
22 need, what to do to apply. And then there's just a -- it's a
23 burden on the charities to try to read your mind.

24 MR. HANSON: Yes.

25 MS. GREEN: So the more information that you

1 can give them, the better off, you know, credible business
2 plan, you know, one, two, three, four, boom.

3 MR. HANSON: And, Melodye, having looked at
4 the rules and the specifications that are there, it is
5 possible that we can expand on that a little bit. I'll get
6 with the audit staff and the audit manager and have some
7 discussions about whether examples are appropriate or whether
8 they're -- the audits can -- the auditors can explain the
9 fact if they come across a situation where that that's
10 necessary. Or the licensing staff, if it comes down to
11 negative net proceeds folks. So --

12 MS. GREEN: Okay. And then operating capital:
13 I think we agreed to change the must to may. The word must
14 in there I don't, and this is all I have in my note, the word
15 must in there. When the word must, that really limits, you
16 know, our ability and your ability, too. So is that correct?

17 MR. VANCE: Yes.

18 MS. GREEN: And the charitable uses of gross -
19 - of net proceeds record keeping. Again, the must to may.
20 Where it said you must have a letter from whoever you gave
21 money to, the name, address, phone numbers. Some of the
22 giving that we do, some of the homeless community and things
23 like that, they're not giving addresses, phone numbers, and
24 things like that. So we're really hoping to helping us prove
25 what we've done in a more reasonable situation.

1 The Bingo gift certificates: Tommy brought up
2 a point about a Bingo gift certificate using a barcode.

3 CHAIRMAN SMITH: Plastic.

4 MR. DUNCAN: Like there'd be a code on it.
5 Yeah, plastic one.

6 MS. GREEN: Mm-hmm, a plastic card, the
7 digital barcode, and everybody seemed to be on board with
8 that. Correct?

9 MR. HANSON: There was agreement among the
10 group. And from our perspective, you know, we have to look
11 at the gift certificate rule and see if that fits, or if
12 there needs to be a modification of the rule that would
13 allow. But we're open to discussion.

14 MR. MARTIN: I Think everything that you have
15 in there that's on that rule can be put in that barcode and
16 with that barcode it would make it so much easier on us just
17 to be able to put that barcode through a scanner and have it
18 printed out on some type of a -- to keep track of it.

19 MR. HANSON: Will, I agree with you, but the
20 rule says imprinted, so whether that's a portion of the
21 barcode or if it's imprinted on the face might be a point of
22 discussion or a point of a rule change.

23 MR. MARTIN: Okay.

24 MR. HANSON: It's something to look at.

25 MS. GREEN: And the word imprinted then is --

1 will be a rule change, not a legislative change.

2 MR. HANSON: Correct.

3 MS. GREEN: Well, that's -- okay.

4 MR. HANSON: Yes.

5 MR. VANCE: So the actual section on gift
6 certificates in the Act doesn't specify, but there are two
7 other references in the Act that say that you can -- you can
8 pay for the printing costs of gift certificates through your
9 -- as a reasonable expense. So it's kind of implied that
10 there needs to -- that, I don't know, maybe not. It just,
11 the only -- the only reference to making it a gift
12 certificate in the Act says for printing. But I think it's
13 pretty general, I think it'd be a reasonable expense to, you
14 know, to print data on a card. I don't know, you know, it's
15 pretty vague.

16 CHAIRMAN SMITH: The cards are printed as
17 well?

18 MS. GREEN: Yeah.

19 MR. VANCE: Yeah.

20 CHAIRMAN SMITH: Or imprinted?

21 MR. VANCE: Can add that stuff in.

22 MS. GREEN: So we're going to see -- we're
23 going to see what Tommy comes up with here, so it's a little
24 bit -- to show us an example soon.

25 The required inventory rule: This is one

1 thing I've been asking for is that we provide a copy of a
2 perpetual pulltab inventory sheet. The one that you acquire
3 -- require. Did very well on all of the other things. We
4 have copies of the paper, the cash reports, everything that
5 you require. If it's online then there won't be as many
6 mistakes if it's done online. So, anyway, that's the one
7 thing you don't have online, that's the one thing that, you
8 know, would be easy to put online.

9 The interest on the tax: Again, staff is
10 going to work on that. But on these again, the waiver, tax
11 penalties: remove references to the lessor taxes, denials,
12 suspensions, hearings. The -- you were speaking about a
13 temporary suspensions yesterday.

14 MR. HANSON: Yes. Tyler actually, if you
15 wouldn't mind, would you address that?

16 MR. VANCE: Sure. So the Act allows the
17 agency to issue a temporary suspension in cases where it's
18 necessary to protect the public health and safety, but it
19 requires that the agency have rules in place to do it, and we
20 don't have those rules. So once in a blue moon that we
21 actually want to do it, we don't have the ability to do it.
22 So we need to create a process for it.

