

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS LOTTERY COMMISSION

BINGO ADVISORY COMMITTEE
Thursday, March 25, 2021
(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 Round Rock, Texas, by Lorrie A. Schnoor, Certified Shorthand Reporter, Registered Diplomate Reporter, and Certified Realtime Reporter, at 10:00 a.m.

1 APPEARANCES

2 COMMITTEE MEMBERS:

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

4 Mr. Will Martin

5 Mr. Tommy Duncan

6 Mr. Jason Pohl

7 Ms. Melodye Green

8 Ms. Veronica Uriegas

9 Mr. Emile Bourgoyne

10 Mr. Corey Harris

11 AGENCY STAFF:

12 Mr. Tyler Vance - Acting Charitable Bingo Operations
13 Director

14 Mr. Bob Biard - General Counsel

15 Ms. Nelda Trevino - Governmental Affairs Director

16 Ms. Vivian Cohn - Charitable Bingo Operations Audit
17 Manager

18 PUBLIC MEMBERS:

19 Mr. Tom Stewart

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P R O C E E D I N G S

THURSDAY, MARCH 25, 2021

(10:00 a.m.)

AGENDA ITEM NO. 1

MR. SMITH: It's a couple minutes after 10:00. I'll go ahead and call the meeting to order.

AGENDA ITEM NOS. 2 AND 3

MR. SMITH: And, Will Martin, if you can hear us, if you can unmute yourself, can you give us the American Pledge and the Texas Pledge, sir?

(American Pledge and Texas Pledge recited)

MR. MARTIN: Thank you.

MR. SMITH: Thank you, Will. Appreciate that.

AGENDA ITEM NO. 4

MR. SMITH: I'm going to go ahead and do roll call. I am present, I think.

Veronica?

MS. URIEGAS: I'm present. Veronica is present.

MR. SMITH: All right. Will?

MR. MARTIN: Here.

MR. SMITH: All right. Tommy?

MR. DUNCAN: Present.

MR. SMITH: Kim Rogers is not present.

1 Emile?

2 MR. BOURGOYNE: I'm here.

3 MR. SMITH: All right. Melodye is here.

4 And do we have our new member present

5 today?

6 (No audible response)

7 MR. SMITH: I'm going to guess that's a

8 no.

9 MR. HARRIS: Well, are you referring to
10 Corey Harris?

11 MR. SMITH: Yes.

12 MR. HARRIS: Then, yes, I am here.

13 MR. SMITH: Well, good. All right, Corey.
14 Good. Glad to have you with us.

15 MR. HARRIS: Glad to be here. Thank you,
16 sir.

17 MR. SMITH: Corey, if you'd like -- did
18 you get to kind of tell us about -- were you at the last
19 meeting? I wasn't at the last meeting, unfortunately.

20 MR. HARRIS: I was. I was present, yes.

21 MR. SMITH: Okay. So you got to kind of
22 do a little intro there and kind of let us know what
23 you're about or --

24 MR. HARRIS: I did not.

25 MR. SMITH: Okay. Well, would you please

1 kind of give us your story real quick so we can all get
2 to know you a little better?

3 MR. HARRIS: A real quick one. Sure
4 thing. Well, my name is Corey Harris. I live in
5 Arlington. Originally, from New Orleans. I attended
6 university here in Arlington. Got my bachelor's degree
7 in philosophy in 2011. My wife is a nurse. She also
8 received her bachelor's from UTA at the same time. She
9 works in labor and delivery. We have three children --
10 Luke, Elizabeth, and Alexander.

11 And I run a real estate business here in
12 Arlington as well as being involved in a lot of
13 different civic organizations like the local and the
14 state Freemasons fraternity and also our local Lions
15 Club, which is how I got involved in bingo because I've
16 been handling the charitable bingo here in Arlington for
17 like the last six or seven years, I suppose. And so
18 that's how I kind of got my feet wet in charitable
19 bingo. But that's pretty much the long and the short of
20 it.

21 I'm very excited that you guys extended
22 the invitation for me to collaborate with you on this
23 board. I think it's a most worthy endeavor. So thank
24 y'all for allowing me the opportunity to serve, and I
25 look forward to it.

1 MR. SMITH: Absolutely. Well, welcome,
2 brother. And it's always good to have somebody on the
3 board with us.

4 MR. HARRIS: Thank you.

5 AGENDA ITEM NO. 5

6 MR. SMITH: Since we've got roll call
7 done, let's go ahead and go to the meeting minutes from
8 the January 21st meeting. I'm going to guess all of
9 y'all read those from Kim's report. If you didn't get a
10 copy of that or there's any issues with that, go ahead
11 and speak up now.

12 MS. URIEGAS: Were those emailed?

13 MR. SMITH: I believe so.

14 MS. URIEGAS: I did not get a copy.

15 MR. SMITH: Okay. All right. I will see
16 if I can email that to you after while. Is there any --

17 MS. URIEGAS: No worries.

18 MR. SMITH: Pardon?

19 MS. URIEGAS: No worries.

20 MR. SMITH: Okay. Is there any public
21 comment on the meeting minutes from the January 21st
22 meeting?

23 (No response)

24 MR. SMITH: All right. If not, I'll go
25 ahead and call for approval of the meeting minutes.

1 All in favor, say aye.

2 (Those in favor of the motion so
3 responded)

4 MR. SMITH: Any opposed?

5 (No response)

6 MR. SMITH: All right. Meeting minutes
7 are approved.

8 AGENDA ITEM NO. 6

9 MR. SMITH: All right. Report on the
10 Texas Lottery Commission meeting from February 11th,
11 2021. That would have been Kim Rogers. She had to give
12 that.

