

TRANSCRIPT OF PROCEEDINGS  
BEFORE THE  
TEXAS LOTTERY COMMISSION

BINGO ADVISORY COMMITTEE MEETING  
Tuesday, November 17, 2020  
(Via Zoom Videoconference)

Proceedings of the Bingo Advisory Committee Meeting  
of the Texas Lottery Commission, 611 East 6th Street,  
Austin, Texas 78701, reported remotely by computerized  
stenotype machine from Kyle, Texas, by Janis Simon,  
Certified Shorthand Reporter, at 10:00 a.m.

## APPEARANCES

## COMMITTEE MEMBERS:

Mr. William T. Smith, III (Trace) - Chairman

Mr. Will Martin

Mr. Tommy Duncan

Mr. Jason Pohl

Ms. Melodye Green

Ms. Veronica Uriegas

Mr. Emile Bourgoyne

Ms. Kim Rogers

Mr. Corey Harris

## AGENCY STAFF:

Mr. Thomas Hanson - Charitable Bingo Operations Director

Mr. Tyler Vance - Assistant General Counsel

Mr. Bob Biard - General Counsel

Ms. Cindy Fields - Commissioner

## PUBLIC MEMBERS:

Mr. Stephen Fenoglio

Ms. Kimberly L. Kiplin

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P R O C E E D I N G S

Tuesday, November 17, 2020

(10:00 a.m.)

MR. SMITH: Good morning. This is Trace.  
Can everyone hear me okay?

MS. ROGERS: Yes, I can. This is Kim  
Rogers.

MR. SMITH: Good morning. Kim.

MR. HARRIS: Yes. Corey Harris. Sounds  
good.

MR. SMITH: All right. Good deal. I'm on  
a new device here. So, I was making sure.

MR. HANSON: Sounds great, Trace.

MR. SMITH: Good. Thank you. Good  
morning, Tom.

AGENDA ITEM NO. 1

MR. SMITH: I guess we'll call the meeting  
to order at 10:00 a.m.

AGENDA ITEM NOS. 2 & 3

MR. SMITH: And if we could get -- is Will  
on here, Will Martin?

(No response)

MR. HANSON: Yes, he's on.

MR. SMITH: He's on? Okay.

Will, would you like to lead us in the

1 American Pledge?

2 And, if we could, just listen to Will, and  
3 we don't have to -- we don't have to actually say the  
4 deal out loud. There's a lot of people talking today.  
5 When you get crosstalk, it's very hard for the Court  
6 Reporter and the recording to record it and transcribe  
7 everything.

8 So, if we could just get Will Martin to  
9 lead us in the American Pledge and the Texas Pledge, you  
10 can say it on your own.

11 Will, would you like to lead us? You may  
12 have to unmute --

13 UNIDENTIFIED SPEAKER: His mic is muted.

14 MR. MARTIN: Can you hear me now?

15 MR. SMITH: Yes, sir.

16 MR. MARTIN: Okay. Follow me, please.

17 (American Pledge and Texas Pledge recited)

18 MR. MARTIN: Thank you.

19 MR. SMITH: All right. Thank you, sir.

20 AGENDA ITEM NO. 4

21 MR. SMITH: And we'll go to roll call.

22 Kim Rogers.

23 MS. ROGERS: Here.

24 MR. SMITH: She is here.

25 MS. ROGERS: Yes.

1 MR. SMITH: Will Martin is here.

2 Jason Pohl.

3 MR. POHL: Here.

4 MR. SMITH: Tommy Duncan.

5 MR. DUNCAN: Here.

6 MR. SMITH: Veronica Uriegas.

7 MS. URIEGAS: Here.

8 MR. SMITH: Melodye Green.

9 (No response)

10 MR. SMITH: I think her mic is muted, but  
11 she has contacted me and said she is on. Let's see. I  
12 lost track here.

13 Emile, are you on?

14 MR. BOURGOYNE: I'm here.

15 MR. SMITH: All right. Am I missing  
16 anybody there? My list is --

17 MS. URIEGAS: Corey Harris.

18 MS. ROGERS: Our new member.

19 MR. SMITH: Oh, right. Corey Harris.  
20 That's right.

21 MR. HARRIS: Yes, and I'm here. Thank  
22 you.

23 MR. SMITH: All right. Welcome. Welcome.

24 All right. All right. So, those of you  
25 that don't know, we did get Corey Harris approved for

1 our new member of the BAC.

2 Welcome, sir. And, if you have any  
3 questions or any issues, please feel free to ask or  
4 speak out. Sometimes we get bogged down in lingo that  
5 may not be completely known to everybody. So, if you've  
6 got questions, please let us know.

7 MR. HARRIS: I will, and I would just like  
8 to say I do want to extend my appreciation to every  
9 member of the committee. I'm very excited, very honored  
10 to join this with you. And, so, thank y'all for your  
11 consideration. I look forward to working with every one  
12 of you.

13 MR. SMITH: Excellent.

14 MR. HANSON: Trace, if I may?

15 MR. SMITH: Yes, sir.

16 MR. HANSON: For the record, my name is  
17 Tom Hanson, Director of the Bingo Division. I'm honored  
18 today to recognize and introduce a member of the  
19 Commission. Commissioner Cindy Fields has graciously  
20 accepted the position of the designated Bingo  
21 Commissioner for the Texas Lottery Commission. She has  
22 taken on that added responsibility and become actively  
23 engaged in bingo since her appointment, and I would hope  
24 that you would give her a moment to introduce herself  
25 and maybe speak to the group.



1 MR. SMITH: Absolutely. Absolutely.

2 And we are such a -- we are so happy to  
3 have you actually on a meeting. I think this is the  
4 first time that we've had a Commissioner at the BAC  
5 meeting and -- well, since before it was reconstituted a  
6 couple of years back. So, thank you very much, and we  
7 appreciate your attention.

8 MS. FIELDS: Well, thank y'all. And I  
9 look forward to working with y'all, and I'm really  
10 excited to be working with Tom. And this will be a  
11 learning experience for me. So, excuse dumb questions,  
12 but I'm really excited to work with you-all.

13 MR. SMITH: Well, we're certainly glad to  
14 have you, and in bingo there are no dumb questions, only  
15 dumb answers.

16 (Laughter)

17 MS. FIELDS: (Indiscernible) know the  
18 difference.

19 MR. SMITH: Well, that's okay. We use a  
20 lot of terminology that people that are not exposed to  
21 the bingo industry don't -- you know, regular people, is  
22 what we call them, don't hear the terminology. So, if  
23 we say something and you're not quite sure what it  
24 means, by all means, please let us know. We'll be glad  
25 to help you understand that.

1 MS. FIELDS: Absolutely. Thank you.

2 MR. SMITH: Yes, ma'am.

3 AGENDA ITEM NO. 5

4 MR. SMITH: All right. Let's skip on down  
5 to the meeting minutes from September 22nd.

6 Kim, do you want to do that?

7 MS. ROGERS: Yes, sir. Thank you. For  
8 the record, Kim Rogers.

9 And, Ms. Fields, may I say thank you so  
10 much for attending. It really assists us greatly when  
11 we can have a Commissioner at our meetings.

12 In reference to the meeting minutes for  
13 September 22nd I went over them. They all look good,  
14 everything.

15 Tom, I would like to say thank you for the  
16 new way that they are posting them. I don't know if  
17 you're in charge of that or who is, but it was way  
18 easier to read. So, if we could have a motion for those  
19 I would appreciate it.

20 MR. SMITH: All right. Does anybody got  
21 any question on the meeting minutes?

22 (No response)

23 MR. SMITH: Any comment from the public on  
24 the meeting minutes?

25 (No response)

1 MR. SMITH: All right. Well, I move for  
2 approval of the meeting minutes from --

3 MS. ROGERS: I second.

4 MR. SMITH: Okay. All right. We got a  
5 second from Kim.

6 All in favor?

7 (Those in favor of the motion so  
8 responded)

9 MR. SMITH: All right. Any opposed?  
10 (No response)

11 MR. SMITH: All right. Excellent.

12 AGENDA ITEM NO. 6

13 MR. SMITH: Okay. We will move on to Item  
14 No. 6, Report on Texas Lottery Commissioners Meeting on  
15 October 1st, 2020. I was in attendance for that. That  
16 was a short report.

17 We basically thanked for the Commission  
18 for approving the rule review and the rule suggestions  
19 that we worked so diligently on together, the  
20 Commission.

21 (Background noise)

22 MR. SMITH: Pardon?

23 (No response)

24 MR. SMITH: Oh, the Commission worked  
25 together on that. Tom really came out over and above.

1 The Staff really helped on that.

2 I think everybody -- I don't know of  
3 anybody that was opposed to any of the rules. We were  
4 very pleased with that. The Commissioners didn't ask me  
5 any questions that were pertaining to that. So, they  
6 passed with flying colors.

7 Any questions on that?

8 MR. VANCE: Trace?

9 MR. SMITH: Yes?

10 MR. VANCE: Sure. Trace, this is Tyler  
11 Vance, Assistant General Counsel with the Lottery  
12 Commission. I just want to bring up the electronic gift  
13 card rule --

14 MR. SMITH: Okay.

15 MR. VANCE: -- that we withdrew at the  
16 last minute.

17 MR. SMITH: Yeah.

18 MR. VANCE: We got a comment from the  
19 Kickapoo Tribe of Texas that was concerned that the card  
20 could be used almost like a card is used in a  
21 sweepstakes eight-liner room that, you know, you would  
22 load credits on it and it could be inserted into some  
23 kind of electronic device or that it could be awarded by  
24 a hall in the form of credits. And, so, I have drafted  
25 a proposed new version of that rule, and I can go ahead

1 and read it to you guys. And if you guys approve of it  
2 or if you would like something different, then it's --  
3 you let me know, and we can get this ball moving and  
4 contact the Kickapoo folks and see what they think about  
5 it and then maybe try to get this thing proposed  
6 sometime in the near future.

7 MR. SMITH: Okay. Can I interrupt here  
8 for a second? I think somebody needs to mute their  
9 microphone. I'm getting a lot of background noise. It  
10 sounds like somebody is in their car or something.  
11 There we go. Thank you.

12 I know we're all struggling to get where  
13 we're supposed to be (laughter) during COVID. It's  
14 tough on these meetings, but I appreciate your kindness.

15 So, do you want to -- Tyler, would you  
16 like to read that rule now under this agenda item, or do  
17 you want to bring that up under the new business? It's  
18 up to you. I don't mind, if nobody has any objections.

19 MR. VANCE: I think -- sure. I think I'll  
20 just go ahead and do it now, since I've already given my  
21 spiel.

22 MR. SMITH: Okay.

23 MR. VANCE: So, the rule is in 402.503.  
24 It says: Electronic gift certificates. A licensed  
25 authorized organization may issue a bingo gift

1 certificate electronically on a gift card subject to the  
2 same restrictions and requirements as paper gift  
3 certificates. An electronic gift card may not be used  
4 in conjunction with an electronic device other than a  
5 licensed authorized organization's point of sale system.  
6 A licensed authorized organization may not issue or  
7 award a bingo gift certificate electronically in the  
8 form of credits on an electronic device.

9                   And, so, I think that -- you know, I hope  
10 that solves most of the Kickapoos' concerns. But, of  
11 course, you know, if you guys want something different,  
12 by all means, you're leading this operation. And we'll  
13 pass on, you know, whatever you would like.

14                   MR. SMITH: Okay. When will you be  
15 sending that out for review?

16                   MR. VANCE: Well, I can send this out to  
17 the BAC. I mean, I can e-mail it to you guys right now,  
18 or do you mean to the Kickapoo or what?

19                   MR. SMITH: I think the bingo industry  
20 would probably like to look at that and contemplate a  
21 little bit on it before we agree to send it back over to  
22 them.

23                   MR. VANCE: Okay.

24                   MR. SMITH: The credit-based system is  
25 pretty tricky in my mind. Just in the past, I know that

1 we've had some issues with -- I know some groups have  
2 had -- tried to get a credit-based system and some have  
3 been against it. I'd like to -- personally, I'd like to  
4 look at it for a couple of days before I just agree to  
5 throw it out there.

6 I mean, that's -- does anybody else got an  
7 objection to that?

8 MR. MARTIN: No.

9 MR. SMITH: Okay. And we may have a  
10 member of the public that may want to speak on this, as  
11 well.

12 If Steve Fenoglio is in attendance, would  
13 you like to comment on this, Steve?

14 (Brief pause)

15 MR. FENOGLIO: Can you hear me now?

16 MR. SMITH: Yes, sir.

17 MR. FENOGLIO: I'd like to see the  
18 specific language, yes, before we would go and try to  
19 visit with the tribe.