23 And I think the main grounds that we're going
24 to rely on are failure to pay the prize fees, the continued
25 employment of a person who is ineligible due to a criminal

1 conviction, and loss of nonprofit status. And we'll -- the
2 typical temporary suspension deal is you -- Tom would issue a
3 suspension, we have a hearing on the suspension itself within
4 14 days and you have a hearing on the merits within 30 days.
5 So --

6 MS. GREEN: Okay.

7 MR. HANSON: It would allow for a faster
8 process.

9 MS. GREEN: Yes.

10 MR. HANSON: And it would allow us to actually
11 stop any activity that is a detriment to the Bingo folks.
12 And there may be circumstances in which this is an absolute
13 necessity rather than allow it to continue to operate --

14 MS. GREEN: Mm-hmm, yes.

15 MR. HANSON: -- against the rules and the
16 regulations.

17 MS. GREEN: Right.

18 CHAIRMAN SMITH: So is this -- does that
19 circumnavigate due process?

20 MR. VANCE: No, no. It's -- it provides quite
21 a bit of due process. It's -- in the initial Act, Tom gets
22 to unilaterally suspend your license, but then you have to
23 have -- we have to have a hearing within 14 days, whether
24 there was a reasonable ground to suspend the license. And
25 then within 30 days after that we have to have a full on --

1 CHAIRMAN SMITH: Got you.

2 MR. VANCE: -- hearing on the merits, so you
3 get -- you get two cracks at it.

4 CHAIRMAN SMITH: Got you. Thank you.

5 MS. GREEN: Okay. Disqualifying convictions,
6 402.702: said that (c)(2) was not correct, that you needed to
7 add something to that, or --

8 MR. VANCE: Yeah, (c)(2) has an incorrect
9 citation to the Code of Criminal Procedure that's just not
10 correct anymore. That just needs to be updated.

11 MS. GREEN: Okay. And on (d), we're talking
12 (d), the last sentence?

13 MR. VANCE: I believe (d) was quite a
14 discussion. I think that's -- that -- the Occupations Code
15 allows an agency to treat a deferred adjudication as a
16 conviction if the deferred adjudication is, in our situation,
17 from gambling or for fraud. And that rule says generally the
18 Commission will treat a deferred as a conviction.

19 I don't -- I don't know that we're going to go
20 away from that or how we're going to go, but because the way
21 it's been handled since I've been here is just pretty much
22 based on the -- on the age of the offense. We've had a
23 couple that were in the '80s and we didn't treat those as
24 convictions, and then we've had a couple that were within the
25 last 5 or 10 years and we treated those as convictions.

1 I guess we could -- we could spell out more
2 factors to consider. Tom had mentioned maybe having an
3 informal conference for these type of folks to allow them --
4 because Tommy was arguing that they should be allowed to
5 present more evidence. All we really see is the charging
6 instrument, the indictment, sometimes a police report, and
7 Tom has to make the decision based on just that limited
8 information.

9 So we could, if we had a more recent one that
10 we're considering treating as a conviction, just go ahead and
11 schedule them for an informal conference, give them the
12 opportunity to explain themselves and present a letter of
13 recommendation or whatever else they would offer.

14 MS. URIEGAS: And is that only for gambling
15 offenses?

16 MR. VANCE: Gambling and fraud.

17 CHAIRMAN SMITH: And fraud. Fraud.

18 MS. URIEGAS: Gambling and fraud.

19 MR. VANCE: Yeah. And Fraud include -- well,
20 fraud has been defined in the rules as all penal code chapter
21 32, most typical is money laundering, but there's fraud,
22 check fraud, welfare fraud, money laundering, grand larceny,
23 so it's not just fraud fraud.

24 MS. GREEN: Okay. And we were talking about
25 assault is not listed in the modified guidelines.

1 MR. VANCE: Correct. So the --

2 MS. GREEN: -- for that.

3 MR. VANCE: Right. So we have a written set
4 of guidelines, and it's the agency's policy on -- it's where
5 we've described what crimes are directly related to the
6 product of Bingo. And in those guidelines: assault, crime --
7 it's listed in the guidelines as crimes against a person. So
8 if you could included in assault, battery, aggravated or
9 otherwise.

10 And the problem is the rules have a list of
11 all the offenses that are directly related and, for whatever
12 reason, assaults not on there. But it's in the guidelines.
13 And so I was saying yesterday that as long as it's in the
14 guidelines it needs to be in rule. There was some discussion
15 of whether it's -- assault should be considered directly
16 related at all. But I think that's a separate discussion.

17 The immediate concern is that the two be
18 consistent, and that if you guys want to revisit what's in
19 the guidelines generally at any point, I think we can always
20 petition Tom to do that. You can ask the Commissioners and
21 ask to have something added or removed.

22 MR. MARTIN: I'll tell you all this. This
23 guy's in a bar, he gets in a fight with his buddy, or
24 whatever, and he gets arrested for assault. Six years down
25 the road he goes over here to Palace Bingo and says, Do y'all

1 need any floor runners? And they say, Yeah. Well we're
2 paying \$40 a session. Yeah, okay. Well I send his -- send
3 your information off and y'all say, Well, it's been six years
4 ago, but he has to come and give us some -- that guy says,
5 You think I'm going to stand around and wait for two months
6 for a \$40 a night job? I'm buying, you know.

7 And I'm telling you, help in Victoria, I don't
8 know about Austin or any other place, help is hard to find,
9 you know. So we, I don't -- I'd rather have somebody that's
10 a fighter than have a drug addict there. I mean, the drug
11 addict's going to steal everything that isn't nailed down.

12 MR. HANSON: Well, I can agree with you there,
13 but please understand it is being considered, though. It's
14 not an absolute denial. Or if it is a denial, he's already
15 working for you.