13 Tyler, were there any issues from that
14 meeting? Were you there for that, since Kim's not here
15 today?

16 MR. VANCE: Yeah, I was there. I don't
17 recall any issues from Kim's side. The only thing of
18 significance that I can recall is that was the meeting I
19 was appointed as the Acting Director for the Bingo
20 Division.

21 MR. SMITH: Well, I think that's very
22 significant. And since you brought that up, my
23 condolences and my congratulations at the same time,
24 sir.

25 MR. VANCE: Thank you, sir.

1 MR. SMITH: You're welcome. If there is
2 anything we can do to help, just don't hesitate to reach
3 out. I know I'm technologically challenged. I respond
4 better to text messages and phone calls than I do emails
5 sometimes. So if you need to get ahold of me, I'm
6 always available.

7 MR. VANCE: Very good.

8 AGENDA ITEM NO. 7

9 MR. SMITH: All right. Let's go ahead and
10 move on to Item 7, discussion and possible action on
11 rules up for review and change.

12 UNIDENTIFIED SPEAKER: Hey, Trace, can
13 you --

14 MR. SMITH: Yeah.

15 UNIDENTIFIED SPEAKER: Can they activate
16 Jason Pohl to a panelist, please?

17 MR. SMITH: I believe he is a panelist.
18 He may have to unmute.

19 UNIDENTIFIED SPEAKER: Oh, okay. Okay.
20 Okay. Yeah, he's on.

21 MR. SMITH: Okay. All right. Can you
22 hear us, Jason?

23 MR. POHL: Yes, sir.

24 MR. SMITH: All right. Good to have you
25 with us, sir.

1 All right. Item No. 7, discussion and
2 possible action on rules up for review and change.

3 Tyler, do y'all have anything that's
4 upcoming in the next short while on rule review and
5 change?

6 MR. VANCE: No, we sure don't. Having
7 completed the biannual rule -- or quadrennial, I believe
8 it is, rule review in October, we don't have anything on
9 our radar. But, of course, we're always open to any
10 suggestions or improvements that you guys are looking
11 at.

12 MR. SMITH: Okay.

13 MS. GREEN: Trace, I have a question.

14 MR. SMITH: Yeah, Melodye.

15 MS. GREEN: Hi, Trace -- Hi, Tyler. I
16 remember the last one we were talking about the
17 temporaries on demand, and I believe Alice said she was
18 working on a form. Tyler, has that form been -- is that
19 available to us now?

20 MR. VANCE: It's not quite. So the forms
21 have been done. They're completed, and we're testing it
22 through BOSS and through BSP. Sounds like they've got
23 most of the kinks worked out, but they're still having
24 trouble linking the two programs to make sure that
25 they're both accurately keeping track of how many

1 temporaries have been requested and used.

2 But my folks tell me that they think
3 it's -- we're very close. We were originally thinking
4 maybe the end of this week but then ran into some
5 issues. So I don't know exactly when, but we're getting
6 very close to having it finished. And once it's good to
7 go -- I just don't want to put it out and then have a
8 bunch of problems further down the road. So I want it
9 to be nice and tight and finished before we put it out,
10 and then it'll be ready.

11 And the way it's going to work is there's
12 Form 17 and 18. And you will submit 17 to request the
13 temporaries, and then 18 you'll be required to send us
14 after you use it and then that way we can keep track of
15 it. But once you submit the request, we're going to
16 issue you a blank license without a date, without a
17 time, and then it's your responsibility to notify us
18 after you've used it.

19 MS. GREEN: That's a lot of work, and I do
20 appreciate you spearheading this and pushing this
21 through. Thank you very much.

22 MR. VANCE: Sure thing. Yeah, and I'll
23 reach out to BAC and the lawyers and everyone once we've
24 got it going so you guys can start using it right away.

25 MS. GREEN: Thank you.

1 MR. SMITH: All right. Good deal.

2 And this -- so this would probably be more
3 directed to the staff than anything. I had a
4 manufacturer reach out to me in the past couple of
5 weeks, and there was some concerns that they had about
6 the approval process on software changes. Basically,
7 what they had described to me was that the way the
8 process is working like in real life for them -- is they
9 submit a software change to GLI and GLI approves it or
10 does whatever they do and then it goes to Lottery and
11 then Lottery has to redo the same testing. And then
12 after that, they can't actually put it into a test
13 market until everything is approved.

14 And I know this is kind of a quick
15 question, I guess. But, Tyler, could you -- do you
16 know -- are you familiar enough with that process to
17 kind of give us an idea of how that process is going or
18 anything like that?

19 MR. VANCE: No, not really. Let me -- I'm
20 looking at the rule approval of card-minding systems so
21 you can --

22 MR. SMITH: I think --

23 MR. VANCE: -- I meant that -- is it that
24 we're talking about the software for card-minders?

25 MR. SMITH: Yes, sir. And I think

1 they're -- well, I don't want to use the word "issue,"
2 but I think their concern is the time frame that it's
3 taking them just to make a software change. And they
4 were reporting somewhere in the neighborhood of six to
5 nine months to be able to get just the software change
6 done.

