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CHAPTER 40
CHARITABLE GAMING REGULATIONS

Part I

Definitions

11VAC15-40-10. Definitions.

In addition to the definitions contained in § 18.2-340.16 of the Code of Virginia, the words and terms below when used in this regulation shall have the following meanings unless the context clearly indicates otherwise:

"Agent" means any person authorized by a supplier to act for or in place of such supplier.

"Board" means the Virginia Charitable Gaming Board.

"Board of directors" means the board of directors, managing committee, or other supervisory body of a qualified organization.

"Calendar day" means the period of 24 consecutive hours commencing at 12:00:01 a.m. and concluding at midnight.

"Calendar week" means the period of seven consecutive calendar days commencing at 12:00:01 a.m. on Sunday and ending at midnight the following Saturday.

"Cash" means United States currency or coinage.

"Commissioner" means the Commissioner of the Virginia Department of Agriculture and Consumer Services.

"Concealed face bingo card" means a nonreusable bingo card constructed to conceal the card face.

"Conduct" means the actions associated with the provision of a gaming operation during and immediately before or after the permitted activity, which may include, but not be limited to (i) selling bingo cards or packs, electronic bingo devices, instant bingo or pull-tab cards, electronic pull-tab devices, electronic pull-tabs, or raffle tickets; (ii) calling bingo games; (iii)

distributing prizes; and (iv) any other services provided by game workers.

"Control program" means software involved in any critical game function.

"Daubing" means covering a square containing a number called with indelible ink or otherwise marking a number called on a card or an electronic facsimile of a card.

"Deal" means each separate package or series of packages consisting of one game of instant bingo, pull-tabs, or seal cards with the same serial number.

"Decision bingo" means a bingo game where the cost to a player to play is dependent on the number of bingo numbers called and the prize payout is in direct relationship to the number of participants and the number of bingo numbers called, but shall not exceed statutory prize limits for a regular bingo game.

"Department" means the Virginia Department of Agriculture and Consumer Services, Division of Consumer Protection, Office of Charitable Gaming.

"Designator" means an object used in the bingo number selection process, such as a ping-pong ball, upon which bingo letters and numbers are imprinted.

"Discount" means any reduction in cost of admission or game packs or any other purchases through use of coupons, free packs, or other similar methods.

"Disinterested player" means a player who is unbiased.

"Disposable paper card" means a nonreusable, paper bingo card manufactured with preprinted numbers.

"Distributed pull-tab system" means a computer system consisting of a computer or computers and associated equipment for the use of distributing a finite number of electronic pull-tabs, a certain number of which entitle a player to prize awards at various levels.

"Door prize" means any prize awarded by the random drawing or random selection of a name or number based solely on attendance at a charitable gaming activity.

"Electronic bingo device" means an electronic unit that uses proprietary software or

hardware or, in conjunction with commonly available software and computers, displays facsimiles of bingo cards and allows a player to daub such cards or allows for the automatic daubing of such cards.

"Electronic games of chance system" means a distributed pull-tab system.

"Electronic pull-tabs" means an electronic version of a single instant bingo card or pull-tab. An electronic pull-tab is a predetermined game outcome in electronic form, distributed on-demand from a finite number of game outcomes by a distributed pull-tab system.

"Electronic pull-tab device" means an electronic unit used to facilitate the play of an electronic pull-tab. An electronic pull-tab device may take the form of an upright cabinet or a handheld device or may be of any other composition as approved by the department.

"Equipment and video systems" means equipment that facilitates the conduct of charitable gaming such as ball blowers, flashboards, electronic verifiers, and replacement parts for such equipment. Equipment and video systems shall not include dispensing devices, electronic bingo devices, and electronic pull-tab devices.

"Event game" means a bingo game that is played using instant bingo cards or pull-tabs in which the winners include both instant winners and winners who are determined by the random draw of a bingo ball, the random call of a bingo number, or the use of a seal card, and that is sold in its entirety and played to completion during a single bingo session.

"Fiscal year" or "annual reporting period" means the 12-month period beginning January 1 and ending December 31 of any given year.

"Flare" means a printed or electronic display that bears information relating to the name of the manufacturer or logo, name of the game, card count, cost per play, serial number, number of prizes to be awarded, and specific prize amounts in a deal of instant bingo, pull-tab, seal cards, or electronic pull-tabs.

"Free space number," "perm number," "center number," "card number," or "face number"

means the number generally printed in the center space of a bingo card that identifies the unique pattern of numbers printed on that card.

"Game program" means a written list of all games to be played including, but not limited to, the sales price of all bingo paper and electronic bingo devices, pack configuration, prize amounts to be paid during a session for each game, and an indication whether prize amounts are fixed or are based on attendance.

"Game set" means the entire pool of electronic pull-tabs that contains predefined and randomized game results assigned under a unique serial number. This term is equivalent to "deal" or "deck."

"Game subset" means a division of a game set into equal sizes.

"Immediate family" means one's spouse, parent, child, sibling, grandchild, grandparent, mother or father-in-law, or stepchild.

"Interested persons" means the president, an officer, or a bingo manager of any qualified organization that is exempt or is a permit applicant or holds a permit to conduct charitable gaming; or the owner, director, officer, or partner of an entity engaged in supplying charitable gaming supplies to organizations, or engaged in manufacturing any component of a distributed pull-tab system that is distributed in the Commonwealth.

"IRS" means the United States Internal Revenue Service.

"Management" means the provision of oversight of a gaming operation, which may include, but is not limited to, the responsibilities of applying for and maintaining a permit or authorization; compiling, submitting, and maintaining required records and financial reports; and ensuring that all aspects of the operation are in compliance with all applicable statutes and regulations.

"Manufacturer" means a person who or entity that assembles from raw materials or subparts a completed piece of bingo equipment or supplies, a distributed pull-tab system, or

other charitable gaming equipment or supplies. "Manufacturer" also means a person who or entity that modifies, converts, adds, or removes parts to or from bingo equipment or supplies, a distributed pull-tab system, or other charitable gaming equipment or supplies to further their promotion or sale for the conduct of charitable gaming.

"OCG number" means a unique identification number issued by the department.

"Operation" means the activities associated with production of a charitable gaming activity, which may include, but is not limited to, (i) the direct on-site supervision of the conduct of charitable gaming; (ii) coordination of game workers; and (iii) all responsibilities of charitable gaming designated by the organization's management.

"Owner" means any individual with financial interest of 10% or more in a supplier or a manufacturer of a distributed pull-tab system distributed in the Commonwealth.

"Pack" means sheets of bingo paper or electronic facsimiles assembled in the order of games to be played. This shall not include any raffle.

"Prize" means cash, merchandise, certificate, or other item of value awarded to a winning player.

"Progressive bingo" means a bingo game in which the prize is carried forward to the next game if a predetermined pattern is not completed within a specified number of bingo numbers called.

"Progressive seal card" means a seal card game in which a prize is carried forward to the next deal if not won when a deal is completed.

"Remuneration" means payment in cash or the provision of anything of value for goods provided or services rendered.

"Seal card" means a board or placard used in conjunction with a deal of the same serial number that contains one or more concealed areas that, when removed or opened, reveal a predesignated winning number, letter, or symbol located on that board or placard.

"Selection device" means a manually or mechanically operated device used to randomly select bingo numbers.

"Serial number" means a unique number assigned by the manufacturer to each set of bingo cards; each instant bingo, pull-tab, or seal card in a deal; each electronic bingo device; each door prize ticket; each game set and game subset of electronic pull-tabs; and each electronic pull-tab device.

"Series number" means the number of unique card faces contained in a set of disposable bingo paper cards or bingo hard cards. A 9000 series, for example, has 9000 unique faces.

"Session" means a period of time during which one or more bingo games are conducted, and during which instant bingo, pull-tabs, seal cards, or electronic pull-tabs may be sold and redeemed. A session begins with the sale of instant bingo, pull-tabs, seal cards, electronic pull-tabs, or bingo cards or packs.

"Treasure chest" means a raffle including a locked treasure chest containing a prize that a participant, selected through some other authorized charitable game, is afforded the chance to select from a series of keys a predetermined key that will open the locked treasure chest to win a prize.

"Use of proceeds" means the use of funds derived by an organization from its charitable gaming activities, which are disbursed for those lawful religious, charitable, community, or educational purposes. This includes expenses relating to the acquisition, construction, maintenance, or repair of any interest in the real property involved in the operation of the organization and used for lawful religious, charitable, community, or educational purposes.

"Voucher" means a printed ticket tendered to the player, upon request, for any unused game plays and/or winnings that remain on the electronic pull-tab device.

"WINGO" means a variation of a traditional bingo game that uses visual devices rather than a verbal caller and is intended for play by hearing impaired persons.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

Part II

Charitable Gaming Organizations

Article 1

Permits

11VAC15-40-20. Eligibility for permit to conduct charitable gaming; when valid; permit requirements.

A. The conduct of charitable gaming is a privilege that may be granted or denied by the department. Except as provided in § 18.2-340.23 of the Code of Virginia, every eligible organization, volunteer fire department, and rescue squad with anticipated gross gaming receipts that exceed the amount set forth in § 18.2-340.23 of the Code of Virginia in any 12-month period shall obtain a permit from the department prior to the commencement of charitable gaming activities. To be eligible for a permit an organization must meet all of the requirements of § 18.2-340.24 of the Code of Virginia.

B. Pursuant to § 18.2-340.24 B of the Code of Virginia, the department shall review a tax exempt request submitted to the IRS for a tax exempt status determination and may issue an interim certification of tax-exempt status solely for the purpose of charitable gaming, conditioned upon a determination by the IRS. The department shall charge the fee set forth in § 18.2-340.24 B of the Code of Virginia for this review. The fee shall be payable to the Treasurer of Virginia.

C. A permit shall be valid only for activities, locations, days, dates, and times as listed on the permit.

D. In accordance with § 18.2-340.19 A 1 of the Code of Virginia, as a condition of receiving a permit, a minimum of 10% of charitable gaming gross receipts shall be used for (i) those lawful religious, charitable, community, or educational purposes for which the organization is specifically chartered or organized or (ii) those expenses relating to the acquisition, construction, maintenance, or repair of any interest in real property involved in the operation of the organization and used for lawful religious, charitable, community, or educational purposes.

E. If an organization fails to meet the minimum use of proceeds requirement, its permit may be suspended or revoked. However, the department shall not suspend or revoke the permit of any organization solely because of its failure to meet the required percentage without having first provided the organization with an opportunity to implement a remedial business plan.

F. An organization may request a temporary reduction in the predetermined percentage specified in subsection D of this section from the department. In reviewing such a request, the department shall consider such factors appropriate to and consistent with the purpose of charitable gaming, which may include, but not be limited to, (i) the organization's overall financial condition; (ii) the length of time the organization has been involved in charitable gaming; (iii) the extent of the deficiency; and (iv) the progress that the organization has made in attaining the minimum percentage in accordance with a remedial business plan pursuant to subsection E of this section.

G. An organization whose permit is revoked for failure to comply with provisions set forth in subsection D of this section shall be eligible to reapply for a permit at the end of one year from the date of revocation. The department, at its discretion, may issue the permit if it is satisfied that the organization has made substantial efforts towards meeting its remedial business plan.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-30. Permit application process.

A. Any organization anticipating gross gaming receipts that exceed the amount set forth in § 18.2-340.23 of the Code of Virginia shall complete a department-prescribed application to request issuance or renewal of an annual permit to conduct charitable gaming. Organizations shall submit a nonrefundable fee payable to the Treasurer of Virginia in the amount of \$200 with the application, unless the organization is exempt from such fee pursuant to § 18.2-340.23 of the Code of Virginia.

B. The department may initiate action against any organization exempt from permit requirements when it reasonably believes the organization is not in compliance with the provisions of charitable gaming laws or this chapter.

C. Permit holders requiring a special permit pursuant to § 18.2-340.27 E of the Code of Virginia shall convey their request on a form prescribed by the department. Organizations shall submit a fee payable to the Treasurer of Virginia in the amount of \$50 with the request for a special permit, unless the organization is exempt from such fee pursuant to § 18.2-340.23 of the Code of Virginia.

D. Permits shall be valid for a period of one year from the date of issuance or for a period specified on the permit. The department may issue permits for periods of less than one year.

E. Permits shall be granted only after a background investigation of an organization or interested persons, or both, to ensure public safety and welfare as required by § 18.2-340.25 of the Code of Virginia. Investigations shall consider the nature, the age and severity, and the potential harm to public safety and welfare of any criminal offenses. The investigation may include, but shall not be limited to, the following:

1. A search of criminal history records for the chief executive officer and chief financial officer of the organization. Information and authorization to conduct these records

checks shall be provided in the permit application. In addition, the department shall require that the organization provides assurances that all other members involved in the management, operation, or conduct of charitable gaming meet the requirements of subdivision 13 of § 18.2-340.33 of the Code of Virginia. Applications may be denied if:

a. Any person participating in the management of any charitable gaming has ever been:

(1) Convicted of a felony; or

(2) Convicted of any misdemeanor involving fraud, theft, or financial crimes within the preceding five years.

b. Any person participating in the conduct of charitable gaming has been:

(1) Convicted of any felony in the preceding 10 years; or

(2) Convicted of any misdemeanor involving fraud, theft, or financial crimes within the preceding five years;

2. An inquiry as to whether the organization has been granted tax-exempt status pursuant to § 501(c) by the Internal Revenue Service and is in compliance with IRS annual filing requirements;

3. An inquiry as to whether the organization has entered into any contract with, or has otherwise employed for compensation, any persons for the purpose of organizing or managing, operating, or conducting any charitable gaming activity;

4. Inquiries into the finances and activities of the organization and the sources and uses of funds; and

5. Inquiries into the level of community or financial support to the organization and the level of community involvement in the membership and management of the organization.

F. The permit application for an organization that has not previously held a permit shall

include:

1. A copy of the articles of incorporation, bylaws, charter, constitution, or other appropriate organizing document;
2. A copy of the determination letter issued by the IRS under § 501(c) of the Internal Revenue Code, if appropriate, or a letter from the national office of an organization indicating the applicant organization is in good standing and is currently covered by a group exemption ruling. A letter of good standing is not required if the applicable national or state office has furnished the department with a listing of member organizations in good standing in the Commonwealth as of January 1 of each year and has agreed to promptly provide the department any changes to the listing as they occur;
3. A copy of the written lease or proposed written lease agreement and all other agreements if the organization rents or intends to rent a facility where bingo is or will be conducted. Information on the lease shall include name, address, and phone number of the landlord; maximum occupancy of the building; and the rental amount per session; and
4. An authorization by an officer or other appropriate official of the organization to permit the department to determine whether the organization has been investigated or examined by the IRS in connection with charitable gaming activities during the previous three years.

G. Copies of minutes of meetings of the organization and any contracts with landlords or suppliers to which the organization is or may be a party may be requested by the department prior to rendering a permitting decision.

H. Organizations applying to renew a permit previously issued by the department shall submit articles of incorporation, bylaws, charter, constitution, or other organizing document, and IRS determination letter only if there are any amendments or changes to these documents

that are directly related to the management, operation, or conduct of charitable gaming.