20 MR. SMITH: Okay. I agree with that.

21 MR. VANCE: Okay. Well, then, I'm going  
22 to pass it on to Tom. And, then, I assume he'll forward  
23 it on to everyone at BAC. And, then, you guys can  
24 distribute it whomever you would like after that. And,  
25 then, we'll revisit it, it sounds like, probably the

1 next BAC meeting.

2 MR. SMITH: Excellent. Excellent. Thank  
3 you. Thank you. We do appreciate that, and we do  
4 appreciate your work on that.

5 And so everybody knows -- I don't know if  
6 everybody is aware of this and Tyler hinted at this  
7 earlier -- that rule was strongly objected by the  
8 Kickapoo Tribe, who does not hold a bingo license in the  
9 State of Texas, and they do not -- they don't contribute  
10 to charitable bingo in the State of Texas. However, we  
11 do like to work with our friends and people in the state  
12 and in the industry to try to make sure everybody is  
13 happy and work together. So, that's -- if anybody has  
14 got any questions going, hey, why are they in on this,  
15 that's why. We're trying to extend the olive branch and  
16 make everybody happy.

17 So, moving on -- anything else on that,  
18 Tyler?

19 MR. HANSON: Trace, if I may?

20 MR. SMITH: Yes, sir.

21 MR. HANSON: And, Tyler, correct me if I'm  
22 wrong, but my understanding is that the rules went into  
23 effect on October 22nd of 2020.

24 MR. VANCE: That's correct. With the  
25 exception -- this rule, of course, did not. This rule



1 was withdrawn at the last --

2 MR. SMITH: Right.

3 MR. VANCE: -- before it was adopted, but  
4 all the other rules were effective October 22nd.

5 MR. SMITH: Yes. Excellent. Okay.

6 All right. Anything else? Any public  
7 comment on this at all?

8 MR. MARTIN: My only concern was that this  
9 is talking about electronic equipment. Card minders are  
10 not going to be construed as -- in that one set there.  
11 Is it?

12 MR. SMITH: No, sir.

13 MR. MARTIN: Okay.

14 MR. SMITH: And that was Will Martin for  
15 the record. Is that correct?

16 MR. MARTIN: Yes.

17 MR. SMITH: Okay. All right. Yeah, if  
18 you will state your name for the record so the Court  
19 Reporter recording can get who's who.

20 MR. MARTIN: All right. Thank you.

21 MR. SMITH: Thank you, sir.

22 AGENDA ITEM NO. 7

23 MR. SMITH: All right. Let's go to No. 7,  
24 discussion and possible action on rules up for review  
25 and change. All right.

1 Melodye Green, you had some -- or, excuse  
2 me, before I go there, Tom, do you have anything besides  
3 the rule that Tyler just talked about that's upcoming?

4 MR. HANSON: No, sir.

5 MR. SMITH: Okay.

6 All right. Melodye, I think you had  
7 some -- you had some ideas about temps on demand and a  
8 couple of other possible items that we may be able to  
9 work on by rule change.

10 (Brief pause)

11 MR. SMITH: Melodye, are you there?

12 (No response)

13 MR. SMITH: I think her mic may be muted.

14 (Brief pause)

15 MR. SMITH: Yeah, she's definitely muted.

16 Is there any way we can unmute her, or does she have to  
17 do that?

18 UNIDENTIFIED SPEAKER: The host may have  
19 an option to unmute one of the attendees.

20 (Brief pause)

21 MR. BIARD: Do we know what her phone  
22 number is?

23 MR. SMITH: Hang on. Let me see here.

24 MR. BIARD: I don't see her name.

25 MR. SMITH: Yeah, I've got her phone

1 number. Hang on just a second.

2 MR. BIARD: Is it going to be 214 --

3 MR. SMITH: Just one second. I'm looking.

4 MR. BIARD: That's okay. Sorry.

5 (Laughter)

6 MR. SMITH: No, you're fine. You're fine.

7 MR. DUNCAN: It's 214-662-2646.

8 MR. BIARD: I have sent an ask to unmute.

9 Oops. I think she might --

10 MS. GREEN: Hello.

11 (Simultaneous discussion)

12 MR. SMITH: Hello, Melodye.

13 (Laughter)

14 MS. GREEN: This is Melodye Green.

15 MR. SMITH: They won't silence you, will

16 they, Melodye?

17 MS. GREEN: Well, they tried. They tried.

18 So --

19 (Laughter)

20 MS. GREEN: Anyway -- yeah. But one of  
21 the things -- I sent an e-mail out before the meeting.

22 One of the big problems that I saw during the COVID

23 shutdown and I've heard from different lessors and

24 different charities around the state is the cap on the

25 capital reserves of 50,000 per charity. In a hall that

1 maybe has five or six charities, that's a large capital  
2 reserve.

3 In a hall -- I have actually three or four  
4 halls that only have two charities, and they did apply  
5 before. Two of them applied back when Alfonso was there  
6 to raise that reserve, and they were denied. Just, I  
7 think, everybody was denied when they asked for an  
8 increase in that.

9 But, during the COVID shutdown, it became  
10 pretty desperate in a hall with two charities, and  
11 you're looking at maybe, you know, 50- \$60,000 in your  
12 bank account and you were having to go three or four  
13 months without any income. And the extensive reopening  
14 was great. It cost us a lot of money.

15 So, what several people have asked me and  
16 what I would like to ask the Lottery Commission -- well,  
17 Tom, is that maybe we could raise that to 75,000 instead  
18 of 50,000. I know it's a -- I spoke to Kim earlier, and  
19 she said it was a statutory rule. But the cap can be  
20 raised by Tom and the Lottery Commission to 75,000. So,  
21 that was just one of thing that people were asking me.

22 And the temporaries on demand, I believe  
23 that we all agreed to that, and we're just waiting for  
24 the -- I don't know if you've got the form online yet,  
25 Tom?

1 MR. HANSON: We do not, Melodye. I  
2 believe we're still in the process of that.

3 MS. GREEN: Right. So, that's the  
4 only other -- that's one of the other questions we had.  
5 But the reserve capital could be a big problem. You can  
6 have one or two charities and another shutdown like  
7 this, you know, I hope the vaccine works, but we still  
8 have people that have not come back. They're afraid,  
9 and we just had a hall test positive. I had three  
10 workers test positive. We had to close their hall for a  
11 while.

12 So -- and, then, I -- you know, when I  
13 looked up different IRS, you know -- well, that's a  
14 different -- that's a different one. Anyway, that was  
15 just one of the suggestions people had, asked me to --  
16 wanted me to bring up in the meeting.

17 MS. KIPLIN: Mr. Chairman, this is Kim  
18 Kiplin. May I comment on that, or would you prefer that  
19 I wait?

20 MR. SMITH: No, absolutely. Go right  
21 ahead, Kim.

22 MS. KIPLIN: I did speak with Melodye  
23 Green earlier about that, and just to put this out  
24 there. It's in the statute, and I'm going to put this  
25 statute reference out, it's Section 2001.451 in the

1 Bingo Enabling Act and, in particular, it's  
2 Subsection (h). And what it does allow is the  
3 Commission may -- by rule may establish a higher amount  
4 than the 50,000 or the Bingo Operations Director on  
5 request may raise it for one organization or unit as  
6 necessary to facilitate the operation of the  
7 organization or unit.

8                   And I think -- when I spoke with Melodye,  
9 I think the -- her thought, not to put words in your  
10 head or mouth, is that rather than doing it on a  
11 piecemeal approach, just allow the organizations by rule  
12 to have an increased cap. And, then, you know, they  
13 don't have to actually maintain 75,000 but at least  
14 gives them the opportunity to do so without having to  
15 make a request on a piecemeal basis.

16                   MS. GREEN: That's exactly right. This is  
17 Melodye Green.

18                   MR. SMITH: Tom -- and I may be putting  
19 you on the spot a little bit here. You may not have  
20 this information handy, and that's okay. Are there a  
21 lot of charitable organizations that have the maximum in  
22 their account? Is that a standard practice statewide,  
23 or is that kind of sporadic?

24                   MR. HANSON: I do not have the answer to  
25 that question at this point.

1 MR. SMITH: Okay.

2 MR. HANSON: And I can tell you I have not  
3 received a large number of requests for an increase to  
4 the capital.

5 MR. SMITH: Okay.

6 MR. HANSON: But I have received some, and  
7 they are being reviewed and -- or they have already been  
8 approved or, in some cases, a very few denied.

9 MR. SMITH: Gotcha. Okay. What -- and  
10 I'm completely ignorant on this process because we're a  
11 smaller hall, and we do don't get anywhere near that.  
12 What kind of are the determining factors that you use?  
13 Is there a guideline that you have, or is it just a  
14 case-by-case basis that you use to determine whether to  
15 give somebody an option to go higher?

16 MR. HANSON: So, when I look at that, I'm  
17 looking at prior quarter activities. I'm looking at  
18 what the maximum is for that particular location because  
19 what we're seeing in some cases the amount of the  
20 capital is very small. So, they're asking for an  
21 expansion of that.

22 I haven't had many that have that maximum  
23 50,000 per organization that have requested an increase.  
24 It's usually the ones that have an 8- or 9,000 or 10,000  
25 limit, and they're asking for an increase.

1 MR. SMITH: Okay. So, it's not just  
2 people trying to get the \$50,000 cap. It's also people  
3 trying to get it above their personal cap. Is that  
4 correct?

5 MR. HANSON: That's correct, sir.

6 MR. SMITH: Okay. Okay. All right.

7 MR. FENOGLIO: This is Steve Fenoglio.  
8 I've got a question for Tom, if I may?

9 MR. HANSON: Yes, sir?

10 MR. FENOGLIO: Tom, how long does it  
11 typically take you and your Staff to make a decision on  
12 a capital request? Is it a week, 10 days, two weeks?

13 MR. HANSON: Yeah. It varies depending on  
14 when they come in and how they're routed. I'm thinking  
15 7 to 10 days. On the ones I've received I had a  
16 duplicate one come in in which no decision was made  
17 because it was an exact duplicate of one previously  
18 submitted. So, one was approved. The other was denied.

19 But 7 to 10 days is reasonable. I would  
20 say, if someone has submitted one, and they don't  
21 receive a response in 10 days, please reach out again.

22 MR. SMITH: Okay.

23 MR. FENOGLIO: Thank you.

24 MR. SMITH: Tom, let me, if I may, ask  
25 another question -- and this is not the grill Tom



1 session. I promise you. I just -- I don't know. So,  
2 I'm asking. (Laughter) When organizations typically  
3 ask for an extension on the cap, what are some of the  
4 reasons that you approve it?

5 MR. HANSON: Most likely it has to do with  
6 the charitable distributions that have occurred for that  
7 organization in prior quarters. The gross income or --  
8 whatever the reasoning is that's placed on the document  
9 itself and in most cases what we're seeing it's directly  
10 related to COVID-19.

11 MR. SMITH: Gotcha.

12 MR. HANSON: Is that fair?

13 MR. SMITH: I would think so. I mean,  
14 if -- as long as the charities are -- in my opinion and  
15 my opinion only, I would think if the charity is getting  
16 some distribution and they want to raise their capital,  
17 I don't see why we should tell them, no, they can't.  
18 But that's just my opinion only, but there's a lot more  
19 factors in that that I'm sure that I will never know or  
20 probably never need to know. (Laughter)

21 But okay. All right. Good deal. All  
22 right. So, we're still on No. 7. Is there any other  
23 public comment about possible action on rules up for  
24 review and change?

25 (No response)

1 MR. SMITH: I don't think there's anything  
2 we need to approve right now. I think this is all in  
3 the process. I don't think we need to vote on anything.  
4 Does anybody disagree with that?

5 (No response)

6 MR. SMITH: No?

7 MR. FENOGLIO: This is Fenoglio. I  
8 couldn't tell from Kim if she was asking for a specific  
9 rule change or if she was -- well, I couldn't tell.

10 Kim, can you weigh in?

11 MS. KIPLIN: This is Kim Kiplin here, and  
12 here's my thoughts on it. If there is a need to exceed  
13 the \$50,000 cap, it seems to me that it would be better  
14 to do it in a uniform fashion and just increase it as  
15 Melodye Green has suggested rather than making  
16 individual requests and, then, you know, obviously,  
17 having a delay. And it may be a reasonable delay, but  
18 it's still a delay.

19 So, that's my thought on it, is just to  
20 take it up to the -- more of a policy level uniformly.  
21 That doesn't mean that organizations have to maintain,  
22 you know, a 75,000, but it gives them the ability to do  
23 so without having to make a request and, then, waiting  
24 for the discretion of the Bingo Director whether to  
25 approve or deny.