7 MR. VANCE: Oh, wow. So our rule says the
8 Commission shall either approve or disapprove the
9 submission based on the test results within 30 days of
10 receipt of the test results, and you can -- or they can,
11 rather -- they can utilize an independent testing
12 facility if there's -- and the labs can run the tests
13 based on our compliance standards. And then once we get
14 those test results, we're required to approve or deny it
15 within 30 days. There was an option for the agency to
16 do testing, but I don't think we do that or haven't done
17 it in quite a while.

18 But let me see. I see Vivian has raised
19 her hand it looks like, or maybe not. I don't -- yeah,
20 if there's anybody -- yeah, there we go. Vivian's
21 raised her hand. So, Bill, if you could let Vivian
22 speak up. Sounds like she knows more about it than I
23 do.

24 MS. COHN: Can you hear me?

25 MR. SMITH: Yes.

1 MS. COHN: Okay. No, the answer is: We
2 do not retest. Once you submit the lab report, we will
3 review the lab report. We do not retest. The retesting
4 process was established in the past. It is before I got
5 into this agency. It's been a year and a half.

6 And once we get the report, we actually
7 just review to make sure that it's complying with
8 whatever the TAC rule or the BEA rule. That's all we
9 review. Then we will go through the approval process
10 and get the Director to review. And, of course,
11 sometimes we will request a manufacturer to demonstrate
12 what is being changed.

13 MR. SMITH: Sure. And do you --

14 MS. COHN: If you have any questions, feel
15 free to reach out to us. I'll be happy to answer your
16 questions.

17 MR. SMITH: Okay. So if --

18 MS. COHN: Okay.

19 MR. SMITH: -- I may, like when they put
20 something in -- let's say they use GLI, for instance.
21 They use them, and they put in a software change. When
22 it comes out of GLI, do they have to wait until it's
23 fully approved to be able to test it, or are they
24 allowed to put it in a beta hall to test it before it
25 comes back out and is approved?

1 MS. COHN: I thought that when they submit
2 the software change, they have to submit the lab testing
3 report. At that time, should be tested.

4 MR. SMITH: Okay. Okay. And -- and --

5 MS. COHN: So when they do the
6 demonstration to us, and at that time it should be ready
7 to be -- put it out or to be used by the customers.

8 MR. SMITH: Yeah.

9 MS. COHN: That's the reason for the
10 approval process. We are trying to speed it up, the
11 process. I believe usually it's quite quick turnaround.
12 If they encounter any issue, please let me know.

13 MR. SMITH: Okay.

14 MS. COHN: I haven't been notified there's
15 any issue.

16 MR. SMITH: Okay. All right. Well, I
17 don't think there was a specific instance or a specific
18 issue. I think it was just a timing thing to them.

19 MS. COHN: Okay.

20 MR. SMITH: I wasn't real clear on what
21 they were asking. I was just wanting to broach the
22 subject. And if they want to -- if they want to submit
23 something saying that they need clarification on
24 something, I'll let that be up to them.

25 MS. COHN: Okay. I mean, our process is

1 actually quite on time in terms of the turnaround.

2 MR. SMITH: Yeah.

3 MS. COHN: If they feel like there's some
4 timing issue, like I say, please feel free to reach out
5 to us.

6 MR. SMITH: Yes, ma'am. I will let you --

7 MS. COHN: Okay?

8 (Simultaneous discussion)

9 MS. COHN: Thank you.

10 MR. SMITH: Yes, ma'am, thank you.

11 Is there any other public comment on
12 possible action for rules up for review or change?

13 (No response)

14 MR. SMITH: All right. If not, we'll -- I
15 don't think we need to approve anything on that.

16

17 AGENDA ITEM NO. 8

18 MR. SMITH: On No. 8, discussion on all
19 House bills, or bills, period, filed pertaining to
20 Bingo, Gaming, and Keno.

21 I would like to first kind of go out on a
22 limb here and talk about the Keno bill. I think most
23 people in the industry were pretty shocked when they saw
24 the Keno bill come out that was, I guess -- what's the
25 word I'm looking for? -- I guess, approved or maybe even

1 sanctioned by the Texas Lottery Commission. In most of
2 the industry's mind that I've talked to, Keno is a lot
3 like bingo, and I think most people see that as a direct
4 competition to bingo.

5 It was very disappointing to see that come
6 out and not have a heads-up that that was being worked
7 on prior to the session or at least during the session.
8 That was pretty disappointing. I don't know if anybody
9 wants to add in on that. I wish that the Commission had
10 reached out to the bingo folks and talked to us a little
11 bit about that.

12 But is there any movement or any direction
13 on that? Does anybody from the staff know about that
14 bill or want to chime in on that?

15 MR. VANCE: I'm going to defer to GA on
16 this, if either -- if Fritz or Nelda is available. I
17 haven't been following that bill. I'm following the two
18 bingo bills, but I'm not following the bingo bill.

19 And as far as I know, I mean, the agency
20 doesn't take a position on any bill, either positively
21 or negatively. We're not legally allowed to. Whatever
22 the bill is, we just -- we make comments on how it may
23 affect the agency, but we're not allowed to advocate
24 either way for any bill.

25 MR. SMITH: Gotcha. I don't guess you've

1 seen that video with the Texas Lottery stamp all over
2 the Keno bill, then, have you?

