

1 11VAC15-40
2 CHAPTER 40

3 CHARITABLE GAMING REGULATIONS

4 11VAC15-40-10
5 Part 1

6 Definitions

7 11VAC15-40-10. Definitions.

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

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

13 "Board" means the Virginia Charitable Gaming Board.

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

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

18 "Calendar week" means the period of seven consecutive calendar days commencing at
19 12:01 a.m. on Sunday and ending at midnight the following Saturday.

20 "Cash" means United States currency or coinage.

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

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

25 "Conduct" means the actions associated with the provision of a gaming operation during
26 and immediately before or after the permitted activity, which may include, but not be
27 limited to (i) selling bingo cards or packs, electronic devices, instant bingo or pull-tab
28 cards, or raffle tickets; (ii) calling bingo games; (iii) distributing prizes; and (iv) any other
29 services provided by volunteer workers.

30 "Control program" is software involved in any critical game function.

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

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

35 "Decision bingo" means a bingo game where the cost to a player to play is dependent
36 on the number of bingo numbers called and the prize payout is in direct relationship to

37 the number of participants and the number of bingo numbers called, but shall not
38 exceed statutory prize limits for a regular bingo game.

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

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

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

45 "Disinterested player" means a player who is unbiased.

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

48 "Distributed pull-tab system" means a computer system consisting of a computer(s) and
49 associated equipment for the use of distributing a finite number of electronic instant
50 bingo and/or pull-tab outcomes (i.e., electronic game cards), a certain number of which,
51 entitle a player to prize awards at various levels.

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

54 "Electronic bingo device" means an electronic device that uses proprietary software or
55 hardware, or in conjunction with commonly available software and computers, displays
56 facsimiles of bingo cards and allows a player to daub such cards or allows for the
57 automatic daubing of such cards.

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

62 "Equipment and video systems" means equipment that facilitates the conduct of
63 charitable gaming such as ball blowers, flashboards, electronic verifiers, and
64 replacement parts for such equipment.

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

69 "Fiscal year" or "annual reporting period" means the 12-month period beginning January
70 1 and ending December 31 of any given year.

71 "Flare" means a piece of paper, cardboard or similar material that bears printed
72 information relating to the name of the manufacturer or logo, name of the game, card
73 count, cost per play, serial number, the number of prizes to be awarded and the specific
74 prize amounts in a deal of instant bingo, pull-tab or seal cards.

75 "Free space number," "perm number," "center number," "card number" or "face number"
76 means the number generally printed in the center space of a bingo card that identifies
77 the unique pattern of numbers printed on that card.

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

82 "Game set" means the entire pool of electronic game cards which contains pre-defined
83 and randomized game results assigned under a unique serial number. This term is
84 equivalent to "deal" or "deck".

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

86 "Gaming activity" means one bingo session and the sale and redemption of instant
87 bingo, pull-tabs, seal cards, or electronic game cards done in conjunction with that
88 bingo session and in accordance with the provisions of this regulation.

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

91 "Interested persons" means the president, an officer or bingo manager of any qualified
92 organization which is exempt or is a permit applicant or holds a permit to conduct
93 charitable gaming or the owner, director, officer or partner of an entity engaged in
94 supplying charitable gaming supplies to organizations.

95 "IRS" means the United States Internal Revenue Service.

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

101 "Manufacturer" means a person or entity who assembles from raw materials or subparts
102 a completed piece of bingo or other charitable gaming equipment or supplies.

103 "Manufacturer" also means a person or entity who modifies, converts, adds or removes
104 parts to or from bingo or other charitable gaming equipment or supplies to further their
105 promotion or sale for the conduct of charitable gaming.

106 "OCG number" means a unique identification number issued by the Department.

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

111 "Owner" means any individual with financial interest of 10% or more in a supplier.

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

114 “Player device” means an electronic unit which may take the form of an upright cabinet,
115 a handheld device, or be of any other composition as approved by the Department used
116 to facilitate the play of electronic instant bingo or pull-tab games.

117 “Prize” means cash, merchandise, certificate or other item of value awarded to a
118 winning player.

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

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

124 “Remuneration” means payment in cash or the provision of anything of value for goods
125 provided or services rendered.

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

130 “Selection device” means a manually or mechanically operated device to randomly
131 select bingo numbers.

132 “Serial number” means a unique number printed by the manufacturer on each bingo
133 card in a set, each instant bingo, pull-tab, or seal card in a deal, each electronic bingo
134 device, or each door prize ticket.

135 “Series number” means the number of unique card faces contained in a set of
136 disposable bingo paper cards or bingo hard cards. A 9000 series, for example, has
137 9000 unique faces.

138 “Session” means a period of time during which one or more bingo games are conducted
139 that begins with the selection of the first ball for the first game and ends with the
140 selection of the last ball for the last game.

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

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

151 “Voucher” means a printed ticket tendered to the player, upon request, for any unused
152 game plays and/or winnings that remain on the player device.

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

155 11VAC15-40-20

156 Part II

157 Charitable Gaming Organizations

158 Article 1

159 Permits

160 11VAC15-40-20. Eligibility for permit to conduct charitable gaming; when valid; permit
161 requirements.