1 MR. MARTIN: This is Will Martin, and I  
2 agree 100 percent with Kim.

3 MS. ROGERS: This is Kim Rogers. I also  
4 agree we Kim Kiplin. Across the board seems to be a lot  
5 more out there for everyone. We have big halls. And --  
6 but if we wouldn't have had our reserve, we probably  
7 wouldn't have made it through COVID, you know, and it's  
8 taught us all something new. So ...

9 MR. FENOGLIO: So, this is Fenoglio  
10 following up, Kim. So, what I hear you saying is a  
11 request for the BAC and Staff to work together to draft  
12 a rule under Subparagraph (h)(2)(A), Capital (A), to  
13 draft a new rule?

14 MS. KIPLIN: Kim Kiplin here. Yes, I  
15 think so. I don't think it would be that -- you know,  
16 that complex or that tedious. There's -- if I recall,  
17 there's already a rule in existence. So, it's just a  
18 matter of changing that. And, if not, then, just having  
19 a rule, it makes that very clear.

20 MR. SMITH: Okay. So, you're formally  
21 asking the BAC to support this. Is that correct?

22 MS. KIPLIN: Yes, sir. That's correct.

23 MR. SMITH: Okay. That's what I was  
24 trying to get -- good. All right.

25 MS. KIPLIN: Sorry for my lack of clarity

1 on that. (Laughter)

2 MR. SMITH: No, you're fine. I just --  
3 sometimes you have to be really blunt with me. It's  
4 tough for me to read between the lines. I can read body  
5 language and eyes and all that in person. But these  
6 meetings, they're really hard to discern, you know,  
7 what's the real feel of the meeting sometimes. So, no,  
8 no problem at all.

9 So, does someone want to make a motion on  
10 the BAC that we raise the cap to a certain -- more than  
11 50,000 in a more uniform fashion?

12 MR. MARTIN: This is Will Martin. I make  
13 that motion.

14 MR. POHL: Jason Pohl. I second.

15 MR. SMITH: Okay. Hang on. I hadn't  
16 gotten there -- oh, yeah. Okay. Will. Jason.

17 All right. We have a motion on the floor  
18 to raise -- for the BAC to recommend to the Commission  
19 Staff to raise the cap from 50- to maybe 75,000 in a  
20 more uniform fashion. All in favor?

21 (Those in favor of the motion so  
22 responded)

23 MR. SMITH: Any opposed? Any opposed?

24 (No response)

25 MR. SMITH: All right. Okay. So, Tom --

1 MR. HANSON: If I may?

2 MR. SMITH: Yes, I was -- yes, sir. Go  
3 right ahead.

4 MR. HANSON: All right. Thank you for  
5 that. I will work with Tyler and the BAC and industry  
6 folks, and we'll look at that rule and see what changes  
7 we can make, what would be recommended --

8 MR. SMITH: Okay.

9 MR. HANSON: -- and bring that before you  
10 during the next two months but to present at the BAC  
11 meeting, the next one held.

12 MR. SMITH: All right. So, since we have  
13 asked them to do that, I would feel remiss if we didn't  
14 actually get a committee together to -- for Tom to be  
15 able to -- Tom and the Staff to be able to contact to  
16 talk about this.

17 Is there anybody on the BAC that would  
18 like to take lead on that?

19 MS. GREEN: Yeah, I will. This is Melodye  
20 Green. Am I unmuted again?

21 MR. SMITH: Yes, you are.

22 MS. GREEN: Okay. (Laughter) Because  
23 while Kim was speaking, I was muted. And it's like Kim  
24 Rogers said, during the shutdown, it would have been  
25 very scary. And we -- you know, a lot of us did not

1 have that tall cap going into March and April,  
2 especially the smaller halls. It really affects the  
3 smaller halls with only one or two charities.

4 MR. SMITH: Gotcha. All right. Well,  
5 thank you for taking that on, Melodye. And is there  
6 anybody you would like to have help you, Melodye?

7 (No response)

8 MR. SMITH: I think it would probably be a  
9 good idea to --

10 (Simultaneous discussion)

11 MS. GREEN: Kim?

12 MR. SMITH: -- to include Kim Kiplin and  
13 Steve Fenoglio in on that maybe would help.

14 MS. GREEN: Yes.

15 MS. KIPLIN: Mr. Chairman, this is Kim  
16 Kiplin. I'm happy to help however I can be of  
17 assistance.

18 MR. SMITH: Excellent.

19 MS. GREEN: Perfect.

20 MR. SMITH: All right. Good deal.

21 So, are you set, Melodye? Do you have the  
22 tools you need?

23 MS. GREEN: With Kim and Steve, yes.

24 MR. SMITH: Okay. All right.

25 Tom, are you good with that, working with

1 those three?

2 (Laughter)

3 MR. HANSON: Absolutely. Thank you.

4 (Laughter)

5 MR. SMITH: And if you need backup, Tom,  
6 let me know. I'll be glad to help you.

7 MR. HANSON: I appreciate that. Thank  
8 you, sir.

9 (Laughter)

10 MR. SMITH: You're welcome. All right.

11 Okay. Let's -- anything else on rule  
12 review and change from public comment or from BAC  
13 members?

14 MS. GREEN: One -- this is Melodye Green.  
15 There's one rule that several people have approached me  
16 with, again, and these are just not my comments. These  
17 are comments from other people around the state. I have  
18 (indiscernible) and people in Killeen and San Antonio.  
19 I don't know if this is appropriate for the BAC or --  
20 and I see Fenoglio has seen this problem before, but the  
21 question of paying rent during a shutdown, I don't know  
22 if we should revisit the definition of what rent needs  
23 to be or a reasonable business expense.

24 I went back on the IRS Website and  
25 allBusiness Website, and every reasonable business

1 expense to stay open included rent. So, this is a very  
2 odd time.

3 The rent at one of my places is over  
4 \$30,000 a month. And you have three months of shutdown,  
5 and you're out. So, am I making this clear on what I'm  
6 asking?

7 MR. VANCE: Yeah, this is Tyler Vance.  
8 So, I was going to bring this issue up at a later point,  
9 but I guess this is as good a spot as any.

10 The issue is that the Bingo Enabling Act  
11 says that a rent cannot be more than \$600 per occasion.  
12 So, rent is defined as a function of occasions. It's  
13 not on a monthly basis. It's not on an annual basis.  
14 It's on a per-occasion basis.

15 So, if you don't have any occasions, there  
16 can't be any rent charged, at least it can't come out  
17 of -- it's not a reasonable and allowable bingo expense.  
18 So, an organization cannot use bingo funds to pay for  
19 rent unless there are occasions. You know, if you could  
20 work something out with the charity privately, that  
21 money isn't coming out of bingo expenses, that's fine.

22 But from our perspective the BEA is very  
23 clear that an organization cannot pay rent except for  
24 occasions that are actually held. And, to that extent,  
25 also, rent is also retrospective. So, I can't pay



1 December rent because I don't know how many occasions  
2 there are going to be.

3 And I know that, after the fact, you know,  
4 that can be adjusted. I can pay \$10,000 right now.  
5 And, then, if I have fewer than \$10,000 worth of  
6 occasions, you know, we can work it out and give a  
7 refund or whatever. But at the end of the day the rent  
8 charge cannot be more than \$600 per occasion.

9 And, so, when you guys were shut down for  
10 months and there were no occasions, there can be no  
11 rent, and we're seeing that. The cases are rolling in,  
12 and I was hoping to hear from Steve and Kim and whoever  
13 else. I mean, this is going to be a big issue for  
14 everybody involved, but our position is the BEA is very  
15 clear that rent is a function of occasions --

16 MR. SMITH: So --

17 MR. VANCE: -- not time or anything else.

18 MR. SMITH: So, Tyler -- and this may  
19 be -- I don't know how the legalities would work on  
20 this, but I thought I picked up on something. You can  
21 still make charitable distributions without having a  
22 session. Is that correct?

23 MR. VANCE: You would actually -- you  
24 would have to. If you have over \$50,000 in your bingo  
25 account --

1 MR. SMITH: Right.

2 MR. VANCE: -- then, you have to make  
3 charitable distributions.

4 MR. SMITH: So --

5 MR. VANCE: And so --

6 MR. SMITH: -- let's just say for  
7 scenario's sake hypothetically that a charity has less  
8 than 50,000 in the account, and --

9 MR. VANCE: Okay.

10 MR. SMITH: -- they had to pay rent on  
11 their building, could they then make a distribution from  
12 their bingo account to their general account and then  
13 from their general account pay their rent on their  
14 building?

15 MR. VANCE: No, because you can only --  
16 the bingo -- money in the bingo account can only be used  
17 for allowable and reasonable expenses. And, then,  
18 whatever is left goes into charitable distributions.  
19 And, so, you can't transfer money from a bingo account  
20 to a general account. You can do the opposite. You can  
21 transfer general to the bingo account, but money that's  
22 generated from bingo can only be used on distributions  
23 and allowable expenses, including rent.

24 MR. SMITH: Right. I would -- okay.  
25 Steve Fenoglio, do you want to -- do you have any

1 comment on this, Steve?

2 MR. FENOGLIO: Yes. And Tyler and I have  
3 not talked, nor have I talked with Tom, about this  
4 issue. But it seems to me there's a huge -- if that's  
5 the Staff's position, there's a huge conflict in what  
6 the Commission is stating in Section 2001.458 and -59,  
7 which talk in terms of stated rental. So, if a charity  
8 lease says, we pay to the lessor 6,000 a month -- I'm  
9 just making it up -- for bingo, then that's the stated  
10 rental, and I don't believe the Commission can violate a  
11 contract, a valid contract between a lessor and a  
12 charity.

13 Arguably, the Commission could take that  
14 as a contested case and see what SOAH would say, the  
15 State Office of Administrative Hearings and, then,  
16 ultimately appeal that to a district court. And, if a  
17 judge makes a decision on interpreting a contract, then  
18 I think that would settle the matter. But if you  
19 have -- and I do have clients that have contracts where  
20 they're obligated to pay a certain monthly rent, and  
21 that's for the conduct of bingo, the session may not be  
22 able to be conducted.

23 And, by the way, there are leases that  
24 have a force majeure clause. It's a fancy -- force  
25 majeure is a fancy name that basically says, beyond your

1 control. So, there may be situations where a lease -- a  
2 tenant, a charity, perhaps, doesn't have to pay rent  
3 because of a force majeure clause.

4 It says, if, you know, a government  
5 lockdown occurs and your obligation to pay rent or the  
6 stated rent is either eliminated or reduced. But,  
7 again, if you have a valid contract between two parties  
8 that says, we pay 6,000 a month minimum rent to a  
9 lessor, I don't believe the agency can violate -- cause  
10 the charity to violate that contract.

11 MS. ROGERS: This is Kim Rogers. May I  
12 make a comment on that?

13 MR. SMITH: Absolutely.

14 MS. ROGERS: Speaking from personal  
15 experience, and it was -- I don't if it was 2008 or  
16 2012, we -- our leases stated licensed sessions. And  
17 that came down in the audit. We went through an audit,  
18 and we had closed -- had to close one day due to a pipe  
19 breaking in the hall, and bingo was not able to be held.  
20 And it came down to our lease, exactly what Steve is  
21 speaking about. But since the lease reads, licensed  
22 session, that is what the auditor accepted and went  
23 through.

24 (Simultaneous discussion)

25 MR. VANCE: Yeah -- sorry. Go ahead,

1 Melodye.

2 MS. GREEN: Yeah, I was just going to ask  
3 Kim that -- Kim Rogers, on the audit you had licensed  
4 sessions, even though the -- even though the session was  
5 not conducted. You still -- they said it was okay for  
6 you to pay rent because it was a licensed time, even  
7 though it was not conducted. Is that correct, Kim?

8 MS. ROGERS: Yes, because the leases are  
9 done on January 1st. We have no idea what's going to  
10 happen, you know, in July or anything of that nature.  
11 So, it's license -- that the charity is licensed time to  
12 play there, and that's -- the auditor went back to our  
13 lease.

14 MS. GREEN: Okay.

15 MS. ROGERS: Yes.

16 MS. GREEN: Thank you.

17 MR. SMITH: Tyler, it sounds like that we  
18 probably all need to get together on this issue. It  
19 seems like y'all have got a -- y'all are -- I feel like  
20 y'all's feet are being held to the fire a little bit  
21 here, and we've got charities that are trying to  
22 maintain their bingo operations. And are -- they've  
23 kind of got their hands tied, as well. Maybe we need to  
24 get together and try to work something out on this and  
25 try to come to a -- some sort of an agreement or some

1 sort of a rule change or something to where -- even  
2 maybe a statutory change that we can make it amenable  
3 for both parties. Does that sound good to you?