3 MR. VANCE: I have not, no.

4 MR. SMITH: Yeah. That definitely
5 looked -- it portrays it as the Texas Lottery Commission
6 is supporting that bill. I'll try to get that email to
7 you. That's exactly what it looks like. And I think
8 that's where the -- kind of the -- the shock to our
9 industry was coming from, but I'll try to send that to
10 you.

11 MS. TREVINO: Good morning, Trace. This
12 is Nelda Trevino. Can you hear me?

13 MR. SMITH: How are you?

14 MS. TREVINO: I'm doing very well.
15 Thanks.

16 Let me just add to Tyler's comments and
17 echo what he said that the agency does not take a
18 position on legislation. And I understand what you're
19 saying about being shocked, I guess is the term that you
20 used.

21 MR. SMITH: Yes, ma'am.

22 MS. TREVINO: Yeah. Well, the agency --
23 and let me be very clear about this -- the agency was
24 not involved regarding the filing of that legislation.
25 That was done by Representative Joe Moody.

1 MR. SMITH: Right.

2 MS. TREVINO: And so I want to be very
3 clear that the agency was not involved in the filing of
4 that legislation. The video that you're referring to,
5 if there's Texas Lottery Commission seals on that, that
6 is not something that was produced or sanctioned by the
7 Lottery Commission.

8 MR. SMITH: Gotcha. Gotcha. No, we're
9 not mad at you, Nelda. I promise. It was just kind of
10 shocking that was -- I mean, let's be honest -- a
11 legislator is not going to just introduce a bill that
12 has something to do with a state agency without the
13 state agency at least getting a heads-up it was going to
14 be filed.

15 MS. TREVINO: Let me -- let me make that
16 very clear again. When we became aware of the bill,
17 it's when it was filed, Trace. So I --

18 (Simultaneous discussion)

19 MS. TREVINO: Again, I understand what
20 you're saying, but that doesn't always occur. A member
21 of the legislature can file a bill without reaching out
22 to an agency. Happens many times. I've been in state
23 government for over 30 years, and I've seen it happen
24 many, many times.

25 MR. SMITH: That's not very nice of them

1 to y'all.

2 MS. TREVINO: I totally agree.

3 MR. SMITH: That's not very nice of them
4 to do that to y'all. I'll say that and leave it at
5 that.

6 All right. Does anybody else want to -- I
7 appreciate you, Nelda. Thank you for explaining that a
8 little bit.

9 MS. TREVINO: You're more than welcome.

10 MR. SMITH: And that we kind of wanted to
11 address a little bit, because Keno is a lot like bingo.

12 So was there any other bills or anything?

13 Will, I know that Conservative Texans has
14 a bill out for the pull-tab carryover bill. Do you want
15 to comment on that, or have anything to say about that?

16 MR. MARTIN: This is the same bill that
17 we've run through the House twice, and we're hoping that
18 we can get it through the Senate this time. I don't
19 understand how Boyd Gaming, an out-of-state casino, can
20 lobby against our bill and get it killed, but that's
21 what happened last session. I mean, with them being
22 able to do that and now casinos wanting to come into
23 Texas, Conservative Texans is of the opinion of why do
24 we want to invite the devil into our house?

25 MR. SMITH: Gotcha.

1 Okay. Is there anybody from the staff
2 that wants to address any of the bills or anything, talk
3 about any of them? I want to make sure that y'all have
4 an opportunity to comment or do anything on that.

5 MR. VANCE: Sure. This is Tyler. We were
6 at the Capitol yesterday for a hearing by the Licensing
7 Committee of the House on Bill 2204, which is kind of
8 the bill by the Bingo Interest Group and the TCA.
9 Stephen Fenoglio testified in favor of it, and if he's
10 here, he can certainly elaborate. And Tom Stewart was
11 there. I see his hand's up, so he would like to talk
12 about it. Mitch Fuller from the VFW testified in favor
13 of it, and I believe Rob Kohler testified as a neutral.

14 And then I was asked a question about the
15 status of the prize fee situation with regards to
16 payments to local governments. But other than that, it
17 seemed like a very smooth meeting. There weren't a
18 whole lot of questions. We didn't face any major
19 issues.

20 But I see -- Will -- Tom Stewart's hands
21 up. So, Bill, if you can let Tom speak.

22 MR. SMITH: Absolutely.

23 Go ahead, Tom.

24 MR. STEWART: Can you hear me?

25 MR. SMITH: Yes, sir.

1 MR. STEWART: Okay. Yeah, so not much to
2 add from what Tyler said. Overall, good hearing on the
3 bill. There was an issue that Tarrant County raised
4 about the local prize fee money. We think we've
5 addressed that for them, and they've withdrawn whatever
6 objection that they had.

7 And Ms. Thompson did indicate to the
8 committee that they expect to vote some bills out next
9 week. She didn't specifically mention any of the 2204
10 or any of the other bingo-related bills, but it would be
11 my hope that her bill would be in that mix next week.

12 MR. SMITH: Awesome. Sounds good.

13 All right. Does anybody else want to
14 comment on any legislation that have been filed or
15 anything at all?

16 MS. URIEGAS: Hey, this is Veronica.

17 MR. SMITH: Yes, ma'am.

18 MS. URIEGAS: I want to revisit the Keno
19 issue. Is there anything we can do or can we talk to
20 somebody or is it too late to talk to somebody?