I. Organizations may request permits to conduct joint bingo games as provided in § 18.2-340.29 of the Code of Virginia.

1. In the case of a joint game, each organization shall file a permit application.
2. The nonrefundable permit fee for joint games shall be a total of \$200. However, no permit application fee is due if each of the organizations is exempt from the application fee pursuant to § 18.2-340.23 of the Code of Virginia.
3. A single permit shall be issued in the names of all the organizations conducting a joint game. All restrictions and prohibitions applying to single organizations shall apply to qualified organizations jointly conducting bingo games pursuant to § 18.2-340.29 of the Code of Virginia.
4. No charitable gaming shall be conducted prior to the issuance of a joint permit.
5. Applications for joint games shall include an explanation of the division of manpower, costs, and proceeds for the joint game.

J. An organization wishing to change dates, times, or locations of its charitable gaming shall request an amendment to its permit. Amendment requests shall be made in writing on a form prescribed by the department in advance of the proposed effective date.

K. An organization may cancel its charitable gaming due to inclement weather, disasters, or other circumstances outside the organization's control without an amendment to its permit.

L. An organization may sell raffle tickets for a drawing to be held outside of the Commonwealth of Virginia in the United States provided:

1. The raffle is conducted by the organization in conjunction with a meeting outside the Commonwealth of Virginia or with another organization that is licensed to conduct raffles outside the Commonwealth of Virginia;
2. The raffle is conducted in accordance with these regulations and the laws and

regulations of the state where the drawing is to be held; and

3. The portion of the proceeds derived from the sale of raffle tickets in the Commonwealth is reported to the department.

M. Any permitted organization that ceases to conduct charitable gaming shall immediately notify the department in writing and provide the department a report as to the disposition of all unused gaming supplies on a form prescribed by the department.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-40. Suspension, revocation, or denial of permit.

A. Pursuant to § 18.2-340.20 of the Code of Virginia, the department may suspend, revoke, or deny the permit to conduct charitable gaming of any organization for cause including, but not limited to, any of the following reasons:

1. The organization is found to be in violation of or has failed to meet any of the requirements of the statutes or regulations governing the operation, management, and conduct of charitable gaming in the Commonwealth.
2. The organization is found to be not in good standing with its state or national organization.
3. The IRS revokes or suspends the organization's tax-exempt status.
4. The organization willfully and knowingly provides false information in its application for a permit to conduct charitable gaming.
5. The organization is found to have a member involved in the management, operation, or conduct of its charitable gaming who has been convicted of any felony or any misdemeanor as follows:

a. For any person participating in the management or operation of any charitable gaming:

(1) Convicted of a felony; or

(2) Convicted of any misdemeanor involving fraud, theft, or financial crimes within the preceding five years.

b. For any person participating in the conduct of charitable gaming:

(1) Convicted of any felony within the preceding 10 years; or

(2) Convicted of any misdemeanor involving fraud, theft, or financial crimes within the preceding five years.

B. The failure to meet any of the requirements of § 18.2-340.24 of the Code of Virginia shall cause the denial of the permit, and no organization shall conduct any charitable gaming until the requirements are met and a permit is obtained.

C. Except when an organization fails to meet any of the requirements of § 18.2-340.24 of the Code of Virginia, in lieu of suspending, revoking, or denying a permit to conduct charitable gaming, the department may afford an organization an opportunity to enter into a compliance agreement specifying additional conditions or requirements as it may deem necessary to ensure an organization's compliance with the statute and regulations governing the conduct of charitable gaming activities and may require that an organization participates in such training as is offered by the department.

D. If a permit is suspended, the department shall set the terms of the suspension, which shall include the length of the suspension and a requirement that, prior to reinstatement of the permit, the organization shall submit a remedial business plan to address the conditions that resulted in the suspension.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

Article 2

Conduct of Games, Rules of Play, Electronic Bingo

11VAC15-40-50. Conduct of bingo, instant bingo, pull-tabs, seal cards, event games, and raffles.

A. Organizations subject to this chapter shall post their permit at all times on the premises where charitable gaming is conducted.

B. No individual shall provide any information or engage in any conduct that alters or is intended to alter the outcome of any charitable game.

C. Individuals under 18 years of age may play bingo provided such persons are accompanied by a parent or legal guardian. It shall be the responsibility of the organization to ensure that such individuals are eligible to play. An organization's house rules may further limit the play of bingo or purchase of raffle tickets by minors.

D. Individuals under the age of 18 may sell raffle tickets for a qualified organization raising funds for activities in which they are active participants.

E. No individual under the age of 18 may participate in the management or operation of bingo games. Individuals 14 through 17 years of age may participate in the conduct of a bingo game provided the organization permitted for charitable gaming obtains and keeps on file written parental consent from the parent or legal guardian and verifies the date of birth of the minor. An organization's house rules may further limit the involvement of minors in the conduct of bingo games.

F. No qualified organization shall sell any instant bingo, pull-tab, seal card, or electronic pull-tab to any individual under 18 years of age. No individual under 18 years of age shall play or redeem any instant bingo, pull-tab, seal card, or electronic pull-tab.

G. Unless otherwise prohibited by the Code of Virginia or this chapter, nonmembers who are under the direct supervision of a bona fide member may participate in the conduct of bingo.

H. All game workers shall have in their possession a picture identification, such as a driver's license or other government-issued identification, and shall make the picture identification available for inspection upon request by a department agent while participating in the management, operation, or conduct of a bingo game.

I. A game manager who is a bona fide member of the organization and is designated by the organization's management as the person responsible for the operation of the bingo game during a particular session shall be present any time a bingo game is conducted.

J. Organizations shall ensure that all charitable gaming equipment is in working order before charitable gaming activities commence.

K. Any organization selling bingo, instant bingo, pull-tabs, seal cards, or electronic pull-tabs shall:

1. Maintain a supplier's invoice or a legible copy thereof at the location where the gaming is taking place and cards are sold. The original invoice or legible copy shall be stored in the same storage space as the gaming supplies. All gaming supplies shall be stored in a secure area that has access limited only to bona fide members of the organization; and
2. Pay for all gaming supplies only by a check drawn on the charitable gaming account of the organization.

A complete inventory of all such gaming supplies shall be maintained by the organization on the premises where the gaming is being conducted.

L. A bingo session game worker may receive complimentary food and nonalcoholic beverages provided on premises, as long as the retail value of such food and beverages does not exceed \$15 for each session.

M. Permitted organizations shall not commingle records, supplies, or funds from permitted activities with those from instant bingo, pull-tabs, seal cards, or electronic pull-tabs sold in social quarters in accordance with § 18.2-340.26:1 of the Code of Virginia.

N. Individuals who are not members of an organization or are members who do not participate in any charitable gaming activities may be paid reasonable fees for preparation of quarterly and annual financial reports.

O. Except as allowed pursuant to § 18.2-340.34:1 of the Code of Virginia, no free packs, free electronic bingo devices, discounts, or remuneration in any other form shall be provided directly or indirectly to game workers, members of their family, or individuals residing in their household. The reduction of tuition, dues, or any fees or payments due as a result of a member or shareholder, or anyone in their household, working bingo games or raffles is prohibited.

P. Individuals providing security for an organization's charitable gaming activity shall not participate in the charitable gaming activity and shall not be compensated with charitable gaming supplies or with rentals of electronic bingo devices or electronic pull-tab devices.

Q. No organization shall award any prize money or any merchandise valued in excess of the amounts specified by the Code of Virginia.

R. Multiple bingo sessions shall be permitted in a single premises as long as the sessions are distinct from one another and are not used to advertise or do not result in the awarding of more in prizes than is permitted for a single qualified organization. All leases for organizations to conduct charitable gaming in a single premises shall ensure each session is separated by an interval of at least 30 minutes. Bingo sales for the subsequent session may take place during the 30-minute break once the building is cleared of all patrons and workers from the previous session.

S. All bingo and instant bingo, pull-tabs, seal card, or electronic pull-tab sales, play, and redemption must occur within the time specified on the charitable gaming permit.

T. Instant bingo, pull-tabs, seal cards, or electronic pull-tabs shall only be sold in conjunction with a bingo session, except as authorized by § 18.2-340.26:1 or 18.2-340.26:2 of the Code of Virginia. No instant bingo, pull-tabs, seal card, or electronic pull-tab sales shall take place more than two hours before the selection of the first ball for the first bingo game or more than two hours after the selection of the last ball for the last bingo game. If multiple sessions are held at the same location, no instant bingo, pull-tab, seal card, or electronic pull-tab sales shall be conducted during the required 30-minute break between sessions. The department may take action if it believes that a bingo session is not legitimate or is being conducted in a manner such that instant bingo, pull-tabs, seal cards, or electronic pull-tabs are not being sold in conjunction with a bingo session.

U. Only a game worker for a qualified organization may rent, exchange, or otherwise provide electronic bingo devices or electronic pull-tab devices to players.

V. A qualified organization shall conduct only bingo games and raffles listed on a game program for that session. The program shall list all prize amounts. If the prize amounts are determined by attendance or at the end of a game, the game program shall list the attendance required for the prize amount or disclose that prizes shall be determined at the end of a game and the method for determining the prize amount. In such case, the organization shall announce the prize amount at the end of the game.

W. A qualified organization selling instant bingo, pull-tabs, seal cards, or electronic pull-tabs shall post a flare provided by the manufacturer at the location where such cards are sold. All such sales and prize payouts shall be in accordance with the flare for that deal.

X. Only qualified organizations, facilities in which qualified organizations play bingo, and suppliers permitted by the department shall advertise a bingo game. Providing players with information about bingo games through printed advertising is permitted, provided the name of the qualified organization shall be in a type size equal to or larger than the name of the premises, the hall, or the word "bingo." Printed advertisements shall identify the use of

proceeds percentage reported in the past quarter or fiscal year.

Y. Raffles that award prizes based on a percentage of gross receipts shall use prenumbered tickets.

Z. The following rules shall apply to instant bingo, pull-tab, or seal card dispensing devices:

1. A dispensing device shall only be used at a location and time during which a qualified organization holds a permit to conduct charitable gaming. Only cards purchased by an organization to be used during the organization's charitable gaming activity shall be in the dispensing device.

2. Keys to the dispensing area and coin/cash box shall be in the possession and control of the game manager or designee of the organization's board of directors at all times. Keys shall at all times be available at the location where the dispensing device is being used.

3. The game manager or designee shall provide access to the dispensing device to a department agent for inspection upon request.

4. Only a game worker of an organization may stock the dispensing device, remove cash, or pay winners' prizes.

AA. Organizations shall only purchase gaming supplies from a supplier who has a current permit issued by the department.

BB. An organization shall not tamper with bingo paper received from a supplier.

CC. The total amount of all discounts given by any organization during any fiscal year shall not exceed 1.0% of the organization's gross receipts.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-60. Rules of play.

A. Each organization shall adopt "house rules" regarding conduct of the game. Such rules shall be consistent with the provisions of the law and this chapter. "House rules" shall be conspicuously posted or printed on the game program.

B. All players shall be physically present at the location where the bingo numbers for a bingo game are drawn to play the game or to claim a prize. Seal card prizes that can only be determined after a seal is removed or opened must be claimed within 30 days of the close of a deal. All other prizes must be claimed on the game date.

C. The following rules of play shall govern the sale of instant bingo, pull-tabs, and seal cards:

1. No cards that have been marked, defaced, altered, tampered with, or otherwise constructed in a manner that tends to deceive the public or affect the chances of winning or losing shall be placed into play.
2. Winning cards shall have the winning symbol or number defaced or punched immediately after redemption by the organization's authorized representative.
3. An organization may commingle unsold instant bingo cards and pull-tabs with no more than one additional deal. The practice of commingling deals shall be disclosed to the public via house rules or in a similar manner. Seal card deals shall not be commingled.
4. If a deal is not played to completion and unsold cards remain, the remaining cards shall be sold at the next session the same type of ticket is scheduled to be sold. If no future date is anticipated, the organization shall, after making diligent efforts to sell the entire deal, consider the deal closed or completed. The unsold cards shall be retained for a minimum of three years following the close of the fiscal year and shall not be opened.
5. All seal card games purchased shall contain the sign-up sheet, the seals, and the cards packaged together in each deal.

6. Progressive seal card prizes not claimed within 30 days shall be carried forward to the next progressive seal card game in progress and paid to the next progressive seal card game prize winner.

D. No one involved in the conduct of bingo may play bingo at any session they have worked or intend to work. No one involved in the sale or redemption of any instant bingo, pull-tabs, seal cards, or electronic pull-tabs may purchase directly or through others instant bingo, pull-tab, seal card, or electronic pull-tab products from organizations they assist on the day they have worked or from any deal they have helped sell or redeem, whichever occurs later.

E. Electronic bingo.

1. Electronic bingo devices may be used by bingo players in the following manner:

- a. Players may input into the device each number called or the device may automatically daub each number as the number is called;
- b. Players must notify the game operator or caller of a winning pattern of bingo by a means other than use of the electronic bingo device;
- c. Players are limited to playing a maximum of 54 card faces per device per game;
- d. Electronic bingo devices shall not be reserved for players. Each player shall have an equal opportunity to use the available electronic bingo devices on a first come, first served basis;
- e. Each electronic bingo device shall produce a player receipt with the organization name, date, time, location, sequential transaction or receipt number, number of electronic bingo cards loaded, cost of electronic bingo cards loaded, and date and time of the transaction. Images of cards or faces stored in an electronic bingo device must be exact duplicates of the printed faces if faces are printed;
- f. Department agents may examine and inspect any electronic bingo device and related system. Such examination and inspection shall include immediate access to

the electronic bingo device and unlimited inspection of all parts and associated systems and may involve the removal of equipment from the game premises for further testing;

g. All electronic bingo devices must be loaded or enabled for play on the premises where the game will be played;

h. All electronic bingo devices shall be rented or otherwise provided to a player only by an organization and no part of the proceeds of the rental of such devices shall be paid to a landlord, or his employee, agent, or member of his immediate family; and

i. If a player's call of a bingo is disputed by another player, or if a department agent makes a request, one or more cards stored on an electronic bingo device shall be printed by the organization.

2. Players may exchange a defective electronic bingo device for another electronic bingo device provided a disinterested player verifies that the device is not functioning. A disinterested player shall also verify that no numbers called for the game in progress have been keyed into the replacement electronic bingo device prior to the exchange.

F. The following rules of play shall govern the conduct of raffles:

1. Before a prize drawing, each stub or other detachable section of each ticket sold shall be placed into a receptacle from which the winning tickets shall be drawn. The receptacle shall be designed so that each ticket placed in it has an equal chance to be drawn.

2. All prizes shall be valued at fair market value.

G. The following rules shall apply to "decision bingo" games:

1. Decision bingo shall be played on bingo cards in the conventional manner.

2. Players shall enter a game by paying a predetermined amount for each card face in play.

3. Players shall pay a predetermined fee for each set of three bingo numbers called for each card in play.

4. The prize amount shall be the total of all fees not to exceed the prize limit set forth for regular bingo in § 18.2-340.33 of the Code of Virginia. Any excess funds shall be retained by the organization.