4 MR. VANCE: Yeah. But, you know, the  
5 thing is we've got these -- we've got cases in front of  
6 us right now that we've -- you know, we've got to move  
7 on it. We certainly want y'all's input, but we need to  
8 resolve these cases. I mean, I think this needs a  
9 statutory change. And, I mean, that's not going to  
10 happen for the next 10 months at least.

11 MR. SMITH: Right. What can we do to  
12 help? If you had -- in you're perfect world, what could  
13 we do to help you?

14 MR. VANCE: You know, I -- I'm completely  
15 open to being persuaded otherwise. I mean, Steve can  
16 lay out his argument. I think that the stated rental  
17 expenses, I think the problem with that is the act,  
18 again, defines rent as being no more than \$600 per  
19 occasion. I think you could have -- you know, the  
20 organization itself as a charity, not a bingo licensee,  
21 but as a charity, an independent organization, can enter  
22 a lease for whatever it wants. And that's enforceable  
23 between a lessor and the lessee. But it's -- from our  
24 perspective the money in the bingo account can only be  
25 spent on stated rental expenses, which are limited to

1 \$600 per occasion.

2 And I -- you know, I would love to be  
3 persuaded otherwise because this is going to be a huge  
4 issue. So, I mean, if you guys -- Kim, Steve,  
5 whoever -- send me whatever your best arguments are.  
6 And I think we should all certainly get together and  
7 talk about this because I understand this is a huge  
8 issue, but every time I've looked at it I kind of come  
9 to the same conclusions.

10 MR. SMITH: Okay.

11 All right. Steve, Kim, do y'all want to  
12 get with Tyler on that, or do you need us to do  
13 something formally? Or --

14 MS. ROGERS: I would be happy to offer any  
15 assistance I can. Steve is way more knowledgeable than  
16 I, but yes.

17 MR. SMITH: Okay.

18 MR. BIARD: Hey, this is Bob Biard,  
19 General Counsel --

20 MR. SMITH: Hi, Bob. How are you, sir?

21 MR. BIARD: I would love to hear Steve  
22 Fenoglio, if he has an explanation right now, tell us  
23 what the meaning and the purpose of a \$600 limit on a  
24 bingo session is in the statute.

25 MR. FENOGLIO: This is Fenoglio, and I'll

1 be happy to. I grant -- there's that clause, but  
2 there's also the clause that I cited that talks about  
3 stated rental. And stated rental, that phrase, is not  
4 defined in the statute. And there's a long line of  
5 cases, Bob, that says the agency cannot interpret a  
6 contract.

7 And if you have a valid -- I don't know  
8 what cases y'all have in front of you. But if you have  
9 a valid contract that says a charity must pay -- or a  
10 contract says, we pay 600 a session and at a minimum  
11 \$3,000 a month, I don't know of any authority the agency  
12 has to violate that contract. I know of no case that  
13 says that an agency, a state agency, can interpret and  
14 violate a contract, a valid contract. And, so, that's  
15 where I come down on --

16 MR. BIARD: Yeah, I'm not saying that the  
17 agency is interpreting a contract. I mean, you can have  
18 a contract that says you pay a million dollars a month  
19 in rent, but that has a cap of \$600. And I think you're  
20 stuck with having to -- having to decide what that means  
21 and is that surplusage, and is there really a conflict  
22 between those two provisions you're citing. But this is  
23 all to be discussed later. I just wanted to hear what  
24 you had to say.

25 MR. FENOGLIO: And I would suggest that a



1 million dollar rent is not a valid contract. That was  
2 one of my premises. So, yes, I think we should sit  
3 down.

4 MS. GREEN: This is Melodye Green. Can I  
5 make one more comment to Bob?

6 MR. SMITH: Sure. Absolutely.

7 MS. GREEN: Thank you.

8 Bob, yeah, what I've been hearing from  
9 people around Texas is the fact that when we were closed  
10 down, it was very serious. Some of the -- I mean, we  
11 had to get a loan -- me, personally, or we would not be  
12 open today. I don't have \$90,000 to pay the rent, but I  
13 do not believe that what Steve nor I or anybody is  
14 trying to say is to pay more than \$600 session of rent.  
15 That's not it. It's to pay a minimal amount of rent we  
16 have to do -- for a reasonable business to stay open,  
17 pay to a landlord, somebody else -- I mean, I don't own  
18 the building -- to keep the doors open.

19 We're not trying to raise the \$600 per  
20 session limit. We're just trying to do a \$600 session  
21 or this minimal amount, which is due to the landlord to  
22 keep our doors open during a lockdown. Does that make  
23 sense?

24 MR. BIARD: Thanks, Melodye. Yeah, I  
25 understand. It's a very thorny problem, but it needs to

1 be worked on for sure.

2 MR. SMITH: I agree.

3 (Simultaneous discussion)

4 MR. VANCE: Steve, this is Tyler. I have  
5 a hypothetical. What if the contract stated that rent  
6 was \$800 per occasion?

7 MR. FENOGLIO: I think that exceeds the  
8 statutory provision, and I would say that that would not  
9 be valid. But, here, let's look at the facts. The  
10 facts are the government has ordered a shutdown of bingo  
11 activity. We have a statutory scheme that the whole  
12 point of which is to allow charities to conduct bingo to  
13 raise funds for the charities' activities.

14 We have a -- again, my facts, are a valid  
15 lease that doesn't charge a million dollars a month but  
16 is consistent within the regulatory and statutory  
17 scheme. Money does not grow on trees, and landlords are  
18 within their constitutional and statutory right to say  
19 we have a minimum fee charge for rent. What the agency  
20 is doing -- and, again, I don't know the facts in the  
21 cases that Tyler or Tom have cited. But if you have a  
22 situation where a charity has a valid lease that doesn't  
23 offend the intent of the statute, the effect of what the  
24 agency is doing is to put that charity out of business  
25 because the landlord is going to say, if you don't pay,

1 you're gone.

2 That's not meeting the intent of the  
3 statutory scheme. So, you know, this is not a situation  
4 where a landlord is trying to get around the rules.  
5 This is a situation where the parties in a valid  
6 contract have established certain rent payment  
7 parameters.

8 And, so, I just think it's almost silly to  
9 say that the agency is going to take the position --  
10 again, a valid lease -- that you're out of business.

11 MR. SMITH: Gotcha.

12 MR. FENOGLIO: I mean, that would be the  
13 effect. I mean, landlords in my experience have been  
14 reasonable, the ones that I've dealt with for both  
15 charity clients and totally unrelated to bingo. But at  
16 some point the bills have to be paid. Property tax has  
17 to be paid. If they have a mortgage, it has to be paid.

18 So, at some point, landlords are going to  
19 say, I like the fact that the tenant's here, but I have  
20 bills to pay. And, so --

21 MR. SMITH: Sure. Well, I definitely --  
22 this is Trace. I definitely think we would probably  
23 need to sit down and maybe construct some language where  
24 it kind of takes the handcuffs off of both sides on  
25 this.

1                   Can -- Tyler, do you want -- or, Bob, do  
2                   you want to get with Steve, and do y'all want to try to  
3                   work that out and maybe include me on that because I'm  
4                   interested in this, maybe outside the BAC meeting? And,  
5                   then, next time we have a BAC meeting report back and  
6                   kind of give us an update on where we're at on that?

7                   MR. BIARD: Yeah, this is Bob. That  
8                   sounds great. I'll -- Tyler is my go-to person on  
9                   bingo. So, I'll probably let Tyler take the lead, but I  
10                  will definitely stay involved.

11                  (Simultaneous discussion)

12                  MR. SMITH: All right. Good deal.

13                  Is that all right with you, Tyler?

14                  MR. VANCE: That's fine.

15                  MR. SMITH: Excellent. Thank you, sir.

16                  Steve, is that okay with you?

17                  MR. FENOGLIO: Yes.

18                  MR. SMITH: Excellent. All right. Any

19                  other --

20                  MS. URIEGAS: This is Veronica. I have a  
21                  question.

22                  MR. SMITH: Hey, Veronica. Yes, ma'am.

23                  MS. URIEGAS: So, just a little bit of  
24                  clarification. I think you had mentioned something and  
25                  I just didn't understand the whole thing. You had

1 mentioned something about if the charity could give a  
2 charitable distribution to the general fund and the  
3 general fund could they pay the rent. I didn't  
4 understand that.

5 MR. SMITH: That was an uneducated  
6 question on my part, and I believe it was Tyler that  
7 explained it a little better that you couldn't do that.

8 MS. URIEGAS: And why?

9 MR. VANCE: So, because money that's  
10 earned from the conduct of bingo can only be spent on  
11 certain things. It can't be transferred into your  
12 general account. Your general account money can be  
13 transferred into the bingo account, but money that's  
14 earned from the conduct of bingo can only be spent on  
15 expenses that are related to the conduct of bingo and/or  
16 charitable distributions.

17 MS. URIEGAS: But it is a charitable  
18 distribution if you're giving it to your -- from your  
19 bingo account -- because we actually -- I still have --  
20 I don't have the unit accounting. So, if they were --  
21 for example, if one charity was to give it to its  
22 general account, could they -- it's a reasonable  
23 expense, could they not do it from their general  
24 account?

25 MR. VANCE: No, if the -- the expense --

1 so, if you make a charitable distribution, it has to be  
2 spent on the charitable purposes of the charity. So, I  
3 mean, if theoretically -- I guess, if the charity's  
4 purpose was to pay rent, you know, but that's not the  
5 case.

6 (Simultaneous discussion)

7 MS. URIEGAS: Well, but a charitable  
8 distribution can be paid for a reasonable expense, which  
9 would be like payroll or building facilities and that  
10 kind of thing. Does that --

11 (Simultaneous discussion)

12 MR. VANCE: Well, that's an expense from  
13 the bingo account. So, you have your bingo account, and  
14 you can have up to --

15 (Simultaneous discussion)

16 MS. URIEGAS: Excuse me. I'm sorry. But  
17 if you're putting that money into your general account,  
18 your general -- your organization can do it to pay rent  
19 on its building or its personnel. Is that -- I mean,  
20 could that not be part of it?

21 MR. VANCE: The -- you can't transfer  
22 bingo money into the general account. If the  
23 organization outside of bingo wants to --

24 MS. URIEGAS: I'm sorry. Yes, you can  
25 because that -- from a bingo account to a general

1 account, that's a charitable distribution.

2 MR. VANCE: But that's different. A  
3 charitable distribution can only be made for the  
4 purposes of the charity. So, if it's Toys for Tots, you  
5 make the charitable distribution, then you have to later  
6 be able to verify that that money was, indeed, spent on  
7 toys for children, not the rent for the Toys for Tot  
8 office in downtown Austin.

9 MR. SMITH: If I may -- Tyler, if I may?  
10 I think where she's going with that is most of the  
11 charities have in their charitable purpose to cover  
12 expenses, office expenses, payroll expenses, and that  
13 sort of stuff as part of their charitable purpose. And  
14 I think where some of the confusion is is on the bingo  
15 application it's going to be a little different than the  
16 actual general purpose of the charity. Is that where  
17 the disparity is?

18 MR. VANCE: Yeah, I think so. I mean,  
19 we're talking about rent for -- for the bingo -- rent  
20 for bingo, not rent for the charity organization's main  
21 office --

22 MR. SMITH: Gotcha.

23 MR. VANCE: -- or something. You know,  
24 the organization's charter document almost certainly  
25 doesn't state that conducting bingo is part of its

1 nonprofit purpose.

2 MR. SMITH: Gotcha.

3 MS. URIEGAS: Okay.

4 MR. VANCE: So, charitable distributions  
5 can't be spent on the conduct of bingo. That's a  
6 separate type of expense.

7 MR. SMITH: Gotcha.

8 MS. URIEGAS: Okay.

9 MR. SMITH: Does that answer your  
10 question, Veronica?

11 MS. URIEGAS: Yes, it does.

12 MR. SMITH: Okay.

13 MS. GREEN: This is -- yeah, this is  
14 Melodye. I have another question for Tyler. Can you  
15 hear me?

16 MR. SMITH: Yes.

17 MR. VANCE: Yes, ma'am.

18 MS. GREEN: Okay. You just said if I give  
19 a distribution to Toys for Tots or I give a distribution  
20 to Duncanville Food Pantry, if I give them -- if my  
21 charity gives Duncanville Food Pantry \$500, is it my  
22 responsibility now to prove that they spent that on food  
23 and not spent it on electricity for their building?