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

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

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

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

184 E. If an organization fails to meet the minimum use of proceeds requirement, its permit
185 may be suspended or revoked. However, the Department shall not suspend or revoke
186 the permit of any organization solely because of its failure to meet the required
187 percentage without having first provided the organization with an opportunity to
188 implement a corrective action plan.

189 F. An organization may request a temporary reduction in the predetermined percentage
190 specified in subsection D of this section from the Department. In reviewing such a
191 request, the Department shall consider such factors appropriate to and consistent with
192 the purpose of charitable gaming, which may include, but not be limited to (i) the

193 organization's overall financial condition; (ii) the length of time the organization has
194 been involved in charitable gaming; (iii) the extent of the deficiency; and (iv) the
195 progress that the organization has made in attaining the minimum percentage in
196 accordance with a corrective action plan pursuant to subsection E of this section.

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

202 11VAC15-40-30

203 11VAC15-40-30. Permit application process.

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

210 B. The Department may initiate action against any organization exempt from permit
211 requirements when it reasonably believes the organization is not in compliance with the
212 provisions of charitable gaming laws or applicable regulations, or both, of the board.

213 C. Permit holders requiring a special permit pursuant to § 18.2-340.27 E of the Code of
214 Virginia shall convey their request on a form prescribed by the Department.
215 Organizations shall submit a fee payable to the Treasurer of Virginia in the amount of
216 \$50 with the request for a special permit, unless the organization is exempt from such
217 fee pursuant to § 18.2-340.23 of the Code of Virginia.

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

221 E. Permits shall be granted only after a background investigation of an organization or
222 interested persons, or both, to ensure public safety and welfare as required by § 18.2-
223 340.25 of the Code of Virginia. Investigations shall consider the nature, the age and
224 severity and the potential harm to public safety and welfare of any criminal offenses.
225 The investigation may include, but shall not be limited to, the following:

226 1. A search of Virginia criminal history records for the chief executive officer and chief
227 financial officer of the organization. Information and authorization to conduct these
228 records checks shall be provided in the permit application. In addition, the Department
229 shall require that the organization provides assurances that all other members involved
230 in the management, operation, or conduct of charitable gaming meet the requirements
231 of subdivision 13 of § 18.2-340.33 of the Code of Virginia. Applications may be denied
232 if:

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

234 (1) Convicted of a felony; or
235 (2) Convicted of any misdemeanor involving fraud, theft, or financial crimes within the
236 preceding five years.

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

238 (1) Convicted of any felony in the preceding 10 years; or
239 (2) Convicted of any misdemeanor involving fraud, theft or financial crimes within the
240 preceding five years;

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

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

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

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

252 F. The permit application for an organization that has not previously held a permit shall
253 include:

254 1. A list of members participating in the management or operation of charitable gaming.
255 For any organization that is not composed of members, a person who is not a bona fide
256 member may volunteer in the conduct of a charitable game as long as that person is
257 directly supervised by a bona fide official member of the organization;

258 2. A copy of the articles of incorporation, bylaws, charter, constitution or other
259 appropriate organizing document;

260 3. A copy of the determination letter issued by the IRS under § 501(c) of the Internal
261 Revenue Code, if appropriate, or a letter from the national office of an organization
262 indicating the applicant organization is in good standing and is currently covered by a
263 group exemption ruling. A letter of good standing is not required if the applicable
264 national or state office has furnished the Department with a listing of member
265 organizations in good standing in the Commonwealth as of January 1 of each year and
266 has agreed to promptly provide the Department any changes to the listing as they
267 occur;

268 4. A copy of the organization's most recent annual financial statement and balance
269 sheet, or most recent Form 990 that has been filed with the IRS;

270 5. A copy of the written lease or proposed written lease agreement and all other
271 agreements if the organization rents or intends to rent a facility where bingo is or will be

272 conducted. Information on the lease shall include name, address, phone number of the
273 landlord, maximum occupancy of the building, and the rental amount per session; and

274 6. An authorization by an officer or other appropriate official of an organization to permit
275 the Department to determine whether the organization has been investigated or
276 examined by the Internal Revenue Service in connection with charitable gaming
277 activities during the previous three years.

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

281 H. Organizations applying to renew a permit previously issued by the Department shall
282 submit articles of incorporation, bylaws, charter, constitution or other organizing
283 document and IRS determination letter only if there are any amendments or changes to
284 these documents that are directly related to the management, operation or conduct of
285 charitable gaming.

286 I. Organizations may request permits to conduct joint bingo games as provided in §
287 18.2-340.29 of the Code of Virginia:

288 1. In the case of a joint game, all the organizations shall file a permit application.

289 2. The nonrefundable permit fee for joint games shall be a total of \$200. Volunteer fire
290 departments or rescue squads or auxiliary units thereof that have been recognized in
291 accordance with § 15.2-955 of the Code of Virginia shall be exempt from the payment of
292 applications fees.