16 MR. MARTIN: Well, I think it ought to have
17 something like if it's been five year or two years or
18 something like that, you know, rather than us have to fill
19 out more paperwork or I -- in the past I have had to bring
20 people up here to Austin that were working as floor runners
21 and go in front of an administrative judge because of the
22 young lady, I think, when she was 17 years old stole \$50
23 worth of gift cards from some place. You know? You know, I'm
24 like, you know, come on, you know.

25 MR. HANSON: There are some parts of the

1 statute that are absolutely clear, and so that one is
2 probably a denial.

3 MR. MARTIN: Yeah.

4 MR. HANSON: And -- but as Tyler has
5 mentioned, folks have the ability to then send documentation.
6 Not necessarily go before SOAH, but send documentation that
7 supports why they should be considered. And it allows for
8 us, correct me if I'm wrong Tyler, it allows for us to take
9 those things into consideration.

10 If you start specifying that, you know, there
11 is a timeframe, 5 or 10 years, and we can't look back beyond
12 that, you know, there are limitations in chapter 53 --

13 MR. VANCE: Currently it's 10 years.

14 MR. HANSON: Yeah. So there are limitations
15 that we have to adhere to under chapter 53. So I think we're
16 getting the best of both worlds here.

17 MR. MARTIN: Uh-huh.

18 MR. HANSON: I think --

19 MR. MARTIN: Please keep in mind that, you
20 know, thank you Lord and this great economy, we have, you
21 know, everybody's working and it's hard to find people that
22 want to work.

23 CHAIRMAN SMITH: And I agree with you, Will.
24 I have a buddy that was in the army, he was an MP at Fort
25 Louis, and a guy walked up in and started trying to grab his

1 wife's purse and he retaliated against the guy and he got in
2 trouble for it. He wanted a job and I quickly advised him,
3 Hey, sorry dude, but it -- that's a long process that you're
4 going to have to go through. And he chose to seek other
5 employment.

6 So I'm kind of torn on this. I don't see how
7 an assault in a separate location could be considered kind of
8 unbecoming for Bingo. I have trouble getting that far.

9 MR. BOURGOYNE: What is he --

10 MR. POHL: We'll take it into consideration.

11 MR. BOURGOYNE: What if he assaulted a
12 veteran?

13 CHAIRMAN SMITH: Pardon?

14 MR. BOURGOYNE: What if he assaulted a
15 veteran?

16 CHAIRMAN SMITH: Well he was a vet.

17 MR. POHL: What if the veteran was the one who
18 got assaulted?

19 CHAIRMAN SMITH: If he was attacking the guy's
20 wife trying to grab her purse? I don't think it would
21 matter.

22 MR. BOURGOYNE: No. I'm not putting that
23 criteria on it.

24 CHAIRMAN SMITH: Right.

25 MS. GREEN: Well there's still some reason

1 we'd want to address.

2 CHAIRMAN SMITH: I think so.

3 MS. GREEN: So we could maybe get your
4 feelings and then email it to Tom and see -- Tom and Tyler
5 and see what you come up with.

6 MR. HANSON: Please.

7 MS. GREEN: The audit policy, 402.703: I
8 think everybody was in agreement we could go down from one
9 year from two years. Willingness to have, oh yeah,
10 conference calls, exit or entrance interviews via telephone.
11 Which is -- because if you're down to whatever -- we know
12 everybody you got. I mean, we'll run off the rest of your
13 mail. So --

14 UNKNOWN SPEAKER: Please don't do that.

15 UNKNOWN: We don't --

16 MR. MARTIN: Well, if you're talking about
17 some trial runs on the -- by phone or teleconference or
18 something at audit?

19 MR. HANSON: Absolutely. Yes. We --

20 MR. MARTIN: See how it works?

21 MR. HANSON: Yeah. So any new idea we come up
22 with to streamline the process we'll have some test
23 environments in which we try it. The whole idea is can we
24 communicate the information in those phone conversations and
25 can we make our request to focus for the documents and such.

1 MR. MARTIN: I like using new technology that
2 what -- goes right in step with those plastic gift cards.

3 MR. HANSON: Yes. Yep. And we were trying to
4 move to a --

5 MS. GREEN: I just -- I don't think anybody
6 will have a problem with the phone. And also it depends on
7 because you know what the group that's been around for one or
8 two years and they don't -- at Bingo we need to be able to do
9 that. But that is a -- a long time to drive up to Dallas.
10 So I think that was it, and we had some --

11 CHAIRMAN SMITH: Well, there was one more
12 thing that was submitted by email to me late yesterday
13 evening from Eddie Heinemeier. He wanted to address the rule
14 change for background from 120 days to 180 days. I would not
15 be doing my due diligence if I did not bring that before the
16 BAC. Does anybody have any comment on that or want to speak
17 on that?

18 MS. GREEN: Well, I believe that we have
19 spoken on that several times for a long time for the past two
20 years. And --

21 CHAIRMAN SMITH: I think so.

22 MS. GREEN: And we went from 90 to 180, and I
23 think everybody at the BAC agreed on 120, and I have no
24 reason to change my mind.

25 CHAIRMAN SMITH: Nor do I.

1 MS. GREEN: At this point, so I guess we just
2 -- does anybody else have thinking on that?

3 MR. MARTIN: No. I was wanting to back up on
4 something else up in there.

5 MS. URIEGAS: I -- the only thing I can say is
6 that I have that struggle now, because I'm a new hall. I was
7 closed for four months and having to rebuild, so, I mean, I -
8 - six months is a long time, but, you know, I don't think --
9 I mean, I think there's something that we can come up with in
10 between. I mean, three months -- is that four months?