24 MR. VANCE: No, you're responsible --

25 (Simultaneous discussion)



1 MS. GREEN: -- Toys for Tots.

2 MR. VANCE: No, you're --

3 MS. GREEN: (Indiscernible)

4 MR. VANCE: Yeah, no, I don't think you  
5 have to go behind that curtain. You just have to be  
6 able to prove that your organization has as its purpose,  
7 you know, feeding poor children and you, then, provide  
8 us with a check that you gave it to an organization that  
9 provides food for poor children. I don't believe -- I  
10 mean, I'd like have to look at it or talk to the  
11 auditors, but I don't believe that you're required to  
12 then also prove that the organization you gave it to,  
13 indeed, spent it on feeding poor children.

14 I think it's kind of -- you know, we don't  
15 have to verify it all the way down the line. We just  
16 need enough evidence to show that, you know, you used  
17 that money in accordance with your nonprofit purpose by  
18 giving it to another organization that uses it for that  
19 or similar purposes.

20 MS. GREEN: Okay.

21 MR. SMITH: Gotcha.

22 MS. GREEN: That would be impossible.

23 MR. SMITH: Okay. All right. We need to  
24 move this --

25 (Simultaneous discussion)

1                   MR. HARRIS: May I ask one more question  
2 on this point? This is Corey Harris.

3                   MR. SMITH: Absolutely, Corey.

4                   MR. HARRIS: As far as when charities are  
5 disbursing funds from their accounts for charitable  
6 purposes, in the memo lines where they denote what those  
7 funds are to be used for -- and as I've been following  
8 along this conversation -- I think we can all agree that  
9 as long as you specify a specific action for those  
10 funds -- i.e., toys for children or a scholarship,  
11 whatever the case may be -- if you put in that memo line  
12 "general donation," now have you lost control of what  
13 happens to those funds at that point and are you liable  
14 for what happens to them after that? You put in there  
15 "general donation," and (indiscernible) go to that  
16 foundation to see as they -- use as they see fit, is  
17 that given entity on the hook at that point?

18                   MS. URIEGAS: Can I make a comment on  
19 this?

20                   MR. SMITH: Sure.

21                   MS. URIEGAS: This is Veronica. So, like,  
22 for example, in some of my audits just one particular  
23 charity -- I'll just take one for an example -- from  
24 their bingo account to their general account they give,  
25 say, \$3,000 a quarter. So, when they get audited,

1 they're only going to ask -- the Lottery can only ask  
2 for \$3,000 worth of receipts to see where \$3,000 went  
3 for whether it was for feeding the homeless -- let's say  
4 all \$3,000 went to feed the homeless, but say they're  
5 getting income from other places, that money can be  
6 spent wherever the organization sees fit, as well.

7                   So, I mean, you're going to get probably  
8 \$10,000 and probably 5,000 is going to go to feed the  
9 charities or maybe 1,000. So, you don't have -- when  
10 the Lottery does the audit, you only have to show  
11 receipts of the 3,000 that was disbursed to the charity  
12 from the bingo account. Does that make sense?

13                   MR. HARRIS: Yeah. Thank you. And that's  
14 my understanding of it, as well, is that once you have  
15 dedicated those funds, it then relies on the charity who  
16 is receiving to do the right thing with the money. Once  
17 you have made a note of what that money is for, whether  
18 it be for a specific cause, like a scholarship or  
19 something like that or if it's just for a general  
20 purpose, for them to disburse at their legal discretion.  
21 And, so, I think we're all on the same page. I just  
22 wanted to verify that. Thank you.

23                   MR. SMITH: Yes. Yes. Okay. Guys, we're  
24 getting a little long in the tooth here, and there's  
25 some bigger items that we need to discuss here in just a

1 few minutes.

2 AGENDA ITEM NO. 8

3 MR. SMITH: So, we're going to move on to  
4 Item No. 8 and discussion and possible action on  
5 recommendations for BAC nominations.

6 Tom, do we still have one seat open, is my  
7 understanding?

8 MR. HANSON: I would have to defer to Bob  
9 and Tyler on that. I'm not absolutely sure, sir.

10 MR. SMITH: Oh, okay.

11 MS. ROGERS: I believe the statute says  
12 nine, and -- this is Kim Rogers --

13 MR. SMITH: Right.

14 MS. ROGERS: -- and I believe Corey made  
15 nine, if I'm not mistaken. I could be wrong, but I will  
16 look. No, Corey makes nine, and that is what the  
17 statute is. I believe -- I want to say that this was  
18 left on from the last meeting.

19 MR. SMITH: Okay. All right.

20 MS. ROGERS: So, we do not have any seats  
21 to fill at this time.

22 MR. SMITH: Okay. Excellent.

23 MS. ROGERS: Bob, let me know if I'm  
24 wrong.

25 MR. BIARD: No, I think you're exactly

1 right.

2 MS. ROGERS: Thank you.

3 MR. SMITH: All right. Well, good deal.

4 AGENDA ITEM NO. 9

5 MR. SMITH: Okay. Moving on to No. 9, old  
6 business. Anybody got anything on old business?

7 (No response)

8 MR. SMITH: Public comment on old  
9 business?

10 MS. ROGERS: Trace, I had one thing that I  
11 would like to ask in reference to something that we  
12 brought up at one of our prior meetings.

13 MR. SMITH: Okay.

14 MS. ROGERS: This is Kim Rogers, again. I  
15 just brought up having paperless -- I know this is kind  
16 of not as -- we'll just be quick on this because I know  
17 it's not as extreme as other things that we have at this  
18 time. We're trying to get paperless going for quarterly  
19 reports or something of that nature.

20 Tom, I had sent you an e-mail. I was just  
21 wondering who, on Staff, I could work with to see if we  
22 could make this happen. I went back and did -- you  
23 know, the Staff spends quite a bit of money on stamps  
24 and copies. And we all get these big, beautiful  
25 packages, if we can do something for that. Did you have

1 a chance to look?

2 MR. HANSON: So, for the record, Tom  
3 Hanson, Director of the Bingo Division. So, what we've  
4 done is we've looked at what -- some automatic triggers  
5 that are in place. And if you submit your application  
6 via BSP, there was supposed to be a -- kind of a flag  
7 that stopped the actual printed copy from going out.

8 So, we're working with IR to get that in  
9 place a little more timely, but at this point it's  
10 supposed to stop at some point. I don't know exactly  
11 the number of days, but for the -- for what we've seen  
12 is that the package is going out in some cases three or  
13 four days after the completed application is submitted  
14 via BSP. So, we're trying to shorten that period.

15 But, yes, we would like folks to use BSP.  
16 We would like to not be sending out huge packets, but  
17 we're still working on it.

18 MS. ROGERS: Okay. What I was looking at  
19 was more of the quarterly reports. I file everything  
20 online, everything, but I still get in the mail large  
21 like quarterly report packets.

22 That's more where I was looking for. I  
23 know licensing can be a little more difficult. But if  
24 you have anything that I can assist or help do with  
25 that, please let me know.

1                   MR. HANSON: I will do that. And, yeah, I  
2 was talking about licensing, but I see it as the same  
3 issue with the quarterly reports.

4                   MS. ROGERS: Okay, sir. Thank you.  
5 That's all I had.

6                   MR. SMITH: All right. Good job, Kim.  
7 Thank you, ma'am.

8                   All right. Any public comment on old  
9 business?

10                   (No response)

11                   AGENDA ITEM NO. 10

12                   MR. SMITH: All right. Moving on.  
13 No. 10, new business. I would like to start out on  
14 No. 10, and we've talked with this -- amongst ourselves,  
15 I'm sure. And we've talked with Staff a little bit  
16 about this, but I think we need to formally tackle the  
17 Facebook gaming and the Internet pull-tabs issue that we  
18 have going on in Texas.

19                   I know that several people have caught  
20 their employees doing the Facebook gaming or Facebook  
21 bingo, Facebook horse race, hosting these Facebook  
22 parties. I know Tom -- I've talked with him, and he's  
23 actively taking all submissions that he gets. But I  
24 think we need to try to get the actual Commissioners  
25 involved in this and on board to help us tackle this.

1 I don't think this is an isolated  
2 incident. I think this is statewide. I think it's also  
3 multistate or -- so, a multijurisdictional issue,  
4 especially on the east part of Texas where the state  
5 line with Arkansas, Louisiana, and Oklahoma is.

6 (Laughter)

7 So, I want to open up the floor a little  
8 bit and kind of talk with everyone about this and Tom  
9 and Tyler and Bob, as well, to see what we can do to  
10 recommend that some more effort and some more help be  
11 given to the Staff and Enforcement to go after these  
12 illegal gamers that are -- they're stealing from the  
13 charities' distribution. And it's not small. It is  
14 huge.

15 They have no rules that they have to abide  
16 by. They run 24 hours a day, 7 days a week. They run  
17 it through a Cash App based system. It's -- basically,  
18 it's free for all.

19 So, I'm going to direct this pretty much  
20 towards the Staff at the moment in the beginning to kind  
21 of see y'all's thoughts and processes. And, then, I  
22 think we should all talk about this together and try to  
23 come up with a recommendation to give to the  
24 Commissioners.

25 So, Tom, I'll let you lead off on this. I



1 know you've had firsthand experience on this. So, if  
2 you'd like to take the floor, it's all yours.

3 MR. HANSON: Well, I appreciate that. For  
4 the record Tom Hanson. We have looked at a bunch of  
5 these. If we can identify and verify that it involves  
6 an employee, who is on the worker registry, that  
7 documentation can be used to move forward with the  
8 removal of that person. If the Enforcement Division  
9 during the investigation can prove that they conducted  
10 those activities, they can move forward for a  
11 prosecution under the statute for unlawful bingo.

12 What we're finding is that these folks are  
13 using a private environment in which we have a hard time  
14 getting into those in an undercover attempt. We do  
15 reach out to Facebook when we notice these things and  
16 report them as being violations of the Facebook rules  
17 and regs. But, as you stated, there are a number of  
18 these. We've been taking a lot of calls. We've taken a  
19 fair number of complaints, and those are being  
20 investigated as best that we can do right now.

21 One suggestion that came up recently was  
22 to post a special message on the Website and use our --  
23 that format as a way to advise folks. We've sent out  
24 information that can be forwarded to local law  
25 enforcement entities as far as what the violation is.

1 That's kind of where we are right now.

2 Tyler, would you have any additional  
3 information?

4 (No response)

5 MR. SMITH: Did Tyler drop off the  
6 meeting?

7 MR. VANCE: Hey, no, sorry. I was muted.  
8 Yeah. Sure. I think it's important in these  
9 conversations to realize that, you know, state agencies  
10 are restricted in their activities by their statute, and  
11 it's important to remember that the Lottery Commission  
12 can only regulate legal bingo. Illegal bingo is a  
13 crime, and crimes are regulated by district attorneys  
14 and police officers.

15 And, so, you know, like Tom said, if  
16 somebody with a license that's been issued by us is  
17 involved in this, then we can take action against that  
18 license. But that's not going to prohibit them from  
19 continuing illegal conduct. You know, I mean, if  
20 they're -- it just prohibits them from legal conduct.  
21 And we'll certainly do that, and we'll certainly pass on  
22 any information we can to local law enforcement. But  
23 this is a criminal issue.

24 So, I just hope everyone -- I just want to  
25 set everyone's expectations that, you know, that -- that

1 we can only take action against licenses and  
2 registrations. And what this is is organized criminal  
3 activity, and that's -- we don't have jurisdiction over  
4 that.

5 MR. BIARD: And this is Bob. I'll just  
6 add another jurisdictional point is that, you know, the  
7 Internet does not respect state boundaries. So, I think  
8 there's a real question whether bingo conducted on the  
9 Internet takes place in Texas or Oklahoma or China or  
10 anywhere. You know, it's difficult. We can't enforce  
11 any of our authority outside boundaries of the State of  
12 Texas.

13 MR. SMITH: Well, let me just interject  
14 this: If this was not happening in the bingo halls, we  
15 wouldn't know about it, but it's rampant in the bingo  
16 halls. And we're coming to you asking for help. It's  
17 easy to say that, ah, we don't have jurisdiction over  
18 this and jurisdiction over that, but we're asking you  
19 for help.

20 We need help. This is taking money  
21 directly out of the charities' distributions. We're  
22 asking for help. We need you to be proactive. We need  
23 you to work with us and be a crusader for charitable  
24 bingo because that's what we're here doing. So, please,  
25 we've got to work together and figure out a way to

1 actively go after these people.

2 MR. BIARD: I hear you, and we're happy to  
3 do that.

4 MR. SMITH: What tools do you need to do  
5 that? What tools can we offer you to work together to  
6 collaborate and bring this to a stop? I think without  
7 the bingo halls' crowd, if we can get them out of the  
8 bingo halls, I think it withers off and dies or at least  
9 it goes away over time because they're crowd sourcing  
10 the bingo crowd is what they're doing.