5. The predetermined amounts in subdivisions 2 and 3 of this subsection shall be printed in the game program. The prize amount for a game shall be announced before the prize is paid to the winner.

H. The following rules shall apply to "treasure chest" games:

1. The organization shall list the treasure chest game on the bingo game program as a "Treasure Chest Raffle."

2. The organization shall have house rules posted that describe how the game is to be played.

3. The treasure chest participant shall only be selected through some other authorized charitable game at the same bingo session.

4. The organization shall account for all funds as treasure chest/raffle sales on the session reconciliation form.

5. If the player does not open the lock on the treasure chest, the game manager or his designee shall proceed to try every key until the correct key opens the treasure chest lock to show all players that one of the keys will open the lock.

I. The following rules shall apply to progressive bingo games:

1. Bingo paper sold for use in progressive bingo games shall conform to the standards set forth in 11VAC15-40-130.

2. Organizations shall not include in admission packs the bingo paper intended for use in progressive bingo games.

3. Any progressive bingo game, its prize, and the number of bingo numbers to be called shall be clearly announced before the progressive bingo game is played and shall be posted on the premises where the progressive bingo game is played during each session that a progressive bingo game is played.

4. Pricing for a progressive bingo game card or sheet shall be listed on the game program.

5. If the predetermined pattern is not covered within the predetermined number of bingo numbers to be called, then the number of bingo numbers called will increase by one number for each subsequent session the progressive bingo game is played.

6. If the predetermined pattern is not covered within the predetermined number of bingo numbers to be called for that progressive bingo game, then the game will continue as a regular bingo game until the predetermined pattern is covered and a regular bingo prize is awarded.

7. The prize for any progressive bingo game shall be in accordance with the provisions of subdivision 10 of § 18.2-340.33 of the Code of Virginia.

J. The following rules shall apply to "WINGO":

1. "WINGO" shall be played only for the hearing-impaired players.

2. "WINGO" shall utilize a visual device such as an oversized deck of cards in place of balls selected from a blower.

3. A caller must be in an area visible to all players and shall randomly select cards or other visual devices one at a time and display them so that all players can see them.

4. The organization must have house rules for "WINGO" and the rules shall identify how players indicate that they have won.

5. All financial reporting shall be consistent with reporting for a traditional bingo game.

K. The following rules of play shall apply to event games:

1. No instant bingo cards or pull-tabs that have been marked, defaced, altered, tampered with, or otherwise constructed in a manner that tends to deceive the public or affect the chances of winning or losing shall be placed into play.
2. Instant bingo cards and pull-tabs used in an event game shall not be offered for sale or sold at a purchase price other than the purchase price indicated on the flare for that particular deal.
3. The maximum prize amount for event games shall not exceed the amount set forth in subdivision 9 of § 18.2-340.33 of the Code of Virginia for instant bingo, pull-tab, or seal card.
4. A sign-up sheet is not required for event games in which the winner or winners are determined using a seal card.
5. Organizations shall determine the winner or winners of event games during the same bingo session in which the instant bingo cards or pull-tabs are sold.
6. An authorized representative of the organization shall deface or punch the winning instant bingo cards or winning pull-tabs immediately after redemption.
7. If unsold bingo cards or unsold pull-tabs remain, the unsold cards shall be retained for a minimum of three years following the close of the fiscal year and shall not be opened.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

Article 3

Bank Accounts, Recordkeeping, Financial Reporting, Audits, Fees

11VAC15-40-70. Bank accounts.

- A. A qualified organization shall maintain a charitable gaming bank account that is separate

from any other bank account and all gaming receipts shall be deposited into the charitable gaming bank account.

B. Disbursements for expenses other than prizes and reimbursement of meal expenses shall be made by check directly from a charitable gaming account.

C. All charitable gaming bank account records, including but not limited to monthly bank statements, canceled checks or facsimiles thereof, and reconciliations, shall be maintained for a minimum of three years following the close of a fiscal year.

D. All receipts from each session of bingo games and instant bingo, pull-tabs, seal cards, or electronic pull-tabs shall be deposited by the second business day following the session at which they were received.

E. Raffle proceeds shall be deposited into the qualified organization's charitable gaming bank account no later than the end of the calendar week following the week during which the organization received the proceeds.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-80. Recordkeeping.

A. In addition to the records required by § 18.2-340.30 D of the Code of Virginia, qualified organizations conducting bingo shall maintain a system of records for a minimum of three years from the close of the fiscal year, unless otherwise specified, for each gaming session on forms prescribed by the department, or reasonable facsimiles of those forms approved by the department, that include:

1. Charitable gaming supplies purchased and used;
2. A session reconciliation form, an instant bingo, pull-tab, or seal card reconciliation

form, and an electronic pull-tab reconciliation form completed and signed within 48 hours of the end of the session by the bingo manager;

3. All discounts provided;

4. A reconciliation to account for cash received from floor workers for the sale of extra bingo sheets for any game;

5. The summary report that electronic bingo systems are required to maintain pursuant to 11VAC15-40-130 D 11;

6. An admissions control system that provides a cross-check on the number of players in attendance and admission sales. This may include a ticket control system, cash register, or any similar system;

7. All operating expenses including rent, advertising, and security. Copies of invoices for all such expenses shall also be maintained;

8. Expected and actual receipts from games played on hard cards and number of games played on hard cards;

9. A record of the name and address of each winner for all seal cards; in addition, the winning ticket and seal card shall be maintained for a minimum of 90 days after the session;

10. A record of all door prizes awarded; and

11. For any prize or jackpot of a value that meets or exceeds the reporting requirements in the Internal Revenue Service's Publication 3079, the name and address of each individual to whom any such prize or jackpot is awarded and the amount of the award.

B. Qualified organizations conducting raffles shall have a recordkeeping system to account for cash receipts, cash disbursements, raffle tickets purchased or sold, and prizes awarded. All records shall be maintained for a minimum of three years from the close of the fiscal year. The recordkeeping system shall include:

1. Invoices for the purchase of raffle tickets, which shall reflect the following information:

- a. Name and address of supplier;
- b. Name of purchaser;
- c. Date of purchase;
- d. Number of tickets printed;
- e. Ticket number sequence for tickets printed; and
- f. Sales price of individual ticket;

2. A record of cash receipts from raffle ticket sales by tracking the total number of tickets available for sale, the number issued to sellers, the number returned, the number sold, and reconciliation of all raffle sales to receipts;

3. Serial numbers of tickets for raffle sales initiated and concluded at a bingo game or sequentially numbered tickets, which shall state the name, address, and telephone number of the organization, the prize or prizes to be awarded, the date of the prize drawing or selection, the selling price of the raffle ticket, and the charitable gaming permit number;

4. For any raffle prize of a value that meets or exceeds the reporting requirements in the Internal Revenue Service's Publication 3079, receipts on which prize winners must provide printed name, residence address, and the amount and description of the prize received; and

5. Deposit records of the required weekly deposits of raffle receipts.

C. All raffle tickets shall have a detachable section; be consecutively numbered with the detachable section having the same number; provide space for the purchaser's name, complete address, and telephone number; and state (i) the name and address of the organization; (ii) the prize or prizes to be awarded; (iii) the date, time and location of the prize drawing; (iv) the

selling price of the ticket; and (v) the charitable gaming permit number. Winning tickets and unsold tickets shall be maintained for a minimum of three years from the close of the fiscal year.

D. All unused charitable gaming supplies shall either be returned for refund to the original supplier in unopened original packaging in resalable condition as determined by the supplier or destroyed following notification to the department on a form prescribed by the department. The organization shall maintain a receipt for all such supplies returned to the supplier or destroyed.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-90. Financial reporting, penalties, inspections, and audits.

A. Each charitable gaming permit holder shall file an annual report of receipts and disbursements by March 15 of each year on a form prescribed by the department. The annual report shall cover the activity for the fiscal year.

B. The annual report shall be accompanied by the audit and administration fee as established by the department for the fiscal year unless the fee has been remitted with quarterly reports or the organization is exempt from payment of the fee pursuant to § 18.2-340.23 of the Code of Virginia.

C. An organization desiring an extension to file its annual report for good cause shall request the extension in writing on a form prescribed by the department and shall pay the projected audit and administration fee, unless exempt from payment of the fee pursuant to § 18.2-340.23 of the Code of Virginia. The extension request and payment of projected fees shall be made in accordance with the provisions of § 18.2-340.30 of the Code of Virginia.

D. Unless exempted by § 18.2-340.23 of the Code of Virginia, qualified organizations realizing any gross gaming receipts in any calendar quarter shall file a quarterly report of receipts and disbursements on a form prescribed by the department as follows:

Quarter Ending	Date Due
March 31	June 1
June 30	September 1
September 30	December 1
December 31	March 1

Qualified organizations shall submit quarterly reports with the appropriate audit and administration fee unless the organization is exempt from payment of the fee pursuant to § 18.2-340.23 of the Code of Virginia. An annual financial report may substitute for a quarterly report if the organization has no further charitable gaming income during the remainder of the reporting period and the annual report is filed by the due date for the applicable calendar quarter.

E. An organization desiring an extension to file its quarterly report for good cause shall request the extension in writing on a form prescribed by the department and shall pay the projected audit and administration fee unless exempt from payment of the fee pursuant to § 18.2-340.23 of the Code of Virginia. The extension request and payment of projected fees shall be made in accordance with the provisions of § 18.2-340.30 of the Code of Virginia.

F. Organizations failing to file required reports, request an extension, or make fee payments when due shall be charged a penalty of \$25 per day from the due date until such time as the required report is filed.

G. Any qualified organization in possession of funds derived from charitable gaming (including those who have ceased operations), regardless of when such funds may have been received or whether it has a valid permit from the department, shall file an annual financial report on a form prescribed by the department on or before March 15 of each year until such

funds are depleted. If an organization ceases the conduct of charitable gaming, it shall provide the department with the name of an individual who shall be responsible for filing financial reports. If no such information is provided, the president of an organization shall be responsible for filing reports until all charitable gaming proceeds are depleted.

H. If an organization has been identified through inspection, audit, or other means as having deficiencies in complying with statutory or regulatory requirements or having ineffective internal controls, the department may impose restrictions or additional recordkeeping and financial reporting requirements.

I. Any records deemed necessary to complete an inspection, audit, or investigation may be collected by the department, its employees, or its agents from the premises of an organization or any location where charitable gaming is conducted. The department shall provide a written receipt of such records at the time of collection.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-100. Use of proceeds.

A. All payments by an organization intended as use of proceeds must be made by check written from the organization's charitable gaming account.

B. Use of proceeds payments may be made for scholarship funds or the future acquisition, construction, remodeling, or improvement of real property or the acquisition of other equipment or vehicles to be used for religious, charitable, educational, or community purposes. In addition, an organization may obtain department approval to establish a special fund account or an irrevocable trust fund for special circumstances. Transfers to such an account or an irrevocable trust fund from the organization's charitable gaming account may be included as a

use of proceeds if the payment is authorized by the organization's board of directors.

No payments made to such a special fund account shall be withdrawn for other than the specified purpose unless prior notification is made to the department.

C. Expenditures of charitable gaming funds for social or recreational activities or for events, activities, or programs that are open primarily to an organization's members and their families shall not qualify as use of proceeds unless substantial benefit to the community is demonstrated.

D. Payments made to or on behalf of indigent, sick, or deceased members or their immediate families shall be allowed as use of proceeds provided they are approved by the organization's board of directors and the need is documented.

E. Payments made directly for the benefit of an individual member, member of his family, or person residing in his household shall not be allowed as a use of proceeds unless authorized by law or elsewhere in this chapter.

F. Use of proceeds payments by an organization shall not be made for any activity that is not permitted by federal, state, or local laws or for any activity that attempts to influence or finance directly or indirectly political persons or committees or the election or reelection of any person who is or has been a candidate for public office.

G. Organizations shall maintain details of all use of proceeds disbursements for a minimum of three years from the close of the fiscal year and shall make this information available to the department upon request.

H. The department may disallow a use of proceeds payment to be counted against the minimum percentage referred to in 11VAC15-40-20 D. If any payment claimed as use of proceeds is subsequently disallowed, an organization may be allowed additional time as specified by the department to meet minimum use of proceeds requirements.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

Article 4

Rent

11VAC15-40-110. Requirements regarding renting premises, agreements, and landlord participation.

A. No organization shall rent or use any leased premises to conduct charitable gaming unless all terms for rental or use are set forth in a written agreement and signed by the parties thereto prior to the issuance of a permit to conduct charitable gaming. A qualified organization that leases a building or other premises that is utilized in whole or in part for the purpose of conducting charitable gaming more frequently than two calendar days in one calendar week shall only lease such premises directly from (i) a qualified organization that is exempt from taxation pursuant to § 501 (c) of the Internal Revenue Code or (ii) any county, city, or town.

B. Organizations shall not make payments to a landlord except by check drawn on the organization's charitable gaming account.

C. No landlord, his agent or employee, member of his immediate family, or person residing in his household shall make directly or indirectly a loan to any officer, director, game manager, or entity involved in the management, operation, or conduct of charitable gaming of an organization in Virginia that leases its charitable gaming facility from the landlord.

D. No landlord, his agent or employee, member of his immediate family, or person residing in his household shall make any direct or indirect payment to any officer, director, game manager, or entity involved in the management, operation, or conduct of charitable gaming conducted at a facility rented from the landlord in Virginia unless the payment is authorized by the lease agreement and is in accordance with the law.

E. No landlord, his agent or employee, member of his immediate family, or person residing in the same household shall at charitable games conducted on the landlord's premises:

1. Participate in the management, operation, or conduct of any charitable games;
2. Sell, lease, or otherwise provide any bingo supplies including, but not limited to, bingo cards, pull-tab cards, electronic pull-tabs, or other game pieces; or
3. Require as a condition of the lease or contract that a particular manufacturer, distributor, or supplier of bingo supplies is used by the organization.

"Bingo supplies" as used in this chapter shall not include glue, markers, or tape sold from concession stands or from a location physically separated from the location where bingo supplies are normally sold.

F. No member of an organization involved in the management, operation, or conduct of charitable gaming shall provide any services to a landlord or be remunerated in any manner by the landlord of the facility where an organization is conducting its charitable gaming.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

Part III

Suppliers

11VAC15-40-120. Suppliers of charitable gaming supplies: application, qualifications, suspension, revocation or refusal to renew permit, maintenance, and production of records.

A. Prior to providing any charitable gaming supplies, a supplier shall submit an application on a form prescribed by the department and receive a permit. A \$1,000 application fee payable to the Treasurer of Virginia is required. In addition, a supplier must be authorized to conduct business in the Commonwealth of Virginia, which may include, but not be limited to,

registration with the State Corporation Commission, the Department of Taxation, and the Virginia Employment Commission. The actual cost of background investigations for a permit may be billed by the department to an applicant.