11 CHAIRMAN SMITH: Yep, four months, four to
12 six.

13 MS. URIEGAS: Four months? Four to six? So
14 what is it currently?

15 MR. VANCE: It's 120 days.

16 CHAIRMAN SMITH: Like 12 months, or 4.

17 MS. URIEGAS: It's four months currently?

18 MR. VANCE: Yes.

19 MS. URIEGAS: Well, I think that struggle, I
20 mean, especially with all the competition here in Austin,
21 what I'm dealing with --

22 CHAIRMAN SMITH: Right.

23 MS. URIEGAS: And people trying to put you out
24 of business by doing the \$5 computers, or \$1, or penny, and
25 that kind of stuff. I mean, that's just my opinion, so that

1 -- just so it's noted. It's a struggle.

2 CHAIRMAN SMITH: All right. All right. Will,
3 you wanted to back on another item?

4 MR. MARTIN: Yeah if I -- if you all don't
5 mind I'd like to go back to 402.301 and maybe give a better
6 explanation for -- about hot numbers.

7 UNKNOWN SPEAKER: About what?

8 MR. MARTIN: Hot numbers.

9 UNKNOWN SPEAKER: What is this called?

10 UNKNOWN SPEAKER: What number was that?

11 MS. GREEN: We went to get that public --

12 MR. MARTIN: 402.301.

13 MS. URIEGAS: From us the -- yeah.

14 MS. GREEN: We were talking about the ways to
15 make more money in the hall. We need one more dollar, how to
16 make one more dollar. Well, you can let the customers buy
17 into a hot-ball game: Which is the draw number is 12, any
18 Bingo on 12 you get \$50 in pulltabs, or \$50, you know, an
19 extra \$50. So unless it's a 750 game, you know.

20 But we -- I was talking to Tom trying to
21 figure out how to tell that that person has bought into a
22 game, you know, do you stamp their hand, can you give them a
23 ticket and there's a ticket stub from the distributor? Is
24 that right or fair? So I think it was a logistics thing of
25 logistics of how to play that game.

1 MR. MARTIN: Well how -- yeah. How is the
2 money -- how do you do that?

3 MS. GREEN: I haven't played it a long time,
4 because --

5 MR. MARTIN: I mean, how do you keep track of
6 --

7 MR. DUNCAN: Well, it counts against your
8 prize card.

9 MS. GREEN: Well, there's a question. If you,
10 you know, you have so many tickets. If you hand out 25
11 tickets, you made \$25.

12 MR. MARTIN: Okay.

13 MS. GREEN: You know, you keep track of what
14 you hand out. So that's what we're talking about. Do we --
15 do we have to -- do your tickets have to be from a
16 manufacturer? Because it's money, you know, we want to make
17 sure we do it right.

18 MR. Hanson: True.

19 MS. GREEN: So, yeah, it has to be to where
20 you, you know, it's just a card like anybody else.

21 CHAIRMAN SMITH: It has to be trackable.

22 MS. GREEN: Right.

23 MR. HANSON: So the understanding there was
24 you would put something together and submit it to Tyler, and
25 the staff.

1 MS. GREEN: Mm-hmm.

2 MR. HANSON: So that we could research it and
3 then match it up to the statute rules.

4 MS. GREEN: Right.

5 MR. MARTIN: I like that. More content we
6 have in the Bingo hall and the --

7 MS. GREEN: Just one more tool in that box.

8 MR. MARTIN: That's it.

9 MS. GREEN: You know, that tool box, so always
10 got to do it right, so.

11 MR. MARTIN: I look forward to having more on
12 the hot ball.

13 MS. GREEN: Okay, all right.

14 MR. FENOGLIO: Chairman?

15 CHAIRMAN SMITH: Yes, sir.

16 MR. FENOGLIO: I'll defer to Mr. Hanson.

17 CHAIRMAN SMITH: Go ahead.

18 MR. FENOGLIO: I wanted -- Stephen Fenoglio,
19 for the record. I wanted to raise an issue on the temporary
20 suspensions. And years ago the agency did that in Bingo, and
21 the problems from the licensee's perspective, I understand
22 why you want a temporary suspension, but from the licensee's
23 perspective, you have no idea what the evidence is other than
24 the bare allegation in the notice. And it does not -- Tyler
25 correctly pointed out 14 days and 30.

1 But if you're an attorney trying to advise the
2 client, you need to know what the other side has. The way to
3 do that other than the notice is to file discovery. Well, by
4 the time you get retained, you're either in a hearing or the
5 hearing's in a week, and so there's not an opportunity for
6 discovery.

7 So my point on that is to the extent that they
8 want to revise is it to have in the rule the Commission has
9 to turn over a file within a period of time so that the
10 charity can have evidence in -- before the hearing, and not
11 trying to respond to it during the hearing. That's my
12 observation. And that would be my only request.

13 MS. KIPLIN: Okay. Mr. Chair?

14 CHAIRMAN SMITH: Yes.

15 MS. KIPLIN: I've got a couple comments real
16 quick, too.

17 CHAIRMAN SMITH: Absolutely.

18 MS. KIPLIN: Kimberly Kiplin, I'm an attorney
19 here in town, for the record, and I represent VFW among other
20 charities.