21 MR. STEWART: This is Tom.

22 (Simultaneous discussion)

23 MR. STEWART: Hey, Trace?

24 MS. TREVINO: This is Nelda. Let me --
25 I'll respond to that, Trace.

1 I know when the bill was considered before
2 the House Licensing Committee a couple of weeks ago,
3 Steve Bresnen testified on the bill. He mentioned he
4 was working with the bill author, Representative Joe
5 Moody. So, again, the bill author is Representative Joe
6 Moody, and he might be someone that y'all might want to
7 communicate with. And then again, Steve Bresnen
8 provided some comments at the committee hearing when
9 this bill was considered. So I don't know if he's on
10 the call here and if he might want to comment about it.

11 MR. SMITH: I don't see Steve on the call.

12 MR. STEWART: Hey, Trace?

13 MR. SMITH: Yes.

14 MR. STEWART: This is Tom. The only thing
15 I'll add on is that I know that Steve Bresnen has talked
16 a couple of times to Representative Moody. The bill
17 hasn't been voted out of committee yet. What I'll do is
18 check this week and follow up with you and the other
19 members of the BAC to kind of let folks know where
20 things stand on that and -- and even if that -- we
21 expect that legislation to keep moving forward.

22 MR. SMITH: Okay.

23 MS. TREVINO: And let -- again, this is
24 Nelda.

25 And, Tom, I believe that bill was voted

1 out of committee.

2 MR. STEWART: It was? Okay.

3 MS. TREVINO: I believe it was.

4 MR. STEWART: Okay. Well, I'll just check
5 the status on it and let folks know.

6 MR. SMITH: All righty. Thank you. Thank
7 you.

8 All right. Is there anybody else that
9 would like to comment on -- on our --

10 MR. VANCE: Emile has his hand up.

11 MR. BOURGOYNE: Yes.

12 MR. SMITH: Emile.

13 MR. BOURGOYNE: I just wanted to throw
14 this out there to you. There are two states, Nebraska
15 and Ohio, that have a similar Keno operation. It's not
16 very social, and we don't consider it a competition to
17 our business, just for your information.

18 MR. SMITH: Okay. All right. Do you know
19 if they have that in -- is it in liquor establishments
20 only, or is it everywhere?

21 MR. BOURGOYNE: It's -- in Nebraska, it's
22 just about everywhere. And I'm not sure about Ohio, but
23 I think it's just liquor establishments.

24 MR. SMITH: Okay. All righty. Okay. All
25 right. Thank you, sir.

1 All right. Anyone else want to comment on
2 bills filed pertaining to bingo, gaming, or Keno?

3 (No response)

4 AGENDA ITEM NO. 9

5 MR. SMITH: All right. If not, let's move
6 on to No. 9, old business.

7 Electronic gift cards, I believe that we
8 had some issues on -- from the Native American groups on
9 the electronic gift cards, and we may have sorted all
10 that out in the last meeting that I wasn't at. Is there
11 any movement or any issues that anybody wants to talk
12 about that?

13 MR. VANCE: This is Tyler Vance. So the
14 status of this is, is I provided a draft rule that
15 modifies the original that I think will relieve the
16 concerns of the Kickapoo, but the BAC hasn't taken any
17 formal action on it. So we need you guys to go ahead
18 and approve the rule as drafted, and then Governmental
19 Affairs will reach out to the Kickapoo. And we want to
20 run it by them before we publish it so that we don't go
21 through all this effort and then they're not happy with
22 it still.

23 So I think this rule needs to go through a
24 little bit of a different process, but at this point
25 we're just waiting for the BAC to say go ahead and go

1 forward with the rule as drafted. And I had emailed
2 that out to you guys I think on Monday, and I'm happy to
3 read it, too, if everyone would like.

4 MR. SMITH: Yeah, if you could just -- and
5 if you don't mind, too, Tyler, if you could give
6 everybody some backstory on this as well.

7 And I can't remember for the life of me:
8 Do the -- do Kickapoos, they don't have a bingo license
9 in Texas. Right?

10 MR. VANCE: They do not. They're within
11 their own jurisdiction. They have a federal gaming
12 license, and the state doesn't really have any
13 authority over them.

14 MR. SMITH: Right.

15 MR. VANCE: Their objection to the rule is
16 they were concerned that a digital gift card could be
17 used basically at your table. So you could take a
18 card-minder and you could just load credits on a card
19 and it would kind of drift into, you know, almost like
20 an 8-liner-type situation, where a player wins credits
21 and buys more games with those credits and does that all
22 on their own.

23 And so the rule was modified to make it
24 clear that the gift card cannot be applied to an
25 electronic device directly. Like, you can't plug it

1 into your card-minder. But the gift card has to -- the
2 use of a gift card has to involve a point-of-sale
3 system, an organization employee, so that the player
4 can't just sit there and win and reload and win and
5 reload; that they use the card just like a gift card,
6 just like a paper gift card. It just happens to be on a
7 plastic card instead.

8 MR. SMITH: Okay. I don't -- I'm kind of
9 a commonsense guy. I don't pretend to be the
10 computer-savvy person. But some things that stick out
11 to me, and I think I've voiced this before: If the
12 industry is trying to do something to help the industry
13 and they're not a part of the industry -- I'm sure
14 they're great people and I've never dealt with them or
15 met with them and I'm sure they've got a reason for
16 their position and I do respect that -- but if it
17 doesn't benefit them or hurt them, hey, let's help our
18 own industry. That's just my two cents' worth.