B. The department may refuse to issue a permit or may suspend or revoke a permit if an officer, director, employee, agent, or owner:

1. Is operating without a valid license, permit, or certificate as a supplier or manufacturer in any state in the United States;
2. Fails or refuses to recall a product as directed by the department;
3. Conducts business with unauthorized entities or is not authorized to conduct business in the Commonwealth of Virginia;
4. Has been convicted of or pleaded nolo contendere to any crime as specified by § 18.2-340.34 B of the Code of Virginia; has had any license, permit, certificate, or other authority related to activities defined as charitable gaming in the Commonwealth suspended or revoked in the Commonwealth or in any other jurisdiction; has failed to file or has been delinquent in excess of one year in the filing of any tax returns or the payment of any taxes due the Commonwealth; or has failed to establish a registered office or registered agent in the Commonwealth if so required by § 13.1-634 or 13.1-763 of the Code of Virginia. As this provision relates to employees or agents, it shall only apply to individuals involved in sales to or solicitations of customers in the Commonwealth of Virginia;
5. Fails to notify the department within 20 days of the occurrence, knowledge, or receipt of the filing of any administrative or legal action relating to charitable gaming or the distribution of charitable gaming supplies involving or concerning the supplier, any officers or directors, employees, agent, or owner during the term of its permit;
6. Fails to provide to the department upon request a current Letter for Company

Registration on file with the U.S. Department of Justice-Gambling Devices Registration Unit, if required in accordance with the Gambling Devices Act of 1962 (15 USC 1171-1178) for any device that it sells, distributes, services, or maintains in the Commonwealth of Virginia; or

7. Has been engaged in conduct that would compromise the department's objective of maintaining the highest level of integrity in charitable gaming.

C. A supplier shall not sell, offer to sell, or otherwise provide charitable gaming supplies for use by anyone in the Commonwealth of Virginia other than to an organization with a permit from the department or another permitted supplier. However, a supplier may:

1. Sell charitable gaming supplies to an organization that expects to gross the amount set forth in § 18.2-340.23 of the Code of Virginia or less in any 12-month period, providing that the amount of such purchase would not be reasonably expected to produce more than the amount set forth in § 18.2-340.23 of the Code of Virginia in gross sales. For each such organization, the supplier shall maintain the name, address, and telephone number. The supplier shall also obtain a written and signed statement from an officer or game manager of such organization confirming that gross receipts are expected to be the amount set forth in § 18.2-340.23 of the Code of Virginia or less. Such statement shall be dated and kept on file for a minimum of three years from the close of a fiscal year.

2. Sell bingo cards and paper to persons or entities other than qualified organizations provided such supplies shall not be sold or otherwise provided for use in charitable gaming activities regulated by the department or in unlawful gambling activities. For each such sale, the supplier shall maintain the name, address, and telephone number of the purchaser. The supplier shall also obtain a written statement from the purchaser verifying that such supplies will not be used in charitable gaming or any unlawful gambling activity. Such statement shall be dated and kept on file for a minimum of three

years from the close of a fiscal year. Payment for such sales in excess of \$50 shall be accepted in the form of a check.

3. Sell pull-tabs, seal cards, and electronic pull-tabs to organizations for use only upon the premises owned or exclusively leased by the organization and at such times as the portion of the premises in which the pull-tabs, seal cards, or electronic pull-tabs are sold is open only to members and their guests as authorized by § 18.2-340.26:1 of the Code of Virginia. Each such sale shall be accounted for separately and the accompanying invoice shall be clearly marked: "For Use in Social Quarters Only."

All such sales shall be documented pursuant to subsection H of this section and reported to the department pursuant to subsection J of this section. This provision shall not apply to the sale to landlords of equipment and video systems as defined in this chapter.

D. A supplier shall not sell, offer to sell, or otherwise provide charitable gaming supplies to any individual or organization in the Commonwealth of Virginia unless the charitable gaming supplies are purchased or obtained from a manufacturer or another permitted supplier. Suppliers may take back for credit and resell supplies received from an organization with a permit that has ceased charitable gaming or is returning supplies not needed.

E. No supplier, supplier's agent, or employee may be involved in the management, operation, or conduct of charitable gaming in the Commonwealth of Virginia. No member of a supplier's immediate family or person residing in the same household as a supplier may be involved in the management, operation, or conduct of charitable gaming of any customer of the supplier in the Commonwealth of Virginia. No supplier, supplier's agent, or employee may participate in any charitable gaming of any customer of the supplier in the Commonwealth of Virginia. For the purposes of this regulation, servicing of electronic bingo devices or electronic pull-tab devices shall not be considered conduct or participation.

F. The department shall conduct a background investigation prior to the issuance of a permit to any supplier. The investigation may include, but shall not be limited to, the following:

1. A search of criminal history on all officers, directors, and owners; and
2. Verification of current compliance with Commonwealth of Virginia tax laws.

If the officers, directors, or owners are domiciled outside of the Commonwealth of Virginia, or have resided in the Commonwealth of Virginia for fewer than five years, a criminal history search conducted by the appropriate authority in any state in which they have resided during the previous five years shall be provided by the applicant.

G. Appropriate information and authorizations shall be provided to the department to verify information cited in subsection F of this section.

H. Suppliers shall document each sale or rental of charitable gaming supplies to an organization in the Commonwealth of Virginia on an invoice, which reflects the following:

1. Name, address, and OCG number of the organization;
2. Date of sale or rental and location where bingo supplies are shipped if different from the billing address;
3. Name, form number, and serial number of each deal of instant bingo, pull-tabs, seal cards, electronic pull-tabs, or bundles and the quantity of cards in each deal;
4. Quantity of deals sold, the cost per deal, the selling price per card, the cash take-in per deal, and the cash payout per deal;
5. Serial number of the top sheet in each pack of disposable bingo paper, the quantity of sheets in each pack or pad, the cut and color, and the quantity of packs or pads sold;
6. Serial number for each series of uncollated bingo paper and the number of sheets sold;
7. Detailed information concerning the type, quantity, and individual price of any other charitable gaming supplies or related items including, but not limited to, concealed face bingo cards, hard cards, markers or daubers and refills, or any other merchandise. For concealed face bingo cards, the quantity of sets, price per set, and the serial number of

each set shall be included;

8. Serial number of each electronic pull-tab device, a description of the physical attributes of the electronic pull-tab device, the quantity of electronic pull-tab devices sold or rented, and the physical address to which each electronic pull-tab device is shipped or delivered;

9. Serial number and description of any other equipment sold or rented that is used to facilitate the distribution, play, and redemption of electronic pull-tabs and the physical address to which the equipment is shipped or delivered; and

10. Any type of equipment, device, or product manufactured for or intended to be used in the conduct of charitable games including, but not limited to, designators, designator receptacles, number display boards, selection devices, dispensing machines, and verification devices.

I. Suppliers shall ensure that two copies of the detailed invoice are provided to the customer for each sale of charitable gaming supplies.

J. Each supplier shall provide a report to the department by March 1 of each year on sales of charitable gaming supplies for the fiscal year ending December 31 of the previous year to each organization in the Commonwealth of Virginia. This report shall be provided to the department via a department-approved electronic medium. The report shall include the name and address of each organization and the following information for each sale or transaction:

1. Bingo paper sales including purchase price, description of paper to include quantity of sheets in pack and quantity of faces on sheet, and quantity of single sheets or packs shipped;

2. Deals of instant bingo, pull-tabs, seal cards, electronic pull-tabs, or any other raffle sales including purchase price, deal name, deal form number, quantity of tickets in deal, ticket price, cash take-in per deal, cash payout per deal, and quantity of deals;

3. Electronic bingo device sales including purchase or rental price and quantity of units;
4. Equipment used to facilitate the distribution, play, and redemption of electronic pull-tabs including purchase or rental price, description of equipment, quantity of units of each type of equipment, and the physical address to which the equipment is shipped or delivered; and
5. Sales of miscellaneous items such as daubers, markers, and other merchandise including purchase price, description of product, and quantity of units.

K. The department shall set manufacturing and testing criteria for all electronic bingo devices and other equipment used in the conduct of charitable gaming. An electronic bingo device shall not be sold, leased, or otherwise furnished to any person in the Commonwealth of Virginia for use in the conduct of charitable gaming until an identical sample device containing identical proprietary software has been certified by a testing facility that has been formally recognized by the department as a testing facility that upholds the standards of integrity established by the department. The testing facility must certify that the device conforms, at a minimum, to the restrictions and conditions set forth in these regulations. Once the testing facility reports the test results to the department, the department will either approve or disapprove the submission and inform the manufacturer of the results within 10 business days. If any such equipment does not meet the department's criteria, it shall be recalled and shall not be distributed in the Commonwealth of Virginia. The cost of testing shall be borne by the manufacturer of such equipment.

L. Department employees shall have the right to inspect all electronic and mechanical equipment used in the conduct of charitable gaming.

M. Suppliers, their agents and employees, members of the supplier's immediate family, or persons residing in their household shall not make any loan directly or indirectly to any organization or officer, director, game manager, or entity involved in the management, operation, or conduct of charitable gaming of a supplier's customer located in the

Commonwealth of Virginia.

N. No supplier, supplier's agent, or employee shall directly or indirectly provide a rebate, discount, or refund to any person other than an organization that purchases supplies or leases or purchases equipment from the supplier. All such transactions shall be recorded on the supplier's account books.

O. A supplier shall not rent, sell, or otherwise provide electronic bingo devices or equipment used to distribute, play, or redeem electronic pull-tabs unless the supplier possesses a valid permit in the Commonwealth of Virginia.

P. A written agreement specifying the terms of lease or rental shall be required for any electronic bingo devices or equipment used to distribute, play, or redeem electronic pull-tabs provided to an organization.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-130. Construction and other standards for bingo, instant bingo, pull-tabs, seal cards, raffles, electronic bingo devices, and instant bingo, pull-tab, and seal card dispensers.

A. No supplier shall knowingly sell or otherwise provide to an organization and no organization shall knowingly use bingo supplies unless they conform to the following construction standards:

1. Disposable paper sold shall be of sufficient weight and quality to allow for clearly readable numbers and to prevent ink from spreading, bleeding, or otherwise obscuring other numbers or cards.
2. Each sheet of disposable bingo paper shall be comprised of cards bearing a serial number. No serial number shall be repeated on or in the same style, series, and color of

cards within a three-year period.

3. Disposable bingo paper assembled in books or packs shall not be separated except for single-sheet specials. This provision does not apply to two-part cards on which numbers are filled by players and one part is separated and provided to an organization for verification purposes.

4. Each unit of disposable bingo paper shall have an exterior label listing the following information:

- a. Description of product;
- b. Number of packs or loose sheets;
- c. Series numbers;
- d. Serial number of the top sheet;
- e. Number of cases;
- f. Cut of paper; and
- g. Color of paper.

5. "Lucky Seven" bingo cards or electronic facsimiles thereof shall have a single face where seven numbers shall be chosen. "Lucky Seven" sheets or electronic facsimiles thereof shall have multiple faces where seven numbers shall be chosen per face.

B. No supplier shall knowingly sell or otherwise provide to an organization and no organization shall knowingly use instant bingo, pull-tab, or seal cards unless they conform to the following construction standards:

1. Cards shall be constructed so that concealed numbers, symbols, or winner protection features cannot be viewed or determined from the outside of the card by using a high intensity lamp of 500 watts, with or without utilizing a focusing lens.

2. Deals shall be designed, constructed, glued, and assembled in a manner to prevent determination of a winning or losing ticket without removing the tabs or otherwise

uncovering the symbols or numbers as intended.

3. Each card in a deal shall bear the same serial number. Only one serial number shall be used in a deal. No serial number used in a deal shall be repeated by the same manufacturer on that same manufacturer's form within a three-year period. The flare of each deal shall accompany the deal and shall have affixed to it the same serial number as the tickets in such deal.

4. Numbers or symbols on cards shall be fully visible in the window and shall be placed so that no part of a number or symbol remains covered when the tab is removed.

5. Cards shall be glued on all edges and around each window. Glue shall be of sufficient strength and type to prevent the undetectable separation or delamination of the card. For banded tickets, the glue must be of sufficient strength and quality to prevent the separation of the band from the ticket.

6. The following minimum information shall be printed on a card:

a. Break open pull-tab and instant bingo cards:

(1) Name of the manufacturer or its distinctive logo;

(2) Name of the game;

(3) Manufacturer's form number;

(4) Price per individual card or bundle;

(5) Unique minimum five-digit game serial number printed on the game information side of the card; and

(6) Number of winners and respective winning number or symbols and specific prize amounts unless accompanied by a manufacturer's preprinted publicly posted flare with that information.

b. Banded pull-tabs:

(1) Manufacturer;

(2) Serial number;

(3) Price per individual card or bundle unless accompanied by a manufacturer's preprinted publicly posted flare with that information; and

(4) Number of winners and respective winning numbers or symbols and prize amounts or a manufacturer's preprinted publicly posted flare giving that information.

7. All seal card games sold to organizations shall contain the sign-up sheet, seals, and cards packaged together in each deal.

C. Raffle tickets used independent of a bingo game must conform to the following construction standards:

1. Each ticket shall have a detachable section and shall be consecutively numbered.

2. Each section of a ticket shall bear the same number. The section retained by the organization shall provide space for the purchaser's name, complete address, and telephone number.

3. The following information shall be printed on the purchaser's section of each ticket:

a. Dates and times of drawings;

b. Locations of the drawings;

c. Name of the charitable organization conducting the raffle;

d. Price of the ticket;

e. Charitable gaming permit number; and

f. Prizes.

Exceptions to these construction standards are allowed only with prior written approval from the department.

D. Electronic bingo.

1. The department, at its discretion, may require additional testing of electronic bingo devices at any time. Such additional testing shall be at the manufacturer's expense and shall be a condition of the continued use of such device.
2. All electronic bingo devices shall use proprietary software and hardware or commonly available software and hardware and shall be enabled for play on the premises where the game is to be played.
3. Each electronic bingo device shall have a unique identification number securely encoded into the software of the device. The unique identification number shall not be alterable by anyone other than the manufacturer of the electronic bingo device. Manufacturers of electronic bingo devices shall employ sufficient security safeguards in designing and manufacturing the devices such that it may be verified that all proprietary software components are authentic copies of the approved software components and all functioning components of the device are operating with identical copies of approved software programs. The electronic bingo device must also have sufficient security safeguards so that any restrictions or requirements authorized by the department or any approved proprietary software are protected from alteration by unauthorized personnel. The electronic bingo device shall not contain hard-coded or unchangeable passwords. Security measures that may be employed to comply with these provisions include, but are not limited to, the use of dongles, digital signature comparison hardware and software, secure boot loaders, encryption, and key and callback password systems.
4. A firewall or equivalent hardware device configured to block all inbound and outbound traffic that has not been expressly permitted and is not required for the continued use of the electronic bingo system must exist between the electronic bingo system and any external point of access.
5. Electronic bingo devices shall not allow a player to create a card by the input of

specific numbers on each card. Manufacturers shall ensure that an electronic bingo device does not allow for the play of any bingo card faces other than those verifiably purchased by the patron.

6. Electronic bingo devices shall not accept cash, currency, or tokens for play.

7. Electronic bingo devices shall require the manual entry of numbers as they are called, the manual verification of numbers as they have been electronically transmitted to the device, or the full automatic daubing of numbers as each number is called. During the play of a bingo game, the transmission of data to electronic bingo devices shall be limited to one-way communication to the electronic bingo device and shall consist only of publicly available information regarding the current game.