21 I've got two comments that I want to make sure
22 that the Bingo Advisory Committee, full committee, knows
23 about, or understands. And that is on the incomplete
24 licenses where they want to -- the staff just wants to send
25 it back. And then I understand it would be a 21-day letter

1 that would go out saying your application's incomplete,
2 provide this information.

3 But the impact of it being deemed incomplete
4 is that the entire license application will be returned to
5 the applicant. And if that -- if that act happens after the
6 license is expired, then there is no license, and therefore,
7 there is no authority to conduct Bingo. And if you are, that
8 could be considered to be a third-degree felony.

9 So it, in my view, it's disruptive to the hall
10 and it's disruptive to, you know, if you're in the unit what
11 happens with this organization that this just got their
12 license expired for failure to timely renew because it wasn't
13 a complete application.

14 Now on the -- on the flip side, of course, it
15 would be a denial. You can -- you can proceed even past the
16 notice of denial to try to correct, you know, whatever the
17 missing information is. And I think the staff's position is,
18 well, it'd be better if it was incomplete and you just filed
19 an original application versus getting a denial where you
20 have to sit out for a year.

21 My point on that is, you know, the
22 organization can always withdraw if they have a real
23 application, or withdraw that whole process if they want so
24 they don't fit into that. So I just want to make sure folks
25 understand what could be the impact on that particular action

1 on I'm getting to. Anybody got any questions on that?

2 CHAIRMAN SMITH: No. Look, Tom, so let me ask
3 a question, if I may. And you may or may not know the answer
4 to this. So let's say a charity that wants to conduct Bingo
5 in the Austin area and they want to get started on their
6 license, so they get their license information in and they
7 don't have a location. Would they, once you all process
8 that, they would have 21 days to find a location. Is that
9 correct? Presumably?

10 MR. HANSON: Based on the current rules and
11 statutes, Tyler, correct me if I'm wrong, but I believe that
12 is the case.

13 MR. VANCE: Yeah. The application has to have
14 the location you intend to play at. You don't actually have
15 to end up playing there.

16 MR. HANSON: Correct.

17 MR. VANCE: But you just have to put something
18 on there. So if the application came and it didn't have an
19 address, they would send them a 21-day letter saying, please
20 provide an address that you intend to play at. And if they
21 didn't respond to that what we're talking about now is it
22 would be an incomplete application of 21 days.

23 Currently we hold onto that application for
24 some indefinite period of time where we try to get a hold of
25 them, call them, say, hey, can you please give us an address?

1 If they don't, then we proceed to deny the application and
2 send a notice with that. What we'd like to do is after 21
3 days just send it back to them.

4 CHAIRMAN SMITH: Got you. Okay. Thank you.

5 MS. URIEGAS: My only comment on that is that
6 when you have a location you -- it asks for your days and
7 times. Is that included as incomplete? Because if there's a
8 charity playing their temporary sessions in that day, it's
9 going to show that that's a conflict of date and times.

10 MR. VANCE: Yeah. You're going to have to put
11 that in there. And you can always amend it after the fact
12 once you get that address changes or those dates and times
13 change. You could put it --

14 MS. URIEGAS: Okay. But, I mean, I'm saying
15 you've got -- you are going to reject it because it -- when
16 you go to look to see those date and times there's already
17 going to be a charity playing there using temporaries. So
18 that's going to be a conflict. So how do you resolve that
19 conflict?

20 MR. VANCE: I think in -- what this really
21 comes down to, this 21-day thing from our perspective, is
22 we're trying to get the people that aren't responding to us
23 at all.

24 MS. URIEGAS: Okay.

25 MR. VANCE: When we have people who are

1 cooperative and communicative, right, Bingo goes out of its
2 way to try to get this information and holds applications
3 well past 21 days for these organizations to get the
4 information. We're talking about the guys that just don't
5 respond to anything.

6 CHAIRMAN SMITH: Got you.

7 MR. VANCE: And that kind of puts us in a
8 bind. Because even if we have to go through the formal SOAH
9 process, they don't respond to that either. They don't --
10 they don't know that they're being denied, they don't know --
11 they're just completely out of touch.

12 CHAIRMAN SMITH: Got you.

13 MS. KIPLIN: So just to follow-up, I
14 understand the staff's position. You know, these are
15 backlogged. There may be a small group that's going to fit
16 into this incomplete. But at the same time, that -- the
17 cooperation and, you know, with the staff and trying to help,
18 that's not set out in the rule.

19 CHAIRMAN SMITH: Got you.

20 MS. KIPLIN: So you can, Tom, I believe he
21 would exercise discretion to try to work and, you know, not
22 just slam it on the 20 -- is it 22nd day. But, you know, if
23 there's a change in a tone at the top, then we're having to
24 deal with that in here.

25 CHAIRMAN SMITH: Got you.

1 MS. KIPLIN: So I just want to say that and, I
2 know, Tom, you are practicing --

3 MR. HANSON: Okay. What we could consider
4 doing is considering original applications and applying this
5 to them and not applying it to renewals, which would put us
6 in a position where we weren't forcing someone into
7 committing a third-degree felony.