11 MR. MARTIN: This is Will Martin for the  
12 record. And we had an incident here in Victoria about a  
13 week or a week and a half ago where I happened to be on  
14 Facebook and was just surfing down through there, and I  
15 noticed that someone had put on Facebook that they were  
16 going to have Boot Scootin' Bingo live on Facebook on a  
17 certain day and you could call and buy your bingo card  
18 for \$50.

19 It turns out it was the American Business  
20 Women's Association trying to raise money for  
21 scholarships, and I called lady up. And I talked to  
22 her, and I asked her -- I said: How do you look in  
23 orange? And she said: What do you mean? And I said:  
24 Well, if you're conducting bingo without a license, it's  
25 a third-degree felony in the State of Texas.

1                   And, so, immediately she dropped it and  
2                   wanted to go to just having a reverse raffle online.  
3                   And I said: The State of Texas does not allow online  
4                   gaming. So, they did it.

5                   And I'd like to see the Lottery Commission  
6                   make some type of a poster that all of us in the BAC and  
7                   other people in bingo can periodically put on Facebook  
8                   stating that, if you have any kind of bingo or event  
9                   tabs or anything like that, it's a third-degree felony.  
10                  And maybe it won't stop it all, but maybe it will slow  
11                  down some of it.

12                  MR. BIARD: Good idea.

13                  MR. HANSON: And if I may?

14                  MR. SMITH: Yes, sir. Absolutely.

15                  MR. HANSON: For the record Tom Hanson.  
16                  Will and I have had that discussion, and that's where I  
17                  referenced earlier the posting of a special message  
18                  that's inclusive of a discussion of activities, such as  
19                  the pull-tab sales, the online bingo. That's a plan  
20                  we're going to put in place and get that special message  
21                  out there.

22                  MR. SMITH: Excellent. Excellent. Thank  
23                  you. And what we -- my fear is is that sometimes this  
24                  online gaming, this Facebook gaming, is -- whatever you  
25                  want to call it -- with them not having to abide by the

1 rules that legal charitable bingo abides by. Sometimes  
2 the grass is greener on the other side. And, if this  
3 continues, charities are going to -- that are teetering  
4 on positive net proceeds, when you take 30 people out of  
5 a hall and they're spending their money on Facebook and  
6 Internet gaming, what happens is that charity gets into  
7 negative net proceeds really quick. I don't need to  
8 tell you what happens when you can't make positive net  
9 proceeds.

10 This is a huge, huge issue, and I know the  
11 industry sees it as a huge issue and a serious one. And  
12 I'm hoping we can come up with a better plan of action  
13 than a poster. And, so, I'm looking for ideas.

14 I don't know enough about electronics. I  
15 can barely send an e-mail, and half the time my e-mails  
16 don't go through. So, I am a technological idiot in  
17 that regard.

18 Maybe somebody with -- that's more tech  
19 savvy can come up with an idea. Maybe there's a bot  
20 that could be created and sent out through the Lottery  
21 Commission. I'm sure -- y'all have got computer wizards  
22 there, I'm sure, but to search for these illegal gamers  
23 and --

24 MS. ROGERS: Excuse me, Trace, I have a  
25 question probably for Tom or Tyler or Bob. And I --

1 like you, I'm not IT Department. But why is it not as  
2 simple as, if it's happening in Texas on Facebook and  
3 that's illegal, can the Lottery or our Staff, which is  
4 who governs bingo, send Facebook something that -- where  
5 it has a cease and desist in Texas --

6 (Simultaneous discussion)

7 MR. VANCE: So, this is Tyler.

8 MS. ROGERS: Yes, sir?

9 MR. VANCE: So, we do have -- we've been  
10 communicating with Facebook. We send them letters  
11 letting them know. But we -- again, our authority is to  
12 regulate legal bingo. We don't have any authority over  
13 illegal bingo.

14 Illegal bingo is gambling, and gambling is  
15 a crime. And police departments and district attorneys  
16 and the Attorney General's Office have jurisdiction over  
17 crimes. So, we certainly provide that information to  
18 Facebook. But if Facebook tells us to take a hike, we  
19 like gambling, there's nothing we can do about it.

20 The Attorney General could. They could go  
21 after them. A police department, if they knew that it  
22 was happening within their jurisdiction, they could go  
23 after them. But we can only go after people with  
24 licenses and registrations --

25 MR. SMITH: Okay.

1 MR. VANCE: -- and Facebook doesn't have a  
2 license. So, there's -- we're very limited in what we  
3 can do.

4 MR. BIARD: And we can work with local  
5 jurisdictions. And Tom knows from his many years of  
6 experience at the Commission is that we do work with  
7 local jurisdictions on a variety of criminal issues, but  
8 they're not ours to prosecute.

9 MR. SMITH: Right. So, let me just throw  
10 this out there, and this is Trace. I'm spitballing  
11 here, but I'm going to assume somewhere in the State of  
12 Texas there is a bingo session being played legally in a  
13 bingo hall that this online Facebook bingo is going on.  
14 Okay? If it's going on, and it's going on during a  
15 legal bingo session, that makes it your jurisdiction.  
16 Right?

17 MR. VANCE: Correct. Yeah, those people  
18 would have a license. So, the organization would be in  
19 trouble. Any of the workers involved in it would be  
20 trouble, and it would be an unauthorized bingo occasion.  
21 And, so, those people -- yeah, we can go after those  
22 people and revoke all their licenses --

23 (Simultaneous discussion)

24 MR. SMITH: No, that's --

25 MR. VANCE: But we would have to --



1 MR. SMITH: That's not what I'm saying.  
2 What I'm saying is there's a legal bingo game going on,  
3 okay, legal, in a bingo hall.

4 MR. VANCE: Right.

5 MR. SMITH: And on Facebook somebody  
6 somewhere in the State of Texas is doing an illegal  
7 bingo, and that's going on during a bingo session.  
8 That -- doesn't that make it kind of in y'all's court?

9 MR. VANCE: I don't understand. If --

10 MR. SMITH: I mean, does it have to be  
11 occurring at the hall for you to have jurisdiction over  
12 it?

13 MR. VANCE: But we only have jurisdiction  
14 over licenses and registrations. So, somebody involved  
15 in the bingo -- in the illegal and the gambling  
16 activity -- if somebody involved in the gambling  
17 activity has a bingo license, we can discipline that  
18 license for that activity.

19 MS. URIEGAS: I'm sorry. This is  
20 Veronica. So, I have a question: So, if it's an  
21 illegal session with somebody that does not have a  
22 license, you guys can't do anything about it. Is that  
23 what you're saying?

24 MR. VANCE: Correct. If we get  
25 information, we get a complaint about it, we do. We

1 contact the relevant party. So, if it's on Facebook, we  
2 contact Facebook, hey, these guys are committing a crime  
3 by conducting illegal bingo. Or if it's in a --  
4 historically, it's been, you know, at a bar in some  
5 small town, and, then, we send a letter to the sheriff  
6 and the local police department saying, hey, we've got  
7 reports of illegal bingo in your area.

8 MS. URIEGAS: So, many, many years ago I  
9 had a licensed organization close down session, and we  
10 had a new charity take a recession. The Lottery  
11 Commission came in and said my charity was running  
12 illegal gambling from the -- this was the Lottery back  
13 in the day, and they came in to tell me I was illegal.  
14 And I said: Absolutely not. There's my license on the  
15 wall.

16 Well, what had happened is they had  
17 changed licenses, and somebody didn't tell somebody in  
18 the back office that it was legal. So, that was fine.  
19 But, still, I had the Lottery come in and try to close  
20 me down at that time. So, I think you're -- maybe  
21 there's something we need to look into because they can  
22 come in if it's illegal.

23 MR. VANCE: It sounds to me in that  
24 situation, I mean, somebody had a lessor's license.  
25 Right? So --

1 MS. URIEGAS: No, it was a conductor's  
2 license.

3 MR. VANCE: Okay.

4 MS. URIEGAS: But, regardless, the Lottery  
5 did come in to try to stop the session because they  
6 didn't realize that -- you know, it was just  
7 miscommunication on the back end. So, the Lottery came  
8 in to try to stop it. So, yes, they can go in to do  
9 something about it.

10 MR. SMITH: Well, I think maybe that was a  
11 particular instance. I don't know. I (indiscernible) a  
12 lot of details on that. We may not understand,  
13 Veronica.

14 If I may pose this question, Bob, Tyler,  
15 you keep saying that AG might want to do something about  
16 it. In the past I know that -- but particularly with  
17 eight-liners and illegal gaming, that sort of stuff, I  
18 think -- now, don't hold me to this, but I'm thinking  
19 that the Lottery Commission has requested AG's opinions  
20 and has worked with the AG's Office trying to help the  
21 eight-liner problem with the eight-liners in the bingo  
22 halls and the illegal eight-liners that are not in the  
23 bingo halls. Would this be something that the  
24 Commission and the Staff maybe could, you know, request  
25 the AG's Office to take action on this to help out the

1 legitimate charities?

2 MR. VANCE: Well, I'm going to defer -- I  
3 think that would be a governmental affairs type  
4 situation.

5 MR. BIARD: No, I just need to think  
6 about -- I mean, if -- I'm certainly happy to have a  
7 conversation with the AG's Office. I mean, I can't -- I  
8 don't know. I don't know the answer to that right off  
9 the top of my head, Trace.

10 MR. SMITH: Okay. I mean, that's fine.  
11 That's something to think about, anyway. I mean, that  
12 may be --

13 (Simultaneous discussion)

14 MR. BIARD: It sounds like you maybe need  
15 like a subcommittee or a small group of -- to just, you  
16 know, brainstorm on this issue.

17 MR. HARRIS: Trace, this is Corey Harris.  
18 May I interject?

19 MR. SMITH: Yeah.

20 And just so you know, Bob, you took the  
21 words right out of my mouth because that was exactly  
22 what I was fixing to do. (Laughter)

23 MR. BIARD: Right.

24 MR. SMITH: But, yeah, go ahead, Corey.

25 MR. HARRIS: Well, as I understand it --

1 and don't have to apologize. I am certainly playing a  
2 bit of catch-up. But as I understand it one of the  
3 goals of this Commission is to certainly discourage the  
4 administration and the participation of illegal bingo.  
5 Am I correct in making that assessment?

6 MR. VANCE: Yeah, that's not -- our  
7 purpose is to ensure that bingo is conducted fairly and  
8 that the proceeds are spent on charitable purposes --

9 (Simultaneous discussion)

10 MR. HARRIS: But let me ask you this --

11 MR. VANCE: -- is not to prohibit illegal  
12 gambling.

13 MR. HARRIS: I understand. What kind of  
14 information does the committee put forth to the public  
15 informing them of what constitutes illegal gambling? As  
16 I look through the Texas Lottery Commission's Website  
17 and, more specifically, the Charitable Bingo Division,  
18 there's several tabs where you can find different  
19 information. One of them is Play Bingo, and it explains  
20 some of the rules about who is allowed to play and so  
21 forth.

22 But I don't see any real no-nos on here  
23 about what is acceptable and what is not acceptable.  
24 And, for the most part, I feel that the average consumer  
25 violates things purely out of ignorance, not out of

1 nefarious.

2           One of the things we had success with --  
3 I'm a member of the Freemasons Fraternity in Texas. I'm  
4 a trustee of the (indiscernible) of Texas, and we had a  
5 lot of issues with smaller lodges doing illegal raffles.  
6 They were raffling off things or engaging in some other  
7 kinds of things that just weren't on the up and up, and  
8 it was purely out of ignorance. Their intentions were  
9 good, but that doesn't mean anything when you're  
10 violating the law.

11           So, to combat that we had some members of  
12 our jurisprudence committee put forth some very nicely  
13 done media or videos explaining exactly what the laws  
14 are and how that apply to the community. And we got  
15 some tremendous feedback from a lot of the lodges across  
16 Texas because it made so much more sense to them. It  
17 really explained what they could and what they could not  
18 do.

19           If we educate more consumers, they would  
20 be less likely to participate in these illicit bingo  
21 activities. Thank you. That's all I have, Trace.