8. A device shall not allow the play of more than 54 cards per device per game.

9. The electronic bingo device system shall record a sequential transaction number or audit tracking number for each transaction. The system shall not allow the manual resetting or changing of this number.

10. The system shall produce a receipt for each electronic bingo device rented or otherwise provided containing the following:

- a. Organization name;
- b. Location of bingo game;
- c. Date and time of the transaction;
- d. Sequential transaction or receipt number;
- e. Description of each electronic bingo product loaded. The description must include the quantity of bingo card faces that appear on each electronic bingo product (i.e., 9 Jackpot) and the sales price of each electronic bingo product;
- f. Quantity of each electronic bingo product loaded; and
- g. Total sales price of the transaction.

11. The system shall maintain and make available on demand a summary report for each session that includes the following:

- a. Organization name;
- b. Location of bingo game;
- c. Date and time of each transaction;
- d. Sequential transaction or receipt number of each transaction;
- e. Description of each electronic bingo product loaded each session. The description must include the quantity of bingo card faces that appear on each electronic bingo product and the sales price of each electronic bingo product;
- f. Quantity of each electronic bingo product loaded;
- g. Total sales price of each electronic bingo product loaded; and
- h. Total sales price for each transaction;
- i. A transaction history correlating the sequential transaction number of each electronic bingo device sale to the unique identification number of the electronic bingo device on which the sale was played;
- j. Sufficient information to identify voids and returns, including the date and time of each voided transaction and return, the sequential transaction number, and the cost of voided transactions and returns; and
- k. Total gross receipts for each session.

12 Each electronic bingo device shall be programmed to automatically erase all stored electronic bingo cards at the end of the last game of a session, within a set time from their rental to a player, or by some other clearance method approved by the department.

13. All electronic bingo devices shall be reloaded with another set of electronic bingo cards at the beginning of each session if the devices are to be reused at the same

location.

E. In instances where a defect in packaging or in the construction of deals or electronic bingo devices is discovered by or reported to the department, the department shall notify the manufacturer of the deals or electronic bingo devices containing the alleged defect. Should the department, in consultation with the manufacturer, determine that a defect exists, and should the department determine the defect affects game security or otherwise threatens public confidence in the game, the department may, with respect to deals or electronic bingo devices for use still located within the Commonwealth of Virginia, require the supplier to:

1. Recall the deals or electronic bingo devices affected that have not been sold or otherwise provided; or
2. Issue a total recall of all affected deals or electronic bingo devices.

F. No supplier shall knowingly sell or otherwise provide to an organization and no organization shall knowingly use an instant bingo, pull-tab, or seal card dispenser unless the dispenser conforms to the following standards:

1. Each dispenser shall be manufactured in a manner that ensures a pull-tab ticket is dispensed only after insertion of United States currency or coinage into the dispenser. Such ticket and any change due shall be the only items dispensed from the machine.
2. Each dispenser shall be manufactured in a manner that ensures the dispenser neither displays nor has the capability of displaying or otherwise identifying an instant bingo, pull-tab, or seal card winning or nonwinning ticket.
3. Each dispenser shall be manufactured in such a manner that any visual animation does not simulate or display rolling or spinning reels or produce audible music or enhanced sound effects.
4. Each dispenser shall be equipped with separate locks for the instant bingo, pull-tab, or seal card supply modules and money boxes. Locks shall be configured so that no one key

will operate both the supply modules and money boxes.

G. The department may require testing of a dispensing device at any time to ensure that it meets construction standards and allows for fair play. Such tests shall be conducted at the cost of the manufacturer of such dispensing devices.

H. The face value of the instant bingo, pull-tab, or seal cards being dispensed shall match the amount deposited in the currency/coin acceptor less change provided.

I. A dispensing device shall only dispense instant bingo, pull-tab, or seal cards that conform to the construction standards established in subsection B of this section and the randomization standards established in 11VAC15-40-140.

J. Suppliers and manufacturers of instant bingo, pull-tab, or seal card dispensers shall comply with the requirements of the Gambling Devices Act of 1962 (15 USC §§ 1171-1178).

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-140. Instant bingo, pull-tabs, or seal cards randomization standards.

All instant bingo, pull-tabs, or seal cards shall meet the following randomization standards:

1. Deals shall be assembled so that winning tickets are placed throughout each deal.
2. Deals shall be assembled and packaged in a manner that prevents isolation of winning cards due to variations in printing, graphics, colors, sizes, appearances of cut edges, or other markings of cards.
3. Winning cards shall be distributed and mixed among all other cards in a deal so as to eliminate any pattern between deals or portions of deals from which the location or approximate location of any winning card may be determined.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-143. Electronic random number generator standards.

A. Electronic random number generators shall not be sold, leased, or otherwise furnished to an organization for use in the conduct of bingo until an identical sample device containing identical proprietary software has been certified by a testing facility that has been formally recognized by the department as a testing facility that upholds the standards of integrity established by the department. The cost of testing shall be borne by the manufacturer of such equipment.

B. An electronic random number generator used in the conduct of bingo shall produce output that is statistically random.

1. Numbers produced by an electronic random number generator used in the conduct of bingo shall be statistically random individually and in the permutations and combinations used in the application under the rules of the game.

2. Numbers produced by an electronic random number generator used in the conduct of bingo shall pass the statistical tests for randomness to a 99% confidence level. Statistical tests for randomness may include:

- a. Chi-square test;
- b. Equi-distribution (frequency) test;
- c. Gap test;
- d. Poker test;
- e. Coupon collector's test;

- f. Permutation test;
- g. Run test (patterns of occurrences shall not be recurrent);
- h. Spectral test;
- i. Serial correlation test potency and degree of serial correlation (outcomes shall be independent from the previous game); and
- j. Test on subsequences.

C. An electronic random number generator used in the conduct of bingo shall produce output that is unpredictable.

1. It shall not be feasible to predict future outputs of a random number generator even if the algorithm and the past sequence of outputs are known.
2. Unpredictability shall be ensured by reseeding or by continuously cycling the random number generator and by a sufficient number of random number generator states for the applications supported.
3. Reseeding may be used where the reseeding input is at least as statistically random as, and independent of, the output of the random number generator being reseeded.

D. An electronic random number generator used in the conduct of bingo shall produce output that is nonrepeating. A random number generator shall not be initialized to reproduce the same output stream that it has produced before, nor shall any two instances of a random number generator produce the same stream as each other.

E. Software that calls an electronic random number generator used in the conduct of bingo to derive game outcome events shall immediately use the output returned in accordance with the game rules.

F. The outputs of an electronic random number generator used in the conduct of bingo shall not be arbitrarily discarded or selected.

G. Where a sequence of outputs is required, the whole of the sequence in the order

generated shall be used in accordance with the game rules.

H. An electronic random number generator used in the conduct of bingo that provides output scaled to given ranges shall:

1. Be independent and uniform over the range;
2. Provide numbers scaled to the ranges required by game rules, and notwithstanding the requirements of subdivision 3 of this subsection, may discard numbers that do not map uniformly onto the required range, but shall use the first number in sequence that does map correctly to the range; and
3. Be capable of producing every possible outcome of a game according to its rules, and use an unbiased algorithm. A scaling algorithm is considered to be unbiased if the measured bias is no greater than 1 in 100 million.

I. An electronic random number generator that an organization is using to conduct bingo prior to November 7, 2012, is not required to be certified.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

Part IV

Electronic Games of Chance Systems

Article 1

Manufacturers

11VAC15-40-147. Manufacturers of electronic games of chance systems: application, qualifications, suspension, revocation or refusal to renew permit, maintenance, and production of records.

A. As used in this section, "manufacturer" means a person or entity that assembles from raw

materials or subparts an electronic games of chance system.

B. Prior to providing any electronic games of chance system, a manufacturer shall submit an application on a form prescribed by the department and receive a permit. A \$1,000 application fee payable to the Treasurer of Virginia is required. In addition, a manufacturer must be authorized to conduct business in the Commonwealth of Virginia, which may include, but not be limited to, registration with the State Corporation Commission, the Department of Taxation, and the Virginia Employment Commission. The actual cost of background investigations for a permit may be billed by the department to an applicant.

C. The department may refuse to issue a permit or may suspend or revoke a permit if an officer, director, employee, agent, or owner:

1. Is operating without a valid license, permit, or certificate as a supplier or manufacturer in any state in the United States;
2. Fails or refuses to recall a product as directed by the department;
3. Conducts business with unauthorized entities or is not authorized to conduct business in the Commonwealth of Virginia;
4. Has been convicted of or pleaded nolo contendere to any crime as specified by § 18.2-340.34 B of the Code of Virginia; has had any license, permit, certificate, or other authority related to activities defined as charitable gaming in the Commonwealth suspended or revoked in the Commonwealth or in any other jurisdiction; has failed to file or has been delinquent in excess of one year in the filing of any tax returns or the payment of any taxes due the Commonwealth; or has failed to establish a registered office or registered agent in the Commonwealth if so required by § 13.1-634 or 13.1-763 of the Code of Virginia. As this provision relates to employees or agents, it shall only apply to individuals involved in sales to or solicitations of customers in the Commonwealth of Virginia;

5. Fails to notify the department within 20 days of the occurrence, knowledge, or receipt of the filing of any administrative or legal action relating to charitable gaming or the distribution of electronic games of chance systems involving or concerning the manufacturer, any officers or directors, employees, agent, or owner during the term of its permit;
6. Fails to provide to the department upon request a current Letter for Company Registration on file with the U.S. Department of Justice - Gambling Devices Registration Unit, if required in accordance with the Gambling Devices Act of 1962 (15 USC §§ 1171-1178) for any device that it distributes in the Commonwealth of Virginia; or
7. Has been engaged in conduct that would compromise the department's objective of maintaining the highest level of integrity in charitable gaming.

D. A manufacturer shall not distribute electronic games of chance systems for use by anyone in the Commonwealth of Virginia other than to a permitted charitable gaming organization or a permitted supplier. However, a manufacturer may:

1. Distribute an electronic games of chance system to an organization that expects to gross the amount set forth in § 18.2-340.23 of the Code of Virginia or less in any 12-month period, providing that the amount of such purchase would not be reasonably expected to produce more than the amount set forth in § 18.2-340.23 of the Code of Virginia in gross sales. For each such organization, the manufacturer shall maintain the name, address, and telephone number. The manufacturer shall also obtain a written and signed statement from an officer or game manager of such organization confirming that gross receipts are expected to be the amount set forth in § 18.2-340.23 of the Code of Virginia or less. Such statement shall be dated and kept on file for a minimum of three years from the close of a fiscal year.
2. Distribute electronic games of chance systems to an organization for use only upon the premises owned or exclusively leased by the organization and at such times as the

portion of the premises in which electronic pull-tabs are sold is open only to members and their guests as authorized by § 18.2-340.26:1 of the Code of Virginia. Each such distribution shall be accounted for separately and the accompanying invoice shall be clearly marked: "For Use in Social Quarters Only."

All such distributions shall be documented pursuant to subsection H of this section and reported to the department pursuant to subsection J of this section.

E. No manufacturer of electronic games of chance systems, the manufacturer's agent, or the manufacturer's employee may be involved in the management, operation, or conduct of charitable gaming in the Commonwealth of Virginia. No member of a manufacturer's immediate family or person residing in the same household as a manufacturer may be involved in the management, operation, or conduct of charitable gaming of any customer of the manufacturer in the Commonwealth of Virginia. No manufacturer of electronic games of chance systems, the manufacturer's agent, or the manufacturer's employee may participate in any charitable gaming of any customer of the manufacturer in the Commonwealth of Virginia. For the purposes of this regulation, servicing of electronic games of chance systems shall not be considered conduct or participation.

F. The department shall conduct a background investigation prior to the issuance of a permit to any manufacturer. The investigation may include, but shall not be limited to, the following:

1. A search of criminal history records on all officers, directors, and owners; and
2. Verification of current compliance with Commonwealth of Virginia tax laws.

If the officers, directors, or owners are domiciled outside of the Commonwealth of Virginia, or have resided in the Commonwealth of Virginia for fewer than five years, a criminal history search conducted by the appropriate authority in any state in which they have resided during the previous five years shall be provided by the applicant.

G. Appropriate information and authorizations shall be provided to the department to verify

information cited in subsection F of this section.

H. Manufacturers shall document each distribution an electronic games of chance system to any person for use in the Commonwealth of Virginia on an invoice, which reflects the following:

1. Name, address, and OCG number of the organization or supplier;
2. Date of sale or rental and location where the electronic games of chance system is shipped or delivered, if different from the billing address;
3. Name, form number, and serial number of each deal of electronic pull-tabs;
4. Quantity of deals sold, the cost per deal, the selling price per card, the cash take-in per deal, and the cash payout per deal;
5. Serial number of each electronic pull-tab device, a description of the physical attributes of the electronic pull-tab device, the quantity of electronic pull-tab devices sold or rented, and the physical address to which each electronic pull-tab device is shipped or delivered; and
6. Serial number and description of any other equipment sold or rented that is used to facilitate the distribution, play, and redemption of electronic pull-tabs and the physical address to which the equipment is shipped or delivered.

I. Manufacturers shall ensure that two copies of the detailed invoice are provided to the customer for each distribution of electronic games of chance systems.

J. Each manufacturer shall provide a report to the department by March 1 of each year on distribution of electronic games of chance systems for the fiscal year ending December 31 of the previous year to each organization and permitted supplier in the Commonwealth of Virginia. This report shall be provided to the department via a department-approved electronic medium. The report shall include the name and address of each organization and permitted supplier and the following information for each sale or transaction:

1. Deals of electronic pull-tabs including purchase price, deal name, deal form number,

quantity of electronic pull-tabs in deal, electronic pull-tab price, cash take-in per deal, cash payout per deal, and quantity of deals; and

2. Equipment used to facilitate the distribution, play, and redemption of electronic pull-tabs including purchase or rental price, description of equipment, quantity of units of each type of equipment, and the physical address to which the equipment is shipped or delivered.

K. A manufacturer, its agents and employees, members of a manufacturer's immediate family, or persons residing in a manufacturer's household shall not make any loan directly or indirectly to any organization or officer, director, game manager, or entity involved in the management, operation, or conduct of charitable gaming of the manufacturer's customer located in the Commonwealth of Virginia.

L. A manufacturer, its agent, or its employee shall not directly or indirectly provide a rebate, discount, or refund to any person other than an organization that purchases or leases an electronic games of chance system from the manufacturer. All such transactions shall be recorded on the manufacturer's account books.

M. A written agreement specifying the terms of lease or rental shall be required for any equipment used to distribute, play, or redeem electronic pull-tabs provided to an organization or permitted supplier.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

Article 2

General Requirements

11VAC15-40-150. Approval of distributed pull-tab systems, validation systems, point-of-sale stations, and redemption terminals ; approval of game themes and sounds.