19 But is there -- anybody have a position on
20 that, or is anybody ready to vote on that?

21 MR. MARTIN: This is Will Martin. I'm
22 ready to vote on it. I understand their concern. They
23 just wanted to make sure that we weren't using a gift
24 card to obtain playbacks on the machines, and our thing
25 was it would be much cheaper for us to use electronic

1 gift cards than to print out the paper ones all the
2 time.

3 MR. SMITH: I agree with that.

4 Will, are you -- so you're okay with this
5 the way it's written now?

6 MR. MARTIN: Yes, sir. I've read what
7 Tyler emailed out, and we are completely behind it. We
8 agree with everything. I would vote yes on this.

9 MR. SMITH: Okay. Does anybody else want
10 to weigh in on this? If Steve Fenoglio is on the call
11 or Tom Stewart, do y'all want to comment on this at all?
12 Any other member of the public?

13 MR. STEWART: This is Tom. I haven't seen
14 it, so I would hesitate to say one way or the other.
15 The way Tyler describes it, though, as long as it solves
16 whatever their issue is, I think it's worth moving
17 forward.

18 MR. SMITH: Okay. Melodye, are you -- you
19 still on?

20 MS. GREEN: Yes. And this is -- it's like
21 you said, Trace, this is very frustrating where Boyd
22 Gaming and the Kickapoo can control what bingo does. If
23 they don't like it, you know, it's just another --
24 replaying your credits, if somebody buys a pull-tab,
25 they replay it right there. So it is very frustrating,

1 but it seems to -- if we don't do what they want, we're
2 not going to get anything.

3 MR. SMITH: Okay.

4 MS. GREEN: So I'm -- I'm frustrated with
5 it, but I guess that's the way it goes.

6 MR. SMITH: Okay. Veronica, did you get
7 back on the call, dear? I know you got kicked off.

8 MS. URIEGAS: I -- yes, I'm here. I'm
9 here.

10 MR. SMITH: Have you read this?

11 MS. URIEGAS: I'm with you. I mean, I
12 don't know why somebody else is trying to infringe on
13 our industry. I mean, we're doing -- we're going to try
14 to do what's best for our industry, and I -- I'm kind of
15 like on your side on that. I'm just going to leave it
16 at that.

17 MR. SMITH: All right. I'm a little
18 hesitant to call for a vote on this just yet because I
19 have not had a chance to actually read this, but if it
20 is what Tyler says it is, I've got no issues doing that.
21 So why don't we go ahead and call for a vote to approve
22 the electronic gift card rule, as Tyler described it to
23 us.

24 And all in favor, say aye.

25 (Those in favor of the motion so

1 responded)

2 MR. SMITH: And all opposed?

3 (No audible response)

4 MR. SMITH: Okay. So --

5 MR. VANCE: Okay. So then like I said,
6 the next step is we're going to pass this draft on --
7 rule on -- on to Governmental Affairs, and they'll reach
8 out to the Kickapoo. And like I said, we're going to
9 try to massage it with them before we go through the
10 official publication and public notice process so that
11 we don't have any hiccups, you know, four months from
12 now so we resolve those issues up front.

13 MR. SMITH: Okay. And, Tyler, I hope you
14 understand the BAC's and the industry's frustration on
15 this deal.

16 MR. VANCE: Yeah, sure. Sure. And I --
17 just from our perspective, I understand your
18 frustration, but the reality of the matter is, those
19 guys, they have a lot of influence and they can make
20 things difficult for everybody involved in this. So
21 it's important that -- they are stakeholders, they are a
22 gaming entity in the state of Texas, and so we need to
23 consider their position. And they're, of course,
24 looking out for their own best interest, just like
25 everybody else.

1 MR. SMITH: Absolutely. I do. I do. I
2 just hope they remember to share their toys later.

3 (Laughter)

4 MR. SMITH: We like to play ball.

5 (Simultaneous discussion)

6 MS. GREEN: Yeah.

7 MR. SMITH: We like to play ball too. All
8 right. Well, good deal. Okay. Well, there you go.

9 Is there any public comment on this that
10 hasn't happened yet?

11 (No response)

12 AGENDA ITEM NO. 10

13 MR. SMITH: Okay. All right. Let's move
14 to Item No. 10, new business. Is there anything from
15 any of the BAC members that you want to bring up under
16 new business?

17 MS. URIEGAS: I have a question. I was
18 wondering whatever came about of the side group or
19 committee that was supposed to be set up with Steve
20 Fenoglio about the Facebook stuff.

21 MR. SMITH: I do not know. I was not on
22 the committee.

23 MS. URIEGAS: I was supposed to be on it,
24 and I never heard anything from anybody. So I just was
25 wondering what became about it.

1 MR. POHL: I was supposed to, too, and I
2 never heard anything on it.

3 MR. SMITH: I believe what's happened on
4 that, once this got started, I know Steve is doing some
5 work -- actually, quite a bit of work for some groups in
6 the bingo industry. I feel like that probably just got
7 set aside and hasn't happened yet.

8 Tyler, do you know? Have y'all done
9 anything actively about the Facebook stuff?

10 MR. VANCE: When we receive complaints, we
11 pass it on. We have a direct contact at Facebook. And
12 since I've been the Acting Director, I think we've got
13 two or three complaints, and I sent them on to Facebook
14 and they removed the pages at issue. So that's still
15 working, from our perspective. We encourage you guys to
16 through the process yourselves, as we sent out the
17 method of complaining to Facebook. But, of course, feel
18 free to forward that on to us, too, and we'll pass it
19 along.