22           MR. SMITH: All right. Thank you, sir.  
23 Appreciate that.

24           So, I would like to get a subcommittee  
25 together on Facebook gaming and illegal pull-tabs.

1 MS. URIEGAS: Trace, I'll join that  
2 committee. This is Veronica.

3 MR. SMITH: All righty, Veronica.

4 I was going to see if maybe somebody  
5 wanted to head that committee.

6 (No response)

7 MR. SMITH: Anybody?

8 MR. FENOGLIO: This is Fenoglio. I'll be  
9 happy to serve and/or head the committee --

10 MR. SMITH: All righty. Let's -- if  
11 there's no objections, we'll let Steve Fenoglio head the  
12 committee.

13 MR. BOURGOYNE: Trace, this is Emile. I'd  
14 like (indiscernible).

15 MR. SMITH: All right. All right.  
16 Fenoglio, we'll put you as the head of that committee.

17 And, Veronica, we'll put you on there.

18 Emile --

19 MS. ROGERS: This is Kim Rogers. As a  
20 public member, Frances Rogers would also like to be on  
21 that.

22 MR. SMITH: Frances?

23 MS. ROGERS: Yes.

24 MR. MARTIN: This is Will Martin. This is  
25 Will Martin. Put me on there.

1 MR. SMITH: Okay. All right. And is  
2 there -- Tommy?

3 MR. DUNCAN: Put Tommy on there, too.

4 MR. SMITH: Okay. I was going to say, we  
5 probably need to get at least somebody that deals in  
6 pull-tabs pretty heavy. (Laughter)

7 MS. ROGERS: Excuse me. This is Kim  
8 Rogers. Was the last person Tommy Duncan?

9 MR. SMITH: Yes. Yes, it was.

10 MS. ROGERS: Okay.

11 MR. DUNCAN: Trace --

12 MR. POHL: This is Jason Pohl --

13 MR. DUNCAN: -- we went to the Lottery  
14 with this back in January, and I understand Tyler's  
15 explanation. So, you know, I think our only -- you  
16 know, if you have an organized crime unit -- or we're  
17 going to have to pressure the AG's Office because just  
18 doing some simple math here in Houston on one of these  
19 rooms, whoever is running the room -- the guy, the gal,  
20 or whatever -- they probably already knock down about a  
21 half a million dollars already in profit.

22 MR. SMITH: That could be going to the  
23 charities.

24 MR. DUNCAN: One person.

25 MR. SMITH: Yeah. Yeah. Yeah. Well,



1   okay. All right. Well, we've got our subcommittee, and  
2   maybe we need to get somebody from the Staff maybe to be  
3   on this committee, as well, or do you -- Tom, do you  
4   want just the committee to get with your Staff? Or how  
5   do you want to do that on your end? Because we want  
6   your help.

7                   MR. HANSON: I would hope that Tyler and I  
8   could join this committee and have these discussions and  
9   formulate a plan that's within what our jurisdiction is,  
10  as well as some thoughts on how we can combat this.

11                  MR. SMITH: Gotcha. Now, Tom, I'm going  
12  to ask you a very loaded question here, and this is --  
13  it's purely hypothetical: But the thought crossed my  
14  mind that what if the Lottery Staff had a division that  
15  went after illegal bingo, if they had that jurisdiction?

16                  MR. HANSON: So, we currently have a  
17  Compliance Department within Bingo.

18                  MR. SMITH: Uh-huh.

19                  MR. HANSON: And part of what they have  
20  been doing is reaching out to folks who may be  
21  attempting to conduct bingo, such as bingo in a bar and  
22  those kind of things, reaching out to them to make them  
23  aware of the fact that they have to be licensed, they  
24  have to be a nonprofit or a charitable organization.  
25  So, that was done in the past. As we've talked about

1 before, very short staffed, but we are addressing some  
2 of those.

3                   The point that Will made about the Boot  
4 Scootin' Bingo, I had a conversation with that lady  
5 after Will sent it to me to talk about what was in  
6 compliance and what was not. So, we are proactively  
7 looking at some of that, if we're aware of it. And  
8 those can come by complaints that come in through CAMP,  
9 our complaint monitoring system.

10                   MR. SMITH: Sure.

11                   MR. HANSON: Those that are sent by  
12 e-mail, those are that reported to Alice in phone calls.  
13 So, we're looking at those as best we can. We refer  
14 some to Enforcement for investigations, currently, but I  
15 do not foresee a separate division with -- or a  
16 department within Bingo with the way the jurisdiction is  
17 denoted in the statutes.

18                   MR. SMITH: Gotcha. Okay.

19                   MS. ROGERS: Excuse me, Trace. I have one  
20 quick question, maybe Tom can answer along this -- on  
21 this subject: Right now with the election, whenever you  
22 look at Facebook on anything to do with any type of  
23 election items, there is a little paragraph underneath  
24 there that states whatever it states. Have we requested  
25 Facebook to put something like that under these rooms

1 when people go in? Kind of -- it would be along the  
2 same line as the poster, maybe just a kind of scare  
3 tactic, anything like that to make them aware that this  
4 could be construed as illegal? Is that something we can  
5 ask or send to Facebook?

6 MR. HANSON: You know, we can ask anything  
7 of Facebook. The public can reach out to Facebook and  
8 ask for Facebook to take certain actions. Whenever you  
9 go to one of these sites, you have the ability to click  
10 on a button that reports it, and you can place in there  
11 that you do not feel that that particular activity is  
12 legal. The Enforcement Division has a law enforcement  
13 portal to Facebook to report activity on Facebook that's  
14 in violation of statute or rule. So, that's being done  
15 with any cases that go over there.

16 But, as far as asking Facebook to put  
17 something on every Website that has bingo, that's going  
18 to be a massive reporting thing. People are going to  
19 have to motivate them to do that. I don't believe a  
20 single agency could reach out to them and have that  
21 placed over the entire Facebook environment.

22 MS. ROGERS: Okay. Thank you, sir.

23 MR. BIARD: Hey, Tom, can I clarify --  
24 this is Bob. Can I clarify one thing with you?

25 MR. HANSON: Sure.

1                   MR. BIARD: Have you or our Enforcement  
2 Staff had any -- I mean, had any communication with  
3 Facebook on this issue at all?

4                   (Brief pause)

5                   MR. HANSON: I do know of situations in  
6 which Facebook is being notified via the portal.

7                   (Brief pause)

8                   MR. SMITH: Have you --

9                   MR. HANSON: Anything else?

10                  MR. SMITH: -- have you received any  
11 contact back on that, Tom, or can you talk about that?  
12 Or --

13                  MR. HANSON: I'm not aware -- in the  
14 reports that I read I'm not aware of a situation in  
15 which we've received a comment back.

16                  MR. SMITH: Okay. Gotcha.

17                  MR. DUNCAN: It's a whole lot more  
18 involved than just Facebook here. I mean, when you see  
19 these pull-tabs online, we get the serial numbers when  
20 somebody will screenshot in a room -- a mole or whatever  
21 and send us some info -- we track those serial numbers.  
22 We go straight to the manufacturer that made the ticket.

23                  There's actually one out there on Facebook  
24 that has a Good Time's logo on it. So, when we've seen  
25 that, we definitely went to the manufacturer. We track

1 that serial number. These manufactures sell Texas  
2 tickets all over the country because we're the only one  
3 that requires a Texas seal and --

4 (Simultaneous discussion)

5 MR. SMITH: Hold on a minute. Tommy, can  
6 I interrupt you for a moment?

7 MR. DUNCAN: Yeah.

8 MR. SMITH: So, let me see if I get this  
9 right: A licensed manufacturer sold pull-tabs to  
10 someone that is being played illegally --

11 MR. DUNCAN: No, no, no.

12 MR. SMITH: -- in Texas?

13 MR. DUNCAN: No. What they do is these  
14 manufacturers -- they sell all over the world for one  
15 thing.

16 MR. SMITH: Uh-huh.

17 MR. DUNCAN: So, what they're doing is  
18 they're selling pull-tabs to a distributor in Florida --

19 MR. SMITH: Right.

20 MR. DUNCAN: -- maybe's it's Allied Bingo  
21 or something.

22 MR. SMITH: Okay.

23 MR. DUNCAN: Okay. Now, this distributor  
24 puts these tabs on EBay, on his Website. Anybody in  
25 Texas can get on the Web and order these tabs. Now, we

1 have actively contacted all these manufacturers, and  
2 they are relaying the message that, if you sell these  
3 games back in Texas, that it's illegal. Has it stopped?  
4 No. Has it slowed down? A little bit.

5 But, for example, our ticket that was on  
6 Facebook in Texas was sold in Connecticut. So, that's  
7 who the manufacturer sold it to. They're selling to  
8 distributors who are selling online back to Texas. And  
9 I will also mention the people that you see with the  
10 pull-tabs online, those are generally your players out  
11 of the bingo hall.

12 MR. SMITH: Yeah.

13 MR. DUNCAN: We have five offices, and we  
14 get seven or eight calls a day for pull-tabs from  
15 unlicensed people. We tell them to go to the Lottery.  
16 But your professionals that are making this half a  
17 million dollars that I'm talking about, they're not  
18 doing pull-tabs on Facebook. They're flying under the  
19 radar doing these horse races. You don't need --

20 (Simultaneous discussion)

21 MR. SMITH: Yeah.

22 MR. DUNCAN: And they can run 30 of them a  
23 day or more. I mean, it takes 60 seconds to run a horse  
24 race.

25 MR. SMITH: Right. So, but -- so I

1 understand this, you've got a licensed manufacturer  
2 selling pull-tabs that are supposed to go to licensed  
3 distributors in the State of Texas, but they're selling  
4 them all over the place; and that's our problem, and we  
5 can't stop that?

6 MR. DUNCAN: No, that's not our problem.  
7 They're selling -- the problem is is these manufacturers  
8 sell to licensed distributors. It's the licensed --

9 (Simultaneous discussion)

10 MR. SMITH: I understand that.

11 MR. DUNCAN: -- distributors in the other  
12 states --

13 MR. SMITH: I understand that.

14 MR. DUNCAN: -- that are selling them back  
15 to Texas. We can't --

16 (Simultaneous discussion)

17 MR. SMITH: But doesn't the Lottery have  
18 jurisdiction over a licensed manufacturer in the State  
19 of Texas?

20 MR. BOURGOYNE: Trace --

21 MR. DUNCAN: No, no, no --

22 MR. BOURGOYNE: Trace, if I may?

23 MR. DUNCAN: Tell him, Emile.

24 MR. BOURGOYNE: Trace, this is Emile.

25 MR. SMITH: Yeah.

1 MR. BOURGOYNE: We have traced every  
2 serial number we find that we're called into or that we  
3 see on EBay, we trace them back to the distributors.

4 MR. SMITH: Uh-huh.

5 MR. BOURGOYNE: We contact the distributor  
6 and their regulator, and we let them know that their  
7 distributor is selling outside of their licensing.  
8 We're selling to licensed entities.

9 MR. SMITH: Okay.

10 (Simultaneous Discussion)

11 MR. BOURGOYNE: They're selling legal  
12 product to licensed entities. In one case -- not in one  
13 case, in a bunch of cases, we've got a distributor in  
14 Quebec that sells just to native tribes in Quebec.  
15 Those customers are taking the product and putting it on  
16 EBay.

17 MR. SMITH: Gotcha.

18 MR. BOURGOYNE: And we've threatened to  
19 cut them off, but we're still selling to a legal entity.  
20 The problem is, once it reaches that distributor, if  
21 they sell it to a charity customer somewhere, then they  
22 take the product and put it on Facebook Live.

23 MR. SMITH: Okay.

24 (Simultaneous discussion)

25 MR. BOURGOYNE: It's not just in Texas.



1 It's a national problem. And, quite frankly, I'm not  
2 sure it's going to go away until COVID goes away, and it  
3 may not go away then. We've got a couple of states  
4 actually looking at contacting a regulatory agency to  
5 see if maybe there's a way to get the license group into  
6 doing this sort of thing.

7 MR. SMITH: Gotcha.

8 (Simultaneous discussion)

9 MR. SMITH: Well, I was -- Emile, I was  
10 operating under the assumption -- I just got a message.  
11 I was operating under the assumption that, when a  
12 manufacturer makes a ticket for the State of Texas with  
13 that logo on it, they were only allowed to sell that  
14 ticket in the State of Texas to licensed distributors.  
15 And, obviously, that's not the case.

16 MR. BOURGOYNE: That's just not the case.

17 MR. SMITH: Okay.

18 MR. DUNCAN: No, that's not the case.  
19 It's bigger -- and I agree with Emile. Now, this all  
20 started before COVID, but COVID has definitely made it  
21 more prevalent. There's --

22 MR. SMITH: It sure has.

23 MR. DUNCAN: Yes.

24 MR. SMITH: Okay. So -- but even, still,  
25 aren't pull-tabs a controlled product in the State? I

1 mean, isn't -- I guess it falls back to --

2 MR. BOURGOYNE: Most of the product you're  
3 seeing on -- most of the product -- this is Emile again.  
4 Most of the product you're seeing on Facebook Live in my  
5 opinion was not sold to a Texas distributor.