A. The department shall set manufacturing and testing criteria for all distributed pull-tab systems, validation systems, point-of-sale stations, redemption terminals, and other equipment used in the conduct of charitable gaming. A distributed pull-tab system, validation system, point-of-sale station, redemption terminal, or other equipment shall not be sold, leased, or otherwise furnished to any person in the Commonwealth of Virginia for use in the conduct of charitable gaming until an identical sample system or equipment containing identical software has been certified by a testing facility that has been formally recognized by the department as a testing facility that upholds the standards of integrity established by the department. The testing facility must certify that the distributed pull-tab system and associated hardware and software conform, at a minimum, to the requirements set forth in this chapter. Once the testing facility reports the test results to the department, the department will either approve or disapprove the distributed pull-tab system or system components and inform the manufacturer of the results within 10 business days. If any such system or equipment does not meet the department's criteria, it shall be recalled and shall not be distributed in the Commonwealth of Virginia. The cost of testing shall be borne by the manufacturer of such equipment.

B. No supplier or manufacturer shall knowingly sell or otherwise provide to an organization and no organization shall knowingly use a distributed pull-tab system, validation system, point-of-sale station, redemption terminal, or other equipment used to conduct charitable gaming unless it conforms to the requirements set forth in this regulation.

C. If a defect in a distributed pull-tab system, validation system, point-of-sale station, redemption terminal, or other equipment used to conduct charitable gaming is discovered by or reported to the department, the department shall notify the manufacturer of the system or equipment containing the alleged defect. Should the department, in consultation with the manufacturer, determine that a defect exists and should the department determine the defect

affects game security or otherwise threatens public confidence in the game, the department may, with respect to any distributed pull-tab system, validation system, point of sale station, redemption terminal, or other equipment used to conduct charitable gaming still located within the Commonwealth of Virginia, require the supplier or manufacturer to issue a recall of all affected distributed pull-tab systems, validation systems, point-of-sale stations, redemption terminals, or other equipment.

D. All game themes, sounds, and music shall be approved by the department prior to being available for play on an electronic pull-tab device in the Commonwealth of Virginia.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

Article 3

System Requirements

11VAC15-40-160. Distributed pull-tab system.

A distributed pull-tab system shall be dedicated primarily to electronic accounting, reporting, and the presentation, randomization, and transmission of electronic pull-tabs to the electronic pull-tab devices. It shall also be capable of generating the data necessary to provide the reports required within this article or otherwise specified by the department.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-170. Dispensing of electronic pull-tabs.

A distributed pull-tab system shall dispense, upon request, an electronic pull-tab. All games

must be played without replacement, drawing from a single finite game set.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-180. Game set requirements.

Each game set shall meet the following minimum requirements:

1. Each game set shall be made up of a finite number of electronic pull-tabs;
2. The game set shall consist of a maximum of 25,000 electronic pull-tabs;
3. All electronic pull-tabs in a particular game set shall be of the same purchase price;
4. The maximum win amount awarded per any one electronic pull-tab shall not exceed the value set forth for pull-tabs by § 18.2-340.33 of the Code of Virginia;
5. Each game set shall be assigned a unique serial number;
6. After randomization, game sets may be broken into subsets of equal size. If game subsets are used, they shall each be assigned a unique serial number and be traceable to a parent game set; and
7. Game sets shall not be commingled.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-190. Game set definition.

If the system has the capability to create a game set from a predefined set of criteria, the criteria must contain the following information:

1. Game ID;
2. Game set version;
3. Manufacturer;
4. Game name;
5. Paytable ID;
6. Purchase price per electronic pull-tab;
7. Subset size;
8. Total number of subsets; and
9. Prize values with an associated index and frequency.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-200. Data required to be available for each game set.

A. The following data shall be available prior to the opening of a game set for distribution and shall be maintained and be viewable both electronically and, if requested, by printed report, upon demand:

1. A unique serial number identifying each game set and/or subset;
2. A description of the game set sufficient to categorize the game set or subset relative to other game sets;
3. The total number of electronic pull-tabs in the game set;
4. The number of game subsets to be created from the game set and the number of electronic pull-tabs in each subset when applicable;
5. The payout percentage of the entire game set;

6. The purchase price per electronic pull-tab assigned to the game set; and

7. Prize values with an associated index and frequency.

B. The following data shall be available subsequent to the completion of a game set and shall be maintained and viewable both electronically and, if requested, by printed report, upon demand:

1. A unique serial number identifying each game set and/or subset;

2. Description of the game set sufficient to categorize the game set relative to other game sets;

3. The total number of electronic pull-tabs unsold;

4. The total number of electronic pull-tabs purchased;

5. The time and date that the game set and/or each game subset became available for play;

6. The time and date that the game set and/or each game subset was completed or removed from play;

7. Location where game set and/or subset was played;

8. The final payout percentage of the game set when removed from play; and

9. The purchase price per electronic pull-tab assigned to the game set.

C. In order to provide maximum game integrity, no audit or other determination of the status of any game set or any subset, including, but not limited to, a determination of the prizes won or prizes remaining to be won, shall be conducted by anyone while a game set or subset is in play without causing termination of the entire game set or subset. Only upon game set termination shall the details of the associated game set and subsets be revealed to the individual or individuals performing the audit.

D. Once terminated, a game set shall not be able to be reopened.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-210. Security requirements.

A. A distributed pull-tab system computer must be in a locked, secure enclosure with key controls in place.

B. A distributed pull-tab system shall provide a means for terminating the game set if information about electronic pull-tabs in an open game set has been accessed or at the discretion of the department. In such cases, traceability of unauthorized access including time and date, users involved, and any other relevant information shall be available.

C. A distributed pull-tab system shall not permit the alteration of any accounting or significant event information that was communicated from the electronic pull-tab device without supervised access controls. In the event financial data is changed, an automated audit log must be capable of being produced to document the following:

1. Data element altered;
2. Data element value prior to alteration;
3. Data element value after alteration;
4. Time and date of alteration; and
5. Personnel that performed alteration.

D. A distributed pull-tab system must provide password security or other secure means of ensuring data integrity and enforcing user permissions for all system components through the following means:

1. All programs and data files must only be accessible via the entry of a password that

will be known only to authorized personnel;

2. The distributed pull-tab system must have multiple security access levels to control and restrict different classes;

3. The distributed pull-tab system access accounts must be unique when assigned to the authorized personnel and shared accounts amongst authorized personnel must not be allowed;

4. The storage of passwords and PINs must be in an encrypted, nonreversible form; and

5. A program or report must be available that will list all registered users on the distributed pull-tab system including their privilege level.

E. All components of a distributed pull-tab system that allow access to users, other than end-users for game play, must have a password sign-on with two-level codes comprising the personal identification code and a personal password.

1. The personal identification code must have a length of at least six ASCII characters; and

2. The personal password must have a minimum length of six alphanumeric characters, which should include at least one nonalphabetic character.

F. A distributed pull-tab system must have the capability to control potential data corruption that can be created by multiple simultaneous log-ons by system management personnel.

1. A distributed pull-tab system shall specify which of the access levels allow for multiple simultaneous sign-ons by different users and which of the access levels do not allow for multiple sign-ons, and, if multiple sign-ons are possible, what restrictions, if any, exist; or

2. If a distributed pull-tab system does not provide adequate control, a comprehensive procedural control document must be drafted for the department's review and approval.

G. Distributed pull-tab system software components/modules shall be verifiable by a secure

means at the system level. A distributed pull-tab system shall have the ability to allow for an independent integrity check of the components/modules from an outside source and is required for all control programs that may affect the integrity of the distributed pull-tab system. This must be accomplished by being authenticated by a third-party device, which may be embedded within the distributed pull-tab system software or having an interface or procedure for a third-party application to authenticate the component. This integrity check will provide a means for field verification of the distributed pull-tab system components.

H. A distributed pull-tab system may be used to configure and perform security checks on electronic pull-tab devices, provided such functions do not affect the security, integrity, or outcome of any game and meets the requirements set forth in this regulation regarding program storage devices.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-220. Backup and recovery.

A. A distributed pull-tab system computer shall have a separate physical medium for securely storing game sets or subsets on the computer, which shall be mirrored in real time by a backup medium.

B. All data required to be available or reported by this chapter must be retained for a period of not less than three years from the close of the fiscal year.

C. All storage of critical data shall utilize error checking and be stored on a nonvolatile physical medium.

D. The database shall be stored on redundant media so that no single failure of any portion of the system would result in the loss or corruption of data.

E. In the event of a catastrophic failure when the distributed pull-tab system cannot be restarted in any other way, it shall be possible to reload the distributed pull-tab system from the last viable backup point and fully recover the contents of that backup, to consist of at least the following information:

1. All significant events;
2. All accounting information;
3. Auditing information, including all open game sets and the summary of completed game sets; and
4. Employee files with access levels.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-230. Electronic accounting and reporting.

A. One or more electronic accounting systems shall be required to perform reporting and other functions in support of distributed pull-tab system. The electronic accounting system shall not interfere with the outcome of any gaming function.

B. The following reporting capabilities must be provided by the electronic accounting system:

1. Electronic pull-tab game set report – game sets in play. An electronic pull-tab game set report must be available on demand for each game set currently in play. Game cards, outcomes, or prizes must not be revealed. The report must contain the following information:
 - a. A unique serial number identifying each game set and/or subsets;
 - b. A description of the game set sufficient to categorize the game set or subset

relative to other game sets;

c. The total number of electronic pull-tabs in the game set;

d. The number of game subsets to be created from the game set and the number of electronic pull-tabs in each subset when applicable;

e. The theoretical payout percentage of the entire game set;

f. The purchase price per electronic pull-tab assigned to the game set;

g. The time and date that the game set and/or each game subset became available for play; and

h. Location where the game set and/or subset is being played.

2. Electronic pull-tab game set report – completed game set. An electronic pull-tab game set report must be available on demand, for each completed game set. The report must contain the following information:

a. A unique serial number identifying each game set and/or subset;

b. Description of the game set sufficient to categorize the game set relative to other game sets;

c. The total number of electronic pull-tabs unsold;

d. The total number of electronic pull-tabs purchased;

e. The time and date that the game set and/or each game subset became available for play;

f. The time and date that the game set and/or each game subset was completed or removed from play;

g. Location where game set and/or subset was played;

h. The final payout percentage of the game set when removed from play; and

i. The purchase price per electronic pull-tab assigned to the game set.

3. A report that shall indicate all prizes that exceed the threshold that triggers additional procedures to be followed for the purpose of compliance with federal tax reporting requirements. At a minimum, on a daily and monthly basis, the report shall provide the following information per electronic pull-tab device:

- a. The date and time won;
- b. Location of prize award; and
- c. Amount of each prize occurrence.

4. Liability report. A liability report shall provide a summary of the outstanding funds that carry from business day to business day. At a minimum, this report shall include:

- a. Amount of prizes and/or vouchers that were awarded in dollars and cents, but have not yet been claimed that have not yet expired; and
- b. Summary of all outstanding accounts.

C. A distributed pull-tab system shall be capable of providing an electronic file in a format specified by the department on a periodic basis to a location specified by the department. The data to be reported will contain, at a minimum, the following items per session:

- 1. Organization identification;
- 2. Session date;
- 3. Total cash in;
- 4. Total cash out;
- 5. Total cash played;
- 6. Total cash won;
- 7. For all game sets on the system in play or in inventory:
 - a. Serial number;
 - b. Description;

- c. Ticket price;
 - d. Number of subsets if applicable;
 - e. Number of tickets or number of tickets per subset;
 - f. Theoretical return percentage; and
 - g. Date game set was opened for play, when applicable; and
8. For all game sets completed or closed since the previous reporting date:
- a. Serial number;
 - b. Description;
 - c. Ticket price;
 - d. Number of subsets, if applicable;
 - e. Number of tickets or number of tickets per subset;
 - f. Theoretical return percentage;
 - g. Date game set was opened;
 - h. Date game set was closed;
 - i. Total tickets sold;
 - j. Total dollars in;
 - k. Total prizes paid; and
 - l. Actual return percentage.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-240. Randomization.

A. As used in this section, unless the context requires a different meaning:

"Card position" means the first card dealt, second card dealt in sequential order.

"Number position" means the first number drawn in sequential order.

B. A distributed pull-tab system shall utilize randomizing procedures in the creation of game sets for electronic pull-tabs or externally generated randomized game sets that have been created using a method previously approved by the department.

C. Any random number generation, shuffling, or randomization of outcomes used in connection with a distributed pull-tab system must be by use of a random number generation application that has successfully passed standard tests for randomness and unpredictability including but not limited to:

1. Each card position or number position satisfies the 99% confidence limit using the standard chi-squared analysis. "Chi-squared analysis" is the sum of the ratio of the square difference between the expected result and the observed result to the expected result.

2. Each card position or number position does not produce a significant statistic with regard to producing patterns of occurrences. Each card position or number position will be considered random if it meets the 99% confidence level with regard to the "run test" or any similar pattern testing statistic. The "run test" is a mathematical statistic that determines the existence of recurring patterns within a set of data.

3. Each card position or number position is independently chosen without regard to any other card or number drawn within that game play. This test is the "correlation test." Each pair of card positions or number positions is considered random if it meets the 99% confidence level using standard correlation analysis.

4. Each card position or number position is independently chosen without reference to the same card position or number position in the previous game. This test is the "serial

correlation test." Each card position or number position is considered random if it meets the 99% confidence level using standard serial correlation analysis.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-250. Communications and network requirements.

A. Where the distributed pull-tab system components are linked with one another in a network, communication protocols shall be used that ensure that erroneous data or signals will not adversely affect the operations of any such system components.

B. All data communication shall incorporate an error detection and correction scheme to ensure the data is transmitted and received accurately.

C. Connections between all components of the distributed pull-tab system shall only be through the use of secure communication protocol(s) that are designed to prevent unauthorized access or tampering, employing Advanced Encryption Standard (AES), or equivalent encryption.

D. A firewall or equivalent hardware device configured to block all inbound and outbound traffic that has not been expressly permitted and is not required for continued use of the distributed pull-tab system must exist between the distributed pull-tab system and any external point of access.

E. The minimum width (size) for encryption keys is 112 bits for symmetric algorithms and 1024 bits for public keys.

F. There must be a secure method implemented for changing the current encryption key set. It is not acceptable to only use the current key set to "encrypt" the next set.

G. There must be a secure method in place for the storage of any encryption keys.

Encryption keys must not be stored without being encrypted themselves.

H. If a wireless network is used, wireless products used in conjunction with any gaming system or system component must meet the following minimum standards:

1. Employ a security process that complies with the Federal Information Processing Standard 140-2 (FIPS 140-2); or
2. Employ an alternative method, as approved by the department.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-260. Significant events.

The following significant events, if applicable, shall be collected from the electronic pull-tab device or point of sale and communicated to the system for storage and a report of the occurrence of the significant event must be made available upon request:

1. Power resets or power failure.
2. Communication loss between an electronic pull-tab device and any component of the distributed pull-tab system.
3. Electronic pull-tab device jackpot (any award in excess of the single win limit of the electronic pull-tab device).
4. Door openings (any external door that accesses a critical area of the electronic pull-tab device).
5. Bill validator errors:
 - a. Stacker full (if supported); and
 - b. Bill jam.