8 CHAIRMAN SMITH: Right.

9 MS. KIPLIN: Right. And -- that's good, yeah.

10 MR. HANSON: But that would actually reduce
11 some of the workload but allow us to have a different path.

12 CHAIRMAN SMITH: Tyler you --

13 MR. VANCE: I'm fine.

14 CHAIRMAN SMITH: You good with that? I think
15 that would solve a lot of problems.

16 UNKNOWN SPEAKER: Yeah, I agree.

17 CHAIRMAN SMITH: Good idea.

18 MS. KIPLIN: I do have one last comment. Not
19 to belabor it, and it has to do with 402.702: the assault not
20 being listed in the rule but being listed on the guideline.

21 I'm going back, you know, pretty far where it
22 used to be moral turpitude. Right? It was a misdemeanor
23 involving moral turpitude. The question always was, well,
24 what's moral turpitude? You have to research case law.

25 But under that case law at that time not every

1 assault was a misdemeanor involving moral turpitude. Man on
2 man, Will Martin's, that wasn't Moral Turpitude, and that
3 person would not be denied being placed on the registry as a
4 worker.

5 So if it's an issue with guideline, the agency
6 has some discretion to change that guideline, and you don't
7 have to go through rulemaking. If you really -- if the
8 concern is syncing up, then remove that from the guidelines.
9 But if you're going to go forward in terms of the assault, I
10 would like to see it limited to at least mirror what used to
11 be, and I know it's not there now because of the whole
12 Chapter 53 application, but it wasn't every type of assault.

13 CHAIRMAN SMITH: Thank you on that.

14 MS. KIPLIN: Oh, I'm sorry, one last thought -
15 - I was supposed to say that was last year. The one on the
16 delete the last sentence. This was on 402.702(d).

17 The concern that I had was that it doesn't say
18 -- let me -- It doesn't say, and this is the one for
19 application of deferred adjudication, gambling, gambling-
20 related, or criminal fraud offenses. It doesn't say that the
21 Commission may consider a deferred as a conviction, it says
22 generally for purposes the Commission will consider a
23 deferred.

24 And I'm a strong proponent that that deferred
25 adjudication should not be treated as convictions, otherwise,

1 you know, why have deferred adjudications? I'm probably in
2 the minority now on policy, but I have -- so just, you know,
3 my -- that's my previous position.

4 In this case, we're going to continue to have
5 that sentence. I would like there to at least say may, may
6 consider, not will, because that makes it more mandatory in
7 language.

8 CHAIRMAN SMITH: Good catch. Good catch.

9 MR. VANCE: Okay, I would -- so Chapter 53
10 says may, and so I see that that rule as the Commission
11 saying -- the Commission is saying, yes we may, but generally
12 we will. And so, yeah, if the, you know, I think if the
13 Commission wants to let that go and my understanding of the
14 problem because that's what chapter 53 says, and think we can
15 go back to that.

16 CHAIRMAN SMITH: Okay.

17 MR. DUNCAN: That works.

18 CHAIRMAN SMITH: Any other public comment on
19 the proposed rules? I mean, excuse me, the rules review?
20 Okay. Anybody else want to add anything from the BAC?

21 MR. POHL: Yeah. I have one -- what is the
22 process from this point on? We've talked about these rules
23 that we would like to see some modifications to.

24 CHAIRMAN SMITH: I think from this point on I
25 think what we have to do is we have to put in writing what

1 the Bingo Advisory Committee recommends the Commission to
2 change. Is that correct, Tom?

3 MR. VANCE: Yes, sir. Yeah. We're going to,
4 at the next Commission meeting, we're going to adopt -- this
5 is a copy, I want to make sure everybody can see it, of the
6 Quadrennial rule review. And prior to each section, I'm
7 going to give a statement that, you know, Staff feels this
8 rule should either be deleted or stay, or amended. And then
9 below that it'll be, BAC recommends dah, dah, dah, dah.
10 Okay, and so that'll be adopted in April.

11 And then the plan is, in the summer, to come
12 back and actually make the changes to the rules. And so
13 there will be a whole nother round of comment, and we'll have
14 the public hearing on that.

15 CHAIRMAN SMITH: When does -- when do you need
16 the BAC's recommendations?

17 MR. VANCE: I've generally got them, but I'd
18 appreciate if you guys have something in writing, or if any
19 of the lawyers do or whatever, I'll take all the information
20 I can get.

21 CHAIRMAN SMITH: Okay.

22 MR. VANCE: But I've been taking pretty good
23 notes and --

24 CHAIRMAN SMITH: Yeah.

25 MR. VANCE: And I'll circulate this around

1 everybody before -- the next couple of weeks.

2 CHAIRMAN SMITH: Okay.

3 MR. VANCE: So if we made mistakes somebody
4 can fix that.

5 CHAIRMAN SMITH: Absolutely. Thank you very
6 much. A big pressure --

7 MS. BALDWIN: Public comment?

8 CHAIRMAN SMITH: Yes ma'am. Please state your
9 name for the record.

10 MS. BALDWIN: My name is Margaret Baldwin(ph).
11 On the incomplete licensing, if they'll include when they --
12 one thing is, if they'll not only contact the chairperson,
13 but also contact the bookkeeper that's on file for that
14 charity. Because a lot of times the chair people are -- they
15 tell us they're working, they don't have time, I haven't
16 checked my mail in three weeks. So they're not getting the
17 information. Your bookkeeper is going to be paid for that
18 charity more than likely, and they're going to be on top of
19 it and get it done in a lot quicker time than your 21 days.