20 But as far as the -- the Fenoglio
21 subcommittee, I really don't have anything to do with
22 that. So...

23 MR. SMITH: Right. Right. I know you
24 can't talk about an active case specifically, but once
25 they do find someone that's hosting one of those pages,

1 like say they're buying pull-tabs out of Louisiana and
2 they're selling them in Texas, are y'all taking an
3 active, aggressive approach to prosecution on that? Or,
4 I mean, what --

5 MR. VANCE: What we do, it depends on the
6 complaint. So many times, a complaint comes in and it's
7 just got the page, and so we just forward the page on.
8 But sometimes it comes in and it's got the page and it's
9 got links to the people who are running the page, and in
10 those cases, we check them against the Registry to see
11 if they have licenses. But a lot of times you can use
12 whatever name you want on Facebook, and so we get people
13 that have names that are not -- they're not Paul Smith.
14 So it's not something that you would expect to find in
15 the Registry.

16 MR. SMITH: Sure.

17 MR. VANCE: So it makes it very difficult
18 from our end, but we do try. We run their names
19 through. And if we find somebody on the Registry, then,
20 yeah, we'll definitely pursue it.

21 MR. SMITH: So if they're not on the
22 Registry but you get a serial number -- and I'm just --
23 I'm not talking specifically here. I'm just saying in
24 general. So if you see a serial number from a pull-tab
25 but nobody's on the Registry, are y'all still actively

1 trying to find out where those tabs came from and who
2 purchased them?

3 MR. VANCE: Yeah, sure we would do that.
4 But typically when a complaint comes in, we just get
5 like a screenshot of the group. We're not -- people
6 aren't sending us hard-core video evidence with
7 close-ups of the pull-tabs that are being used in
8 general. But, yeah, if -- I mean, if we receive that
9 information, if we see Texas pull-tabs and we have
10 enough evidence to act on it, then we certainly will.

11 But in general, the complaints we get are
12 frankly more of a personal nature: "These people were
13 mean to me," "These people didn't pay me," things like
14 that are the kind of complaints we get from the public.
15 So there's just not a whole lot of information for us to
16 act on in there other than there's clearly illegal
17 bingo. And so we forward it to Facebook, and they shut
18 it down.

19 MR. SMITH: All righty.

20 MS. GREEN: This -- this is Melodye.

21 Tyler, have you -- have you been receiving
22 many complaints, or has it slowed down?

23 MR. VANCE: No. I think it's slowed down.
24 I'm not sure exactly how many we were receiving when Tom
25 was in charge, but since I've been here in the last

1 month or so, I think we've gotten three, and they were
2 all resolved pretty quickly.

3 And like I said, I haven't seen any from
4 industry groups. It's more -- it's players, you know,
5 people who I would assume were participating in the
6 online game and didn't like how it turned out. But
7 nonetheless, we still forward those to Facebook.

8 I see --

9 MS. GREEN: Thank you.

10 MR. VANCE: -- Emile's got his hand up.

11 MR. BOURGOYNE: Yeah. I just wanted to
12 add that through our NAFTA web page, we get about three
13 complaints a week. And I typically forward them the
14 instructions that Tom had provided us as to how to file
15 complaints on the Facebook page, and I also forward them
16 the contact information for the regulatory agency in
17 their jurisdiction that they're emailing me from. But
18 we're still getting plenty of complaints.

19 MR. SMITH: Emile, and maybe this is a
20 manufacturer question, so I'm going to direct this
21 towards you. If you get a serial number off of a tab,
22 would you be able to see what distributor out of state
23 sold that?

24 MR. BOURGOYNE: Absolutely. We've been
25 tracing them now since March of last year. We've got a

1 list of distributors that are suspect. We have
2 contacted all their regulatory agencies and let them
3 know that we think their product is going outside the
4 licensing scheme, and we encourage them to enforce their
5 own laws. But we've been doing that since last March.

6 MR. SMITH: Have you got a lot of
7 resistance on that, or is it just kind of --

8 MR. BOURGOYNE: We've got a couple that
9 just said: We're not going to stop. It's too
10 profitable, and we don't need your product. We'll get
11 it somewhere -- from somewhere else.

12 MR. SMITH: Wow.

13 MR. BOURGOYNE: It's frustrating, very
14 frustrating.

15 MR. SMITH: So --

16 (Simultaneous discussion)

17 MR. BOURGOYNE: And I think Texas -- I
18 think Texas is the only agency that's really trying to
19 aggressively go after these people, if you want to know
20 my opinion.

21 MR. SMITH: Right. So, Tyler, let me ask
22 the question: Do you -- and this may be, I don't
23 know -- and --

24 AUTOMATED SPEAKER: You've got mail.

25 (Simultaneous discussion)

1 MR. SMITH: -- scope, but let's take
2 Louisiana, for instance, because that's where I'm seeing
3 a lot of the pull-tabs come out of just because I'm on
4 the border here. Is the gaming entity in Louisiana, the
5 Gaming Commission -- I don't know what it really is
6 called -- do y'all have a good relationship with them,
7 and do y'all -- have y'all been in contact with them
8 regarding Louisiana pull-tabs coming into Texas?

9 MR. VANCE: We've not been in contact with
10 them. I don't know what our relationship with them is.
11 I suspect the lottery side probably has a good
12 relationship with them. But as far as their -- and I
13 don't know that their bingo is ran by the same
14 organization as their lottery. I would assume so, but I
15 don't know that.