6. Printer errors:
 - a. Printer empty; and
 - b. Printer disconnect or failure.
7. Corruption of the electronic pull-tab device RAM or program storage device.
8. Any other significant events as defined by the protocol employed by the distributed pull-tab system.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-270. Validation system and redemption.

A distributed pull-tab system may utilize a voucher validation system to facilitate gaming transactions. The validation system may be entirely integrated into a distributed pull-tab system or exist as a separate entity.

1. A distributed pull-tab system may allow voucher out only; vouchers shall not be inserted, scanned, or used in any way at the electronic pull-tab device for redemption.
2. The validation system must process voucher redemption correctly according to the secure communication protocol implemented.
3. The algorithm or method used by the validation system or distributed pull-tab system to generate the voucher validation numbers must guarantee an insignificant percentage of repetitive validation numbers.
4. The validation system must retrieve the voucher information correctly based on the secure communication protocol implemented and store the voucher information in a database. The voucher record on the host system must contain, at a minimum, the

following voucher information:

- a. Validation number;
 - b. Date and time the electronic pull-tab device printed the voucher;
 - c. Value of voucher in dollars and cents;
 - d. Status of voucher;
 - e. Date and time the voucher will expire;
 - f. Serial number of electronic pull-tab device; and
 - g. Location name or site identifier.
5. The validation system or distributed pull-tab system must have the ability to identify the following occurrences and notify the cashier when the following conditions exist:
- a. Voucher cannot be found on file;
 - b. Voucher has already been paid; or
 - c. Amount of voucher differs from amount on file (requirement may be met by display of voucher amount for confirmation by cashier during the redemption process).
6. If the connection between the validation system and the distributed pull-tab system fails, an alternate method or procedure of payment must be available and shall include the ability to identify duplicate vouchers and prevent fraud by redeeming vouchers that were previously issued by the electronic pull-tab device.
7. The following reports related to vouchers shall be generated on demand:
- a. Voucher Issuance Report shall be available from the validation system that shows all vouchers generated by an electronic pull-tab device; and
 - b. Voucher Redemption Report shall detail individual vouchers, the sum of the vouchers paid by the validation terminal or point of sale by session, and include the

following information:

- (1) The date and time of the transaction;
- (2) The dollar value of the transaction;
- (3) Validation number;
- (4) A transaction number; and
- (5) Point-of-sale identification number or name.

8. The validation system database must be encrypted and password-protected and should possess a nonalterable user audit trail to prevent unauthorized access.

9. The normal operation of any device that holds voucher information shall not have any options or method that may compromise voucher information. Any device that holds voucher information in its memory shall not allow removal of the information unless it has first transferred that information to the ticketing database or other secured component or components of the validation system.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-280. Point of sale; validation terminal.

A. A distributed pull-tab system may utilize a point-of-sale and/or validation terminal that is capable of facilitating the sale of the organization's pull tab outcomes or used for the redemption of credits from player accounts or vouchers. The point of sale may be entirely integrated into a distributed pull-tab system or exist as a separate entity.

B. Point-of-sale use is only permissible when the device is linked to an approved validation system or distributed pull-tab system.

C. If a distributed pull-tab system utilizes a point of sale, it shall be capable of printing a receipt for each sale, void, or redemption.

1. The receipt shall contain the following information:

- a. Date and time of the transaction;
- b. Dollar value of the transaction;
- c. Validation number, if applicable;
- d. Quantity of associated products, if applicable;
- e. Transaction number;
- f. Account number, if applicable; and
- g. Point-of-sale identification number or name.

D. The following point-of-sale or validation terminal reports shall be generated on demand:

1. Sales Transaction History Report shall show all sales and voids by session and include the following information:

- a. Date and time of the transaction;
- b. Dollar value of the transaction;
- c. Quantity of associated products;
- d. Transaction number; and
- e. Point of sale identification number or name;

2. Voucher Redemption Report shall detail individual voucher redemptions paid by the validation terminal or point of sale by session and include the following information:

- a. Date and time of the transaction;
- b. Dollar value of the transaction;
- c. Validation number;
- d. Transaction number; and

e. Point of sale identification number or name.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-290. Location of equipment.

All equipment used to facilitate the distribution, play, or redemption of electronic pull-tab games must be physically located within the boundaries of the Commonwealth of Virginia. This includes but is not limited to the distributed pull-tab system, electronic pull-tab devices, redemption terminals, and point-of-sale stations.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

Article 4

Electronic Pull-tab Devices

11VAC15-40-300. Electronic pull-tab device general requirements.

A. Each electronic pull-tab device shall bear a seal approved by the commissioner and affixed by the department.

B. An electronic pull-tab device shall not be capable of being used for the purposes of engaging in any game prohibited by the department.

C. In addition to a video monitor or touch screen, each electronic pull-tab device may have one or more of the following: a bill acceptor, printer, and electromechanical buttons for activating the game and providing player input, including a means for the player to make

selections and choices in games.

D. For each electronic pull-tab device, there shall be located anywhere within the distributed pull-tab system, nonvolatile memory or its equivalent. The memory shall be maintained in a secure location for the purpose of storing and preserving a set of critical data that has been error checked in accordance with the critical memory requirements of this regulation.

E. An electronic pull-tab device shall not have any switches, jumpers, wire posts, or other means of manipulation that could affect the operation or outcome of a game. The electronic pull-tab device may not have any functions or parameters adjustable through any separate video display or input codes except for the adjustment of features that are wholly cosmetic.

F. An electronic pull-tab device shall not have any of the following attributes: spinning or mechanical reels, pull handle, sounds or music solely intended to entice a player to play, flashing lights, tower light, top box, coin tray, ticket acceptance, hopper, coin acceptor, enhanced animation, cabinet or payglass artwork, or any other attribute identified by the department.

G. An electronic pull-tab device shall be robust enough to withstand forced illegal entry that would leave behind physical evidence of the attempted entry or such entry that causes an error code that is displayed and transmitted to the distributed pull-tab system. Any such entry attempt shall inhibit game play until cleared, and shall not affect the subsequent play or any other play, prize, or aspect of the game.

H. Except as provided in subsection I of this section, the number of electronic pull-tab devices, other than those electronic pull-tab devices that are handheld, present at any premises at which charitable gaming is conducted shall be limited to 10. Except as provided in subsection I of this section the number of handheld electronic pull-tab devices present at any premises at which charitable gaming is conducted shall be limited to 50. The department shall determine whether an electronic pull-tab device is handheld.

I. The number of electronic pull-tab devices used to facilitate the play of electronic pull-tabs

sold, played, and redeemed at any premises pursuant to § 18.2-340.26:1 of the Code of Virginia shall be limited to five.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-310. Cabinet wiring.

A. Proof of UL or equivalent certification shall be required for all submitted electronic devices.

B. An electronic pull-tab device shall be designed so that power and data cables into and out of the electronic pull-tab device can be routed so that the cables are not accessible to the general public.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-320. Electronic pull-tab device identification.

An electronic pull-tab device shall have a permanently affixed identification badge that cannot be removed without leaving evidence of tampering. This badge shall be affixed to the exterior of the electronic pull-tab device and shall include the following information:

1. Manufacturer name;
2. A unique serial number;
3. The electronic pull-tab device model number;
4. The date of manufacture; and

5. Any other information required by the department.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-330. Doors; compartments.

A. If an electronic pull-tab device possesses an external door that allows access to the interior of the machine the following rules shall apply:

1. Doors and their associated hinges shall be capable of withstanding determined illegal efforts to gain access to the inside of the electronic pull-tab device and shall leave evidence of tampering if an illegal entry is made;
2. All external doors shall be locked and monitored by door access sensors that shall detect and report all external door openings by way of an audible alarm, on-screen display, or both;
3. The electronic pull-tab device shall cease play when any external door is opened;
4. It shall not be possible to disable a door open sensor when the machine's door is closed without leaving evidence of tampering;
5. The sensor system shall register a door as being open when the door is moved from its fully closed and locked position; and
6. Door open conditions shall be recorded in an electronic log that includes a date/time stamp.

B. Electronic pull-tab devices that contain control programs located within an accessible area shall have a separate internal locked logic compartment, that shall be keyed differently than the front door access lock. The logic compartment shall be a locked cabinet area with its own locked door, that houses critical electronic components that have the potential to

significantly influence the operation of the electronic pull-tab device. There may be more than one such logic area in an electronic pull-tab device. Electronic component items that are required to be housed in one or more logic areas are:

1. CPUs and other electronic components involved in the operation and calculation or display of game play;
2. Communication controller electronics and components housing the communication program storage media or, the communication board for the on-line system may reside outside the electronic pull-tab device; and
3. Logic compartment door open conditions shall be recorded in a log that includes a date/time stamp.

C. Electronic pull-tab devices that do not contain a door shall have adequate security for any panels or entry points that allow access to the interior of the device.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-340. Memory clear.

A. Following the initiation of a memory reset procedure utilizing a certified reset method, the program shall execute a routine that initializes the entire contents of memory to the default state. For electronic pull-tab devices that allow for partial memory clears, the methodology in doing so must be accurate and the game application must validate the uncleared portions of memory. The electronic pull-tab device display after a memory reset shall not be the top award.

B. It shall not be possible to change a configuration setting that causes an alteration or obstruction to the electronic accounting meters without a memory clear.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-350. Critical memory.

A. Critical memory shall be used to store all data that is considered vital to the continued operation of the electronic pull-tab device. Critical memory storage shall be maintained by a methodology that enables errors to be identified and corrected in most circumstances. This methodology may involve signatures, checksums, partial checksums, multiple copies, timestamps, and/or use of validity codes. This includes, but is not limited to:

1. All electronic meters required in 11VAC15-40-410 E;
2. Current unused credits;
3. Electronic pull-tab device or game configuration data;
4. Recall of all wagers and other information necessary to fully reconstruct the game outcome associated with the last 10 plays;
5. Software state, which is the last state the electronic pull-tab device software was in before interruption; and
6. Error conditions that may have occurred on the electronic pull-tab device that may include:
 - a. Memory error or control program error;
 - b. Low memory battery, for batteries external to the memory itself or low power source;
 - c. Program error or authentication mismatch; and
 - d. Power reset.

B. Comprehensive checks of critical memory shall be made continually to test for possible corruption. In addition, all critical memory:

1. Shall have the ability to retain data for a minimum of 180 days after power is discontinued from the electronic pull-tab device. If the method used is an off-chip battery source, it shall recharge itself to its full potential in a maximum of 24 hours. The shelf life shall be at least five years. Memory that uses an off-chip back-up power source to retain its contents when the main power is switched off shall have a detection system that will provide a method for software to interpret and act upon a low battery condition;
2. Shall only be cleared by a department certified memory clear method; and
3. Shall result in an error if the control program detects an unrecoverable memory error.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-360. Program storage devices.

A. All program storage devices (writable/nonwritable), including Erasable Programmable Read Only Memory (EPROM), DVD, CD-ROM, compact flash, and any other type of program storage device shall be clearly marked with sufficient information to identify the software and revision level of the information stored in the devices.

B. Program storage devices shall meet the following requirements:

1. Program storage, including CD-ROM, shall meet the following rules:
 - a. The control program shall authenticate all critical files by employing a hashing algorithm that produces a "message digest" output of at least 128 bits at minimum, as certified by the recognized independent test laboratory and agreed upon by the

department. Any message digest shall be stored on a read-only memory device within the electronic pull-tab device. Any message digest that resides on any other medium shall be encrypted, using a public/private key algorithm with a minimum of a 512 bit key, or an equivalent encryption algorithm with similar security certified by the independent test laboratory and agreed upon by the department.

b. The electronic pull-tab device shall authenticate all critical files against the stored message digests. In the event of a failed authentication, the electronic pull-tab device should immediately enter an error condition with the appropriate indication such as an audible signal, on-screen display, or both. This error shall require operator intervention to clear. The electronic pull-tab device shall display specific error information and shall not clear until the file authenticates properly and/or the electronic pull-tab device's memory is cleared, the game is restarted, and all files authenticate correctly.

2. CD-ROM specific based program storage shall:

a. Not be a rewriteable disk; and

b. The "write session" shall be closed to prevent any further writing to the storage device.

C. Electronic pull-tab devices where the control program is capable of being erased and reprogrammed without being removed from the electronic pull-tab device, or other equipment or related peripheral devices shall meet the following requirements:

1. Reprogrammable program storage shall only write to alterable storage media containing data, files, and programs that are not critical to the basic operation of the game.

2. Notwithstanding the foregoing, data may be written to media containing critical data, files, and programs provided that:

- a. A log of all information that is added, deleted, and modified be stored on the media;
- b. The control program verifies the validity of all data, files, and programs that reside on the media using the methods required herein;
- c. The electronic pull-tab device's program contains appropriate security to prevent unauthorized modifications; and
- d. The electronic pull-tab device's program does not allow game play while the media containing the critical data, files, and programs is being modified.

D. The control program shall ensure the integrity of all critical program components during the execution of said components and the first time the files are loaded for use even if only partially loaded. Space that is not critical to machine security (e.g., video or sound) is not required to be validated, although the department recommends a method be in place for the files to be tested for corruption. If any of the video or sound files contain payout amounts or other information needed by the player, the files are to be considered critical.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-370. Touch screens.

Any touch screen must meet the following rules:

1. A touch screen shall be accurate once calibrated;
2. A touch screen shall be able to be recalibrated; and
3. A touch screen shall have no hidden or undocumented buttons or touch points anywhere on the touch screen, except as provided for by the game rules that affect game play.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-380. Bill acceptors.

A. An electronic pull-tab device may have a mechanism that accepts U.S. currency and provides a method to enable the electronic pull-tab device software to interpret and act appropriately upon a valid or invalid input.

B. An acceptance device shall be electronically based and be configured to ensure that it only accept valid bills and rejects all others in a highly accurate manner.

C. A bill input system shall be constructed in a manner that protects against vandalism, abuse, or fraudulent activity. In addition, a bill acceptance device shall only register credits when:

1. The bill has passed the point where it is accepted and stacked; and
2. The bill acceptor has sent the "irrevocably stacked" message to the machine.

D. A bill acceptor shall communicate to the electronic pull-tab device using a bidirectional protocol.

E. A bill acceptor shall be designed to prevent the use of cheating methods such as stringing, the insertion of foreign objects, and any other manipulation that may be deemed as a cheating technique.

F. If a bill acceptor is designed to be factory set only, it shall not be possible to access or conduct maintenance or adjustments to that bill acceptor in the field, other than:

1. The selection of bills and their limits;
2. Changing of certified EPROMs or downloading of certified software;

3. The method for adjustment of the tolerance level for accepting bills of varying quality should not be accessible from the exterior of the electronic pull-tab device. Adjustments of the tolerance level should only be allowed with adequate levels of security in place. This can be accomplished through lock and key, physical switch settings, or other accepted methods approved on a case-by-case basis;

4. Maintenance, adjustment, and repair per approved factory procedures; and

5. Options that set the direction or orientation of bill acceptance.

G. An electronic pull-tab device equipped with a bill acceptor shall have the capability of detecting and displaying an error condition for the following events:

1. Stacker full (it is recommended that an explicit "stacker full" error message not be utilized since this may cause a security issue);

2. Bill jams;

3. Bill acceptor door open. If a bill acceptor door is a machine door, a door open signal is sufficient;

4. Stacker door open; and

5. Stacker removed.

H. An electronic pull-tab device equipped with a bill acceptor shall maintain sufficient electronic metering to be able to report the following:

1. Total monetary value of all bills accepted;

2. Total number of all bills accepted;

3. A breakdown of the bills accepted for each denomination; and

4. The value of the last five items accepted by the bill acceptor.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-390. Payment by voucher printers.