20 MR. MARTIN: You know that's probably issue.

21 MR. HANSON: I can respond to Margaret?

22 CHAIRMAN SMITH: Absolutely.

23 MR. HANSON: So in discussion with staff
24 yesterday, and hopefully I'll do it into the mic, but I'm
25 directing -- in the discussion with staff, their process

1 includes reaching out to several members to include whomever
2 the chairperson is, whomever the directors or officers are.
3 And if a bookkeeper isn't -- is listed, reaching out to that
4 person as well before that 21-day letter goes out.

5 So I have to thank Sherri Wood who is the
6 coordinator for that department and chairing that with me and
7 my ability to come here and tell you that the process
8 includes a lot more than just the 21-day letter. Sherri, are
9 you here?

10 MS. WOOD: Yes.

11 MR. HANSON: Do you agree with what I said?

12 MS. WOOD: Yes, sir.

13 MR. HANSON: All right, thank you very much.

14 MS. BALDWIN: They do, a lot of times they do
15 that, just saying if it was somewhere in there, so --

16 CHAIRMAN SMITH: Sure.

17 MR. HANSON: Yes, yeah. And I think it's in
18 process, it's not in rule. But again, the processes are open
19 for folks to see. But it's --

20 MS. GREEN: Now you mentioned before that you
21 did not contact the hall. But if somebody has an application
22 in there that says, this is where I'm going -- or this place,
23 this address. And when they do a fix that hall, if they
24 don't get their money, you could have a hole somewhere. And,
25 you know, or you could just be relying on what the charity

1 tells you, and if you go online and look up anything.

2 So since the name of the hall is directly on
3 the application itself, would that be a conflict to contact
4 the hall? Because they need to know. I mean, because --

5 MR. HANSON: Again, current process says reach
6 out to the applicant. So if you'll give me the ability to do
7 this, I'll do a little bit of research and see if there is
8 another way we can do this. There may be a way to put
9 another person on that application and put them in a position
10 to be one of those contacts. So that might actually --

11 MS. GREEN: Or a Bingo hall contact.

12 MR. HANSON: Yeah, you know, The hall itself,
13 as you stated, they stop sending mail to your physical
14 address. Going to the post office box. So were we to go by
15 what the box system says as the location and write that in,
16 you're not going to get that mail.

17 So let's see if we can find another way to do
18 this rather than just specifying, Send it to the hall. And
19 see if we can't add a person.

20 CHAIRMAN SMITH: Okay. All right. Any
21 discussion on the rules? Anybody at all? All right. Speak
22 more or forever hold your peace.

23 UNKNOWN SPEAKER: Until the next time.

24 AGENDA ITEM 8

25 CHAIRMAN SMITH: All right. Moving on. We're

1 going to go to number 8, Discussion and Possible
2 Recommendations on BAC nominations. Penelope, do you know of
3 any that we have, or Veronica?

4 UNKNOWN SPEAKER: No.

5 MS. URIEGAS: Yes. So Kim and I were tasked
6 to call a couple of different people, and at the last meeting
7 I think you were not here, we recommended, or we discussed, I
8 believe his name is Corey Harris, and I passed that
9 information along. Oh, here, actually I have this
10 information. And we discussed my conversation with him, and
11 briefly what I had said was that I thought he was a good
12 applicant because he was young and married with kids, but
13 young kids, and not older like the rest of us. Depends on
14 your perspective to Bingo and young energy. Hey, I'm up
15 there, too. So --

16 CHAIRMAN SMITH: She's looks right over here.

17 MS. URIEGAS: No I did not. I'm just saying I
18 -- in my opinion, that was kind of what Kim and I had
19 discussed. And we, after talking to whoever we spoke to, her
20 and I agreed that that's who we would endorse, and his name
21 was Corey Harris, and I did pass that information on. So --

22 MS. GREEN: He lives in Austin?

23 MS. URIEGAS: Well, he lives in Arlington.

24 UNKNOWN SPEAKER: That's right.

25 MS. URIEGAS: And he -- and he's does work out

1 of -- he's independent. He's a realtor, so he has a lot of
2 flexibility. He does work in Waco, so he's able to come and
3 very flexible to -- he works out of his home and gets to set
4 his own schedule. So he said he'd be willing to come at any
5 time. So, yeah, that was another reason that I thought --

6 CHAIRMAN SMITH: And refresh my memory, I
7 remember reading that, but what's his affiliation with --
8 who's he with, what charity here?

9 MS. URIEGAS: He is, gosh, where are my notes?
10 Oh, here. Let me read. The Lion's Club. And he's been with
11 them for seven years. He helps them allocate the funds.

12 CHAIRMAN SMITH: All right, So we need to take
13 a vote on that now?

14 MS. URIEGAS: We --

15 MR. BOURGOYNE: I thought that we voted on him
16 at the last meeting.

17 MS. URIEGAS: We did vote on him at the last
18 meeting, so I think he just fell through the crack and
19 something happened.

20 CHAIRMAN SMITH: That's fine, so won't be
21 voting on that and that is on the report to the actual
22 Lottery Commission Board. I will make sure that's in the
23 next recommendations as well, if that's okay with everyone.