16 MR. BOURGOYNE: It's -- Tyler, it's run by
17 Department of Revenue. In terms of the director, I'm
18 very good friends with him. We have traced no product
19 to Louisiana so far from our company, and we're pretty
20 familiar with all the distributors there. So you've got
21 one that came to -- from a Louisiana distributor, I've
22 got the connections that can take care of that.

23 MR. SMITH: Wonderful. Well, I'll get
24 with you after the show's over.

25 MR. BOURGOYNE: Okay.

1 MR. SMITH: Well, I put you on the spot,
2 Tyler. I apologize for doing that. I think it's just
3 one of those things that, you know, we're just asking
4 questions as they come to mind, as we go on this.
5 Because it's definitely uncharted territory for us as
6 well, and we know that it's definitely uncharted
7 territory for y'all. So we're not pointing fingers or
8 anything. We're just asking questions as we're rolling
9 with it.

10 MR. VANCE: Sure thing. Yeah, I think a
11 guy named Emile Bourgoyne would be your man in
12 Louisiana.

13 MR. SMITH: Gotcha. All right. Well,
14 we'll get after that.

15 Is there any other new business?

16 (No response)

17 AGENDA ITEM NO. 11

18 MR. SMITH: All right. Well, if there's
19 no other new business, let's set a date for the next
20 meeting.

21 Tyler, do you know when the next
22 Commissioners meeting is? What's --

23 MR. VANCE: Yes --

24 MR. SMITH: -- the date?

25 MR. VANCE: We've got one on April 8th,

1 and then the next one is scheduled on June 10th.

2 MR. SMITH: All right. And do we have an
3 idea of when we'll be able to have a face-to-face
4 meeting now that the Governor has lifted all the
5 sanctions?

6 MR. VANCE: Well, I think the plan is --
7 Bob, chime in here.

8 I think the --

9 MR. BIARD: Sure.

10 MR. VANCE: -- plan is for the June 10th
11 meeting to be --

12 MR. BIARD: Well, let --

13 MR. VANCE: -- in person.

14 MR. BIARD: Yeah, let me -- hi, this is
15 Bob Biard, general counsel. Can y'all hear me?

16 MR. VANCE: Yeah.

17 MR. SMITH: Sure.

18 MR. BIARD: Okay. Great. So we're
19 waiting to get direction from the Governor's Office.
20 They've been in communication with all state agencies
21 and said that sometime, quote, "soon," they will be
22 sending further directions to state agencies about their
23 open meetings. But for now, the suspended Open Meetings
24 laws that the Governor approved about a year ago are
25 still in effect, and the message was that we would have

1 plenty of lead time to prepare for the transition back.
2 So we have not received that word yet. So we're
3 prepared. We're anticipating.

4 But it could be June 10th, but at this
5 point, we don't know.

6 MR. SMITH: Gotcha. Well, I definitely
7 miss seeing all y'all's smiling faces. I feel like we
8 get more work done when we actually have a face-to-face
9 meeting, but we're definitely making some headway doing
10 it this way.

11 All right. So we need to have a meeting
12 sometime in between April the 8th and June the 10th, did
13 you say was that next meeting?

14 MR. VANCE: Sure.

15 MR. SMITH: Okay. All right. So has
16 anybody got any dates that they would like to propose?

17 Tyler, is there a date that works better
18 for --

19 MR. VANCE: I'm looking at my calendar,
20 and I have one day in May, May the 12th, that doesn't
21 have any meetings on it. So...

22 MR. SMITH: Well, I --

23 MR. VANCE: That one is screaming out at
24 me.

25 MR. SMITH: If nobody's got a problem with

1 May 12th, I'm good with that.

2 UNIDENTIFIED SPEAKER: That works for me.

3 MS. GREEN: That's fine.

4 MS. URIEGAS: I'm good with that.

5 MR. MARTIN: I'm good.

6 MR. POHL: Sounds good to me.

7 MR. SMITH: I got May the 12th marked off
8 at 10 a.m. And hopefully we can do that in person, but
9 if not, we'll be back --

10 (Cell phone ringing/interruption)

11 AGENDA ITEM NO. 12

12 MR. SMITH: All righty. Well, we'll
13 adjourn the meeting.

14 And, Corey, welcome to your second
15 meeting.

16 MR. HARRIS: Thank you very much. I
17 appreciate it again.

18 MR. SMITH: Absolutely. And if anybody
19 else needs to address anything, we will do it at the
20 next meeting. Shoot me an email or a phone call, and
21 we'll get it on the agenda.

22 MS. URIEGAS: Thank you, Trace. Thank
23 you, Tyler.

24 MR. VANCE: Thanks y'all. Bye-bye.

25 (Proceedings concluded at 10:53 a.m.)

C E R T I F I C A T E

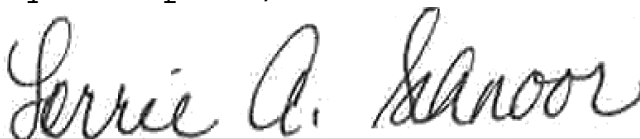
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I FURTHER CERTIFY THAT the proceedings of such were reported by me or under my supervision, later reduced to typewritten form under my supervision and control, and that the foregoing pages are a full, true, and correct transcription of the original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

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 7th day of April, 2021.



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