6 MR. DUNCAN: Right. I agree with that.

7 (Simultaneous discussion)

8 MR. SMITH: But it's being played in  
9 Texas?

10 MR. BOURGOYNE: But it was sold to a  
11 distributor who's jurisdiction requires them to trace  
12 the serial numbers to their clients, and that's not  
13 being done.

14 MR. DUNCAN: Trace, jump on EBay and put  
15 in pull-tabs. See what happens.

16 MR. SMITH: All right. So, let me ask you  
17 this: I can -- as a charitable bingo license holder, if  
18 I understand this correctly, I can go online and  
19 purchase pull-tabs with a Texas seal on them from a  
20 different distributor in another state and sell them at  
21 my bingo hall, and nobody would ever know?

22 MS. URIEGAS: Correct.

23 MR. DUNCAN: We would if we tracked a  
24 serial number and somebody got it out. Then, you'd be  
25 in trouble for buying from an unlicensed distributor.

1 MR. SMITH: Uh-huh. Yeah. But my point  
2 is: There's a huge loophole that the Lottery Commission  
3 doesn't have teeth to enforce.

4 MR. DUNCAN: I think their basic premise  
5 is they can't enforce organized crime that's going on  
6 outside the bingo hall.

7 MR. SMITH: I understand that. I  
8 understand that.

9 Wow, we've got a mess on our hands.

10 MR. MARTIN: Amen.

11 MR. DUNCAN: It's gotten way too big now.  
12 I'm like Emile, it's -- it's --

13 MR. BOURGOYNE: It's -- yeah. It's just  
14 not a Texas problem. It's a huge problem all over the  
15 country.

16 MR. DUNCAN: Oh, yeah.

17 (Simultaneous discussion)

18 MR. SMITH: I definitely have a better  
19 understanding of it now, and I will do my due diligence.  
20 I thought I understood it at first. But, boy, good  
21 grief.

22 MS. URIEGAS: Well --

23 MR. SMITH: This is a dadgum mess.

24 MS. URIEGAS: -- and a bigger part of this  
25 is they're doing it more with the horse races because

1 they don't have to get the pull-tabs to have -- I mean,  
2 the horse races can be run anywhere. You can buy them  
3 for \$10 up to a thousand dollars. So, those can be run  
4 easily without having to invest any money in purchasing  
5 pull-tabs.

6 MR. DUNCAN: That's what -- yeah, that's  
7 why I was saying that earlier. It's your novices that  
8 are putting these pull-tabs online --

9 MS. URIEGAS: Yes.

10 MR. DUNCAN: -- just asking to get in  
11 trouble.

12 MS. URIEGAS: Yes.

13 MR. SMITH: Gotcha. Okay. All right.  
14 Okay. And anybody got anything else they want to add on  
15 this?

16 (No response)

17 MR. SMITH: No? Okay. Any other new  
18 business?

19 MR. FENOGLIO: This is Fenoglio. I want  
20 to confirm that the following individuals are now on  
21 this committee.

22 MR. SMITH: Okay.

23 MR. FENOGLIO: Veronica Uriegas, Tommy  
24 Duncan, Will Martin, Emile Bourgoyne, Frances Rogers,  
25 Tyler Vance, and Tom Hanson. Is that correct?

1 MR. SMITH: Yes.

2 MR. POHL: Add Jason Pohl, please.

3 MR. SMITH: Add what?

4 MR. POHL: Add me, Jason Pohl, please.

5 MR. SMITH: Okay.

6 MR. FENOGLIO: And, Mr. Chairman, do you  
7 need a vote to create the committee?

8 MR. SMITH: I don't -- we haven't in the  
9 past. Let me defer to Tyler for that one or Bob maybe.

10 MR. VANCE: Yeah, in typical, you know,  
11 rules of procedure, you would. You would have a vote to  
12 create the subcommittee.

13 MR. SMITH: Okay. All right.

14 So, we -- I've got a motion to commit the  
15 subcommittee on illegal Facebook gaming, illegal  
16 pull-tab gaming.

17 MR. DUNCAN: I second.

18 MR. SMITH: All right. And all in favor?

19 (Those in favor of the motion so  
20 responded)

21 MR. SMITH: All right. Any opposed?

22 (No response)

23 MR. SMITH: All right. The subcommittee  
24 is created. Y'all have got plenty to work on.

25 (Laughter) God bless you is all I can tell you.

1 All right. Any other new business? Any  
2 other public comment on this?

3 MR. BIARD: Trace, this is Bob.

4 MR. SMITH: Yes?

5 MR. BIARD: I just want to thank you for  
6 your indulgence as we had that long conversation. And I  
7 just want to assure you that the Staff, the Commission  
8 is ready to work with you guys on this issue in any way  
9 we can.

10 MR. SMITH: Well, I certainly appreciate  
11 that because I think the charities are the ones that are  
12 suffering. And I think we've got to go to bat for them  
13 and, you know, stick up for them every chance we get.  
14 And I certainly appreciate y'all's help and y'all's  
15 education because, although we know our bingo business  
16 pretty well, we sometimes aren't as fluent in the  
17 Staffs' legalities and their jurisdictional controls.  
18 So, we do appreciate your education on that.

19 MS. URIEGAS: This is Veronica. I have  
20 one more question.

21 MR. SMITH: Yes, ma'am?

22 MS. URIEGAS: Can we include illegal  
23 gamerooms in this? I just had one open up right in my  
24 strip center right next door to me. I mean, I don't  
25 know if that's something totally different, or --

1 MR. SMITH: Well, I think that's going to  
2 be in a separate category. There's some established  
3 protocols for dealing with those already. And I think  
4 if you maybe asked around, maybe talk to Steve Fenoglio  
5 or Kim Kiplin or somebody like that, one of the  
6 brilliant attorneys that we have in our industry, they  
7 may be able to help you a little bit with that.

8 MS. URIEGAS: Well, I did have a  
9 connection with the Vice Squad, and they said they're  
10 not even going to start looking at illegal gamerooms  
11 until maybe next year.

12 MR. SMITH: Yeah, that's no good. That's  
13 no good. Unfortunately, I think the reason that we  
14 commit -- did this subcommittee is because it deals  
15 directly with illegal bingo.

16 MS. URIEGAS: Okay.

17 MR. SMITH: Whether it be Facebook gaming  
18 or -- Facebook bingo or the horse race bingo or the  
19 pull-tab bingo.

20 MS. URIEGAS: Okay.

21 MR. SMITH: But there's groups out there  
22 that are against the illegal gamerooms, and I'm sure  
23 somebody will be glad to reach out to you for that.

24 MR. MARTIN: Veronica --

25 MS. URIEGAS: Yes?

1                   MR. MARTIN:  -- this is Will Martin.  Give  
2 me a call later this afternoon after 3:30, and I'll talk  
3 to you about illegal gamerooms.

4                   MS. URIEGAS:  Okay.  Great.  Thank you.

5                   MR. SMITH:  All right.  There you go.  
6 Good deal.

7                   All right.  Any other public comment on  
8 this one?

9                   (No response)

10                  MR. SMITH:  All right.  We need to set the  
11 date for the next meeting.

12                  MR. FENOGLIO:  Mr. Chairman, I wanted to  
13 make one observation about -- under the new business  
14 category that Texas Charity Advocates has voted to --  
15 propose some legislation that would eliminate Section  
16 2001.420 Subparagraph (a), that provides a bingo prize  
17 may not have a value of more than 750 for a single game.

18                  MR. SMITH:  Gotcha.

19                  MR. FENOGLIO:  We would still retain the  
20 2500 per session limit that's in Subparagraph (b), and  
21 the reason for that is to -- and this would only apply  
22 to -- well, it would be 2500 a session.  It would still  
23 be a limit.

24                  And, then, we have asked the Lottery  
25 Commission Staff for any recommendations that the Bingo



1 Division of the Lottery Commission has for any sort of  
2 clean-up matters, and we will meet with Tom and Tyler  
3 about that. They've given us some -- I don't know if  
4 they're concerns, but they're observations that would  
5 make the Division run more efficiently. And --

6 (Simultaneous discussion)

7 MR. SMITH: Gotcha.

8 MR. FENOGLIO: -- to bring those, as well.

9 MS. ROGERS: Excuse me. Steve, can you  
10 repeat the number of that one, please, for me?

11 MR. FENOGLIO: Section 2001.420, 4-2-0,  
12 Subparagraph (a).

13 MS. ROGERS: Thank you.

14 MS. GREEN: Steve, this is Melodye Green.  
15 When you say -- you're allowing one bingo game up to  
16 2500. Correct?

17 MR. FENOGLIO: Yes.

18 MS. GREEN: Okay. Good. All right.  
19 Thank you.

20 MR. FENOGLIO: It would give the -- you  
21 know, the charity the opportunity to have a larger game.  
22 They're still going to -- they still have the cap of  
23 2500 for a single game.

24 MS. GREEN: Right. Thank you. I  
25 Understand. Perfect.

1 MR. SMITH: All right. Thank you, Steve.

2 All right. Any other comments or new  
3 business from the public or anybody else?

4 (No response)

5 AGENDA ITEM NO. 11

6 MR. SMITH: All right. We will move on to  
7 setting the date for the next meeting.

8 Tom, when is the next Commission meeting?

9 MR. HANSON: So, my understanding, it's on  
10 December 3rd.

11 MR. BIARD: And this is Bob. The next one  
12 after that is going to be February 11th.

13 MR. SMITH: Okay. I think we have met our  
14 statutory requirements for meetings this year. I think  
15 we're only supposed to have one a quarter. Is that  
16 correct?

17 MS. ROGERS: Yes.

18 MR. SMITH: Anybody? Yeah. Okay. I  
19 think we have well met our quota. Did we want to have a  
20 meeting in December, or do we want to have one in  
21 January?

22 MS. ROGERS: This is Kim Rogers. My vote  
23 would be probably January.

24 MR. SMITH: Okay.

25 MS. ROGERS: That gives the Facebook group

1 time to work and a few of the other ones.

2 MR. SMITH: Okay.

3 Anybody got a problem, say, with January  
4 the 18th or 19th, that week?

5 MS. ROGERS: I'm good.

6 MR. MARTIN: Well, the 18th is a holiday.

7 MR. SMITH: Is it? What holiday is that?

8 MR. MARTIN: That's Martin Luther King  
9 Day.

10 MR. SMITH: Well, we can't have it then.  
11 Say maybe the 19th or the 21st?

12 MS. ROGERS: I would like to go back to  
13 Thursdays, but that's just me. Kim Rogers.

14 MR. SMITH: Okay. I've got no problems  
15 with that.

16 Is everybody okay with January 21st?

17 MS. URIEGAS: Yes.

18 MR. MARTIN: Yes.

19 MR. DUNCAN: Okay here.

20 MR. MARTIN: Same time?

21 MS. ROGERS: Yes. Trace, are we saying a  
22 Zoom meeting again?

23 MR. SMITH: Yeah. Yes.

24 MS. ROGERS: Okay.

25 MR. SMITH: Tom -- this is Trace -- do you

1 foresee any time soon actually having an in-person  
2 meeting?

3 MR. HANSON: No, I don't expect that to  
4 occur. We're seeing the national trends. We're looking  
5 at the state trends. I'll defer to Bob, but I don't  
6 believe there's any action right now to set a date for a  
7 face-to-face meeting.

8 MR. SMITH: Okay. All right. Just making  
9 sure, sir. And are you and the Staff good for the 21st  
10 at 10:00 a.m.?

11 MR. HANSON: We can.

12 MR. SMITH: Okie dokie. All right. The  
13 next BAC meeting is January 21st at 10:00 a.m.

14 AGENDA ITEM NO. 12

15 MR. SMITH: And it is, right now,  
16 11:53 a.m., and we will adjourn the meeting. Thank  
17 you-all. And if anyone has questions or concerns,  
18 please get with me or Kim or anybody else from the BAC.

19 (Meeting adjourned: 11:53 a.m.)  
20  
21  
22  
23  
24  
25

## C E R T I F I C A T E

STATE OF TEXAS )

COUNTY OF TRAVIS )

I, Janis Simon, Certified Shorthand Reporter in  
and for the State of Texas, do hereby certify that the  
above-mentioned matter occurred as hereinbefore set out.

I further certify that I am neither counsel  
for, related to, nor employed by any of the parties or  
attorneys in the action in which this proceeding was  
taken, and further that I am not financially or  
otherwise interested in the outcome of the action.

Certified to by me this 2nd day of December  
2020.



Janis Simon  
Certified Shorthand Reporter  
CSR No. 7076 - Expires 7/31/22

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