24 MS. KIPLIN: Mr. Chairman, if I -- I may be
25 recalling this incorrectly, but I think that information was

1 provided to Commission. And I think the chairman said, Is he
2 here. But he was not able to attend at that short notice.
3 Am I wrong in that, or --

4 MS. URIEGAS: I know he's not able to attend
5 the BAC meeting.

6 CHAIRMAN SMITH: I think that was --

7 MS. KIPLIN: Okay, yeah. I that was -- maybe
8 that was it. Okay.

9 MS. URIEGAS: But he was -- I think Michael
10 had said he was going to reach out to him, and so I don't
11 know.

12 MS. KIPLIN: Okay.

13 MS. URIEGAS: I have not spoke with him since.

14 CHAIRMAN SMITH: We'll reach out and see if
15 he's still interested in doing this, and then we'll represent
16 that the next commissioner's meeting. Then give it to you,
17 Tom?

18 MR. HANSON: Please.

19 AGENDA ITEM 9

20 CHAIRMAN SMITH: Okay, all right. Okay, any
21 old business that we need to talk about?

22 MR. BOURGOYNE: Melodye's sign.

23 CHAIRMAN SMITH: Sir?

24 UNKNOWN SPEAKER: -- like twelve.

25 //

1 AGENDA ITEM 10

2 CHAIRMAN SMITH: All right, is there any new
3 business? Anything new we need to talk about?

4 MR. MARTIN: I just want to make a public
5 thank you to Tom for working with us. I'll bet he has -- or
6 even through the lunch hour. Yeah.

7 MR. HANSON: Well, thank you very much. I
8 appreciate it.

9 MR. MARTIN: I'm going to put you in for time
10 and a half.

11 MR. HANSON: I'm available to you, sir. But
12 thank you for that. It was enjoyable. Many of you I have
13 worked with in the past and so it was developing additional
14 relationships, you know, that have been long term: Kim, Mr.
15 Fenoglio, and the group that was there yesterday. You know,
16 I appreciate your input.

17 MS. GREEN: Thank you to Tyler. Because you
18 were emailing all week and people have had, you know, Here,
19 look at this. And he would tell me why we can't do it. And
20 we --

21 UNKNOWN SPEAKER: Right. It was either him or
22 --

23 CHAIRMAN SMITH: I will say it's definitely a
24 different era in the Bingo Division than it used to be in the
25 past, and we're certainly grateful for the cooperation and

1 the open communication that we're getting from everybody.
2 It's definitely a breath of fresh air, and I think we do
3 better at working together than we did working against each
4 other. So we're definitely grateful for that.

5 MR. HANSON: Thank you. On behalf of the
6 Division, I thank you.

7 CHAIRMAN SMITH: You're welcome, sir.

8 AGENDA ITEM 11

9 CHAIRMAN SMITH: All right, we'll set a date
10 for the next meeting. When is the next Commission meeting?
11 Anybody have that information?

12 MR. HANSON: So the next Commission meeting,
13 sir, is scheduled for --

14 CHAIRMAN SMITH: It's April 4th I think.

15 MR. Hanson: I think it's April the 8th. The
16 8th -- the 9th. Is that correct? Oh, nope. It's the 9th,
17 I'm sorry. April the 9th at 10:00 a.m.

18 CHAIRMAN SMITH: All right. Does anybody have
19 a problem linking -- or is the room available on April the
20 8th? I think it's a lot easier for us to knock out two --

21 MR. HANSON: So in the afternoon between 1:00
22 and 3:00.

23 CHAIRMAN SMITH: I love you.

24 MR. HANSON: Is available.

25 CHAIRMAN SMITH: Did we need to meet again

1 before that point? Does anybody have a problem with April
2 the 8th at 1:00 p.m.?

3 MR. POHL: I won't be able to make it, most
4 likely, but I'll check.

5 CHAIRMAN SMITH: Okay. Anyone else? You said
6 8, 9, 10, 11, 12, 1.

7 MR. HANSON: So we'll confirm that the
8 auditorium is free for that time frame and reach out to you
9 all.

10 CHAIRMAN SMITH: Right. It's tentative, got
11 it.

12 MR. HANSON: Correct.

13 CHAIRMAN SMITH: Thanks again. All right, you
14 have later in the afternoon is better.

15 UNKNOWN SPEAKER: Yeah.

16 CHAIRMAN SMITH: That way I don't have to get
17 up at 5:00 a.m. to drive to Austin.

18 MR. HANSON: Yeah. As long as you're not
19 falling asleep after lunch.

20 AGENDA ITEM 12

21 CHAIRMAN SMITH: Nah, don't worry, I won't.
22 Don't worry. All right. All right, guys, well adjourn the
23 meeting. Almost 11:00.

24 Thank you all very much. If you got any
25 questions please email us. Our emails are on the BAC

1 website.

2 (Meeting adjourned at 10:56:46 a.m.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

C E R T I F I C A T E

STATE OF TEXAS)

COUNTY OF HARRIS)

I, Kimberly C. McCright, Certified Vendor and
Notary in and for the State of Texas, do hereby certify that
the above-mentioned matter occurred as hereinbefore set out.

I FURTHER CERTIFY THAT the proceedings of such were
reported by me or under my supervision, later reduced to
typewritten form under my supervision and control and that
the foregoing pages are a full, true and correct
transcription of the original notes.

IN WITNESS WHEREOF, I have hereunto set my hand and
seal this 11th day of March, 2020.

/s/ Kimberly C. McCright
Kimberly C. McCright
Certified Vendor and Notary Public

Verbatim Reporting & Transcription, LLC
1322 Space Park Drive, Suite C165
Houston, Texas 77058
281.724.8600