A. If the electronic pull-tab device has a printer that is used to issue payment to the player by issuing a printed voucher for any unused game plays and/or winnings, the electronic pull-tab device shall meet the following rules:

1. The printer shall be located in a secure area of the electronic pull-tab device, but shall not be located in the logic area or any cash storage area. The bill acceptor stacker or logic areas containing critical electronic components shall not be accessed when the printer paper is changed; and

2. Data printed on a voucher shall include the following information regarding each voucher printed:

- a. Value of unused game plays and/or winnings in U.S. currency, in numerical form;
- b. Time the voucher was printed;
- c. Date the voucher was printed;
- d. Location name or site identifier;
- e. Serial number of electronic pull-tab device;
- f. Unique validation number or barcode if used in conjunction with a validation system; and
- g. Expiration date and time.

B. If the electronic pull-tab device is capable of printing a duplicate voucher, the duplicate voucher shall clearly state the word "DUPLICATE" on its face.

C. The printer shall use printer paper containing security features such as a watermark as approved by the department.

D. A printer shall have mechanisms to allow the electronic pull-tab device to interpret and act upon the following conditions that must disable the game, and produce an error condition that requires attendant intervention to resume play:

1. Out of paper;
2. Printer jam or failure; and
3. Printer disconnect. The electronic pull-tab device may detect this error condition when the game tries to print.

E. An electronic pull-tab device that uses a voucher printer shall maintain a minimum of the last 25 transactions in critical memory. All voucher transactions shall be logged with a date and time stamp.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-400. Payment by account.

A. Credit may be added to a player account via a cashier or point of sale station. Credit may also be added by any supporting electronic pull-tab device through credits won or bills.

B. Money may be removed from a player account either through downloading of credits to the electronic pull-tab device or by cashing out at a cashier's or point-of-sale station.

C. All monetary transactions between a supporting electronic pull-tab device and the distributed pull-tab system must be secured by means of a card insertion into a magnetic card reader and PIN entry or by other protected means.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

Article 5

Game Requirements

11VAC15-40-410. Game play requirements.

A. A player receives an electronic pull-tab in return for consideration. A player wins if the player's electronic pull-tab contains a combination of symbols or numbers that was designated in advance of the game as a winning combination. There may be multiple winning combinations in each game. Electronic versions of instant bingo and pull-tabs, as authorized by the department, shall only utilize devices that allow players to play electronic pull-tabs. An electronic pull-tab device shall meet the following minimum requirements:

1. A player may purchase an opportunity to play an electronic pull-tab by:
 - a. Insertion of U.S. currency (bills only);
 - b. Purchase made at a point of sale terminal; or
 - c. Withdrawing deposits available in a player account.
2. The available games, flare, and rules of play shall be displayed on the electronic pull-tab device's video screen. Rules of play shall include all winning combinations.
3. Any number of game themes may be selectable for play on any given electronic pull-tab device. Only one of the game themes shall be playable at any given time.
4. An electronic pull-tab device shall be clearly labeled so as to inform the public that no one under 18 years of age is allowed to play.
5. An electronic pull-tab device shall not be capable of displaying any enticing animation while in an idle state. An electronic pull-tab device may use simple display elements or screen savers to prevent monitor damage.
6. The results of the electronic pull-tab shall be shown to the player using a video

display. No rolling, flashing, or spinning animations are permitted. No rotating reels marked into horizontal segments by varying symbols are permitted.

7. Any sound or music solely intended to entice a player to play is prohibited. Any sound or music emitted by an electronic pull-tab device must not be played at a level sufficient to disturb other players or patrons.

8. The electronic pull-tab device shall have one or more buttons, electromechanical or touch screen, to facilitate the following functions:

- a. Viewing of the game "help" screens;
- b. Viewing of the game rules;
- c. Initiating game play;
- d. Cashout or logout; and
- e. One or more buttons designated to reveal the pull-tab or instant bingo windows.

9. Following play on an electronic pull-tab device, the result shall be clearly shown on the video display along with any prizes that may have been awarded. Prizes may be dispensed in the form of:

- a. Voucher;
- b. Added to the machine balance meter; or
- c. Added to the player's account balance.

10. An available balance may be collected from the electronic pull-tab device by the player pressing the "cashout" button or logging off of the electronic pull-tab device at any time other than during:

- a. A game being played;
- b. While in an audit mode or screen;
- c. Any door open;

- d. Test mode;
- e. A machine balance meter or win meter incrementation unless the entire amount is placed on the meter when the "cashout" button is pressed; or
- f. An error condition.

11. The default electronic pull-tab device display, upon entering game play mode, shall not be the top award.

B. An electronic pull-tab device shall not have hardware or software that determines the outcome of any electronic pull-tab, produce its own outcome, or affect the order of electronic pull-tabs as dispensed from the distributed pull-tab system. The game outcome shall be determined by the distributed pull-tab system as outlined within these rules.

C. Game themes shall not contain obscene or offensive graphics, animations, or references. The department shall determine what constitutes obscene or offensive graphics, animations, or references.

D. Prior to approval for use, each electronic pull-tab device must meet the following specifications with respect to its operation:

1. After accepting an allowable cash payment from the player, the player shall press a "play" button to initiate a game.
2. The electronic pull-tab device shall not display in any manner, the number of electronic pull-tabs of each finite category, or how many cards remain.
3. Awards of merchandise prizes in lieu of cash are prohibited.
4. The player must interact with the device to initiate a game and reveal a win or loss. This may involve a button press on the console or on the touch screen.
5. The electronic pull-tab must be initially displayed with a cover and require player interaction to reveal the symbols and game outcome.
6. In no event may an electronic pull-tab device simulate play of roulette, poker, keno,

lotto or lottery, twenty-one, blackjack, or any other card game, or simulate play of any type of slot machine game, regardless of whether the machine has a payback feature or extra play awards. Card symbols such as ace, king, queen, or heart are acceptable, provided the aforementioned is abided by.

7. Games must not contain any elements of skill.

E. Each electronic pull-tab device must meet the following specifications with respect to its metering system:

1. An electronic pull-tab device shall contain electronic metering whereby meters record and display on the video screen the following information at a minimum:

- a. Total cash in for the bill acceptor if equipped with a bill acceptor;
- b. Total cash played;
- c. Total cash won;
- d. Total cash removed from electronic pull-tab device;
- e. Total count of electronic pull-tabs played; and
- f. Total count of electronic pull-tabs won.

2. An electronic meter shall be capable of maintaining correct totals and be of no less than 10 digits in length.

3. An electronic pull-tab device shall not be capable of displaying the number of electronic pull-tabs that remain in the game set or the number of winners or losers that have been drawn or still remain in the game set while the game set is still being played.

4. An electronic meter shall not be capable of being automatically reset or cleared, whether due to an error in any aspect of the meter's or a game's operation or otherwise.

5. Currency meters shall be maintained in dollars and cents.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

Part V

Administrative Process

11VAC15-40-420. Procedural rules for the conduct of fact-finding conferences and hearings.

A. As used in this section, "manufacturer" means a person or entity that assembles from raw materials or subparts an electronic games of chance system.

B. Fact-finding conference; notification, appearance, and conduct.

1. Unless automatic revocation or immediate suspension is required by law, no permit to conduct charitable gaming, to sell charitable gaming supplies, or to distribute electronic games of chance shall be denied, suspended, or revoked except after review and approval of such proposed denial, suspension, or revocation action by the board, and upon notice stating the basis for such proposed action and the time and place for a fact-finding conference as set forth in § 2.2-4019 of the Administrative Process Act.

2. If a basis exists for a refusal to renew, suspend, or a revoke a permit, the department shall notify by certified mail or by hand delivery the interested persons at the address of record maintained by the department.

3. Notification shall include the basis for the proposed action and afford interested persons the opportunity to present written and oral information to the department that may have a bearing on the proposed action at a fact-finding conference. If there is no withdrawal, a fact-finding conference shall be scheduled at the earliest mutually agreeable date, but no later than 60 days from the date of the notification. Organizations, suppliers, or manufacturers who wish to waive their right to a conference shall notify the department at least 14 days before the scheduled conference.

4. If, after consideration of evidence presented during an informal fact-finding conference, a basis for action still exists, the interested persons shall be notified in writing within 60 days of the fact-finding conference via certified or hand-delivered mail of the decision and the right to a formal hearing. Parties to the conference may agree to extend the report deadline if more time is needed to consider relevant evidence.

C. Hearing; notification, appearance, and conduct.

1. If, after a fact-finding conference, a sufficient basis still exists to deny, suspend, or revoke a permit, interested persons shall be notified by certified or hand-delivered mail of the proposed action and of the opportunity for a hearing on the proposed action. If an organization, supplier, or manufacturer desires to request a hearing, it shall notify the department within 14 days of receipt of a report on the conference. Parties may enter into a consent agreement to settle the issues at any time prior to, or subsequent to, an informal fact-finding conference.

2. If an interested party or representative fails to appear at a hearing, the hearing officer may proceed in his absence and make a recommendation.

3. Oral and written arguments may be submitted to and limited by the hearing officer. Oral arguments shall be recorded in an appropriate manner.

D. Hearing location. Hearings before a hearing officer shall be held, insofar as practicable, in the county or city in which the organization, supplier, or manufacturer is located. If the parties agree, hearing officers may conduct hearings at locations convenient to the greatest number of persons or by telephone conference, video conference, or similar technology, in order to expedite the hearing process.

E. Hearing decisions.

1. Recommendations of the hearing officer shall be a part of the record and shall include a written statement of the hearing officer's findings of fact and recommendations as

well as the reasons or basis for the recommendations. Recommendations shall be based upon all the material issues of fact, law, or discretion presented on the record.

2. The department shall review the recommendation of the hearing officer and render a decision on the recommendation within 30 days of receipt. The decision shall cite the appropriate rule, relief, or denial thereof as to each issue.

F. Agency representation. The commissioner's designee may represent the department in an informal conference or at a hearing.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

11VAC15-40-430. Reporting violations.

A. As used in this section, "manufacturer" means a person or entity that assembles from raw materials or subparts an electronic games of chance system.

B. Unless otherwise required by law, the identity of any individual who provides information to the department or its agents regarding alleged violations shall be held in strict confidence.

C. Any officer, director, or game manager of a qualified organization or any officer or director of a supplier or manufacturer shall immediately report to the department any information pertaining to the suspected misappropriation or theft of funds or any other violations of charitable gaming statutes or these regulations.

D. Failure to report the information required by subsection C of this section may result in the denial, suspension, or revocation of a permit.

E. Any officer, director, or game manager of a qualified organization involved in the management, operation, or conduct of charitable gaming shall immediately notify the department upon being convicted of a felony or a crime involving fraud, theft, or financial

crimes.

F. Any officer, director, partner, or owner of a supplier or manufacturer shall immediately notify the department upon being convicted or pleading nolo contendere to a felony or a crime involving gambling or an action against any license or certificate held by the supplier in any state in the United States.

G. Failure to report information required by subsection E or F of this section by any officer, director, or game manager of a qualified organization or by any supplier or manufacturer may result in the denial, suspension, or revocation of a permit.

H. Any officer, director, or game manager of a qualified organization involved in charitable gaming shall immediately report to the department any change the Internal Revenue Service makes in the tax status of the organization, or if the organization is a chapter of a national organization covered by a group tax exempt determination, the tax status of the national organization.

I. All organizations regulated by the department shall display prominently a poster advising the public of a phone number where complaints relating to charitable gaming may be made. Such posters shall be in a format prescribed by the department.

Statutory Authority

§ 18.2-340.15 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 29, Issue 3, eff. November 7, 2012.

FORMS (11VAC15-40)

GAME MANAGEMENT FORMS

[Bingo Session Reconciliation Summary, Form 103 \(rev. 1/11\).](#)

[Admission Sales Reconciliation - Paper, Form 104-A \(rev. 1/11\).](#)

[Floor Sales Reconciliation - Paper, Form 104-B \(rev. 1/11\).](#)

[Decision Bingo Reconciliation, Form 104-C \(rev. 1/11\).](#)

[Raffle/Treasure Chest Sales Reconciliation - Bingo Session, Form 104-D \(rev. 1/11\).](#)

[Instant Bingo/Seal Cards/Pull-Tabs Reconciliation, Form 105 \(rev. 1/11\).](#)

[Storeroom Inventory Issue - Paper, Form 106-A \(rev. 7/08\).](#)

[Storeroom Inventory Issue - Instant Bingo/Seal Cards/Pull-Tabs, Form 106-B \(rev. 7/08\).](#)

[List of Volunteer Workers, Form 107 \(rev. 7/08\).](#)

[Prize Receipt, Form 108 \(rev. 7/08\).](#)

[Storeroom Inventory - Paper, Form 109-A \(rev. 1/11\).](#)

[Storeroom Inventory - Instant Bingo/Seal Cards/Pull-Tabs, Form 109-B \(rev. 1/11\).](#)

ORGANIZATION LICENSING FORMS

[Charitable Gaming Permit Application - New Applicants Only, Form 201 - N \(rev. 1/11\).](#)

[Charitable Gaming Permit Application - Renewal Applicants Only, Form 201 - R \(rev. 1/11\).](#)

[Permit Amendment \(rev. 1/11\).](#)

[Gaming Personnel Information Update \(rev. 7/08\).](#)

[Report of Game Termination \(rev. 7/08\).](#)

MANUFACTURER OF ELECTRONIC GAMES OF CHANCE SYSTEMS AND SUPPLIER LICENSING FORMS

[Manufacturer of Electronic Games of Chance Systems and Charitable Gaming Supplier Permit Application, Form 301 \(rev. 6/12\).](#)

[Annual Supplier/Manufacturer Sales and Transaction Report, Form 302 \(rev. 6/12\).](#)

BINGO MANAGER AND BINGO CALLER REGISTRATION FORMS

[Charitable Gaming Bingo Caller Certificate of Registration Application, Form 401 \(rev. 1/11\).](#)

[Charitable Gaming Bingo Manager Certificate of Registration Application, Form 402 \(rev. 1/11\).](#)

[Amendment to Certificate of Registration – Registered Bingo Callers and Bingo Managers \(rev. 1/11\).](#)

[Personal Information Update – Registered Bingo Callers and Registered Bingo Managers, Form 404 \(rev. 7/07\).](#)

[Bona Fide Member Verification, Form 405 \(rev. 5/11\).](#)

DOCUMENTS INCORPORATED BY REFERENCE (11VAC15-40)

[IRS Publication 3079, Tax-Exempt Organizations and Gaming \(rev. 6/10\).](#)

[Security Requirements for Cryptographic Modules, Federal Information Processing Standard, FIPS Pub 140-2 \(rev. 12/02\).](#)