293 3. A single permit shall be issued in the names of all the organizations conducting a joint
294 game. All restrictions and prohibitions applying to single organizations shall apply to
295 qualified organizations jointly conducting bingo games pursuant to § 18.2-340.29 of the
296 Code of Virginia.

297 4. No charitable gaming shall be conducted prior to the issuance of a joint permit.

298 5. Applications for joint games shall include an explanation of the division of manpower,
299 costs and proceeds for the joint game.

300 J. An organization wishing to change dates, times or locations of its charitable gaming
301 shall request a change in the permit. Change requests shall be made in writing on a
302 form prescribed by the Department at least 30 days in advance of the proposed
303 effective date.

304 K. Changes in dates, times or locations due to inclement weather, disasters, or other
305 circumstances outside the organization's control may be made without a change in the
306 permit. The organization shall request such a change on a form prescribed by the
307 Department as soon as the necessity for the change is known.

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

310 1. The raffle is conducted by the organization in conjunction with a meeting outside the
311 Commonwealth of Virginia or with another organization which is licensed to conduct
312 raffles outside the Commonwealth of Virginia;

313 2. The raffle is conducted in accordance with these regulations and the laws and
314 regulations of the state where the drawing is to be held; and

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

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

320 11VAC15-40-40

321 11VAC15-40-40. Suspension, revocation, or denial of permit.

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

325 1. The organization is found to be in violation of or has failed to meet any of the
326 requirements of the statutes or regulations governing the operation, management, and
327 conduct of charitable gaming in the Commonwealth.

328 2. The organization is found to be not in good standing with its state or national
329 organization.

330 3. The IRS revokes or suspends the organization's tax-exempt status.

331 4. The organization willfully and knowingly provides false information in its application
332 for a permit to conduct charitable gaming.

333 5. The organization is found to have a member involved in the management, operation
334 or conduct of its charitable gaming who has been convicted of any felony or any
335 misdemeanor as follows:

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

338 (1) Convicted of a felony, or

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

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

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

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

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

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

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

359 11VAC15-40-50

360 Article 2

361 Conduct of Games, Rules of Play, Electronic Bingo

362 11VAC15-40-50. Conduct of bingo, instant bingo, pull-tabs, seal cards, event games
363 and raffles.

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

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

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

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

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

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

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

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

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

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

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

398 1. Maintain a supplier's invoice or a legible copy thereof at the location where the
399 gaming is taking place and cards are sold. The original invoice or legible copy shall be
400 stored in the same storage space as the gaming supplies. All gaming supplies shall be
401 stored in a secure area that has access limited only to bona fide members of the
402 organization; and

403 2. Pay for all gaming supplies only by a check drawn on the charitable gaming account
404 of the organization.

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

407 L. A volunteer working a bingo session may receive complimentary food and
408 nonalcoholic beverages provided on premises, as long as the retail value of such food
409 and beverages does not exceed \$15 for each session.

410 M. Permitted organizations shall not commingle records, supplies or funds from
411 permitted activities with those from instant bingo, pull-tabs, seal cards, event game
412 cards or electronic game cards sold in social quarters in accordance with § 18.2-
413 340.26:1 of the Code of Virginia.

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

417 O. No free packs, free electronic bingo devices, discounts or remuneration in any other
418 form shall be provided directly or indirectly to volunteers, members of their family or
419 individuals residing in their household. The reduction of tuition, dues or any fees or
420 payments due as a result of a member or shareholder, or anyone in their household,
421 working bingo games or raffles is prohibited.

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

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

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

434 S. All bingo and instant bingo, pull-tabs, seal card, event game cards, or electronic
435 game card sales, play, and redemption must occur within the time specified on the
436 charitable gaming permit.

437 T. Instant bingo, pull-tabs, seal cards, event game cards, or electronic game cards shall
438 only be sold in conjunction with a bingo session, except as authorized by § 18.2-
439 340.26:2 of the Code of Virginia. No instant bingo, pull tabs, seal card, event game
440 card, or electronic game card sales shall take place more than two hours before or after
441 a session. If multiple sessions are held at the same location, no instant bingo, pull-tab,
442 seal card, event game card, or electronic game card sales shall be conducted during
443 the required 30-minute break between gaming activities. The Department may take
444 action if it believes that a regular bingo session is not legitimate or is being conducted in
445 a manner such that instant bingo, pull-tabs, seal cards, event game cards, or electronic
446 game cards are not being sold in conjunction with a bingo session.

447 U. Only a volunteer game worker of qualified organizations may rent, exchange or
448 otherwise provide electronic bingo devices to players.

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

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

459 X. Only qualified organizations, facilities in which qualified organizations play bingo and
460 suppliers permitted by the Department shall advertise a bingo game. Providing players
461 with information about bingo games through printed advertising is permitted, provided
462 the name of the qualified organization shall be in a type size equal to or larger than the

463 name of the premises, hall or the word “bingo.” Printed advertisements shall identify the
464 use of proceeds percentage reported in the past quarter or fiscal year.

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

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

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

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

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

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

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

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

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

486 11VAC15-40-60

487 11VAC15-40-60. Rules of play.

488 A. Each organization shall adopt “house rules” regarding conduct of the game. Such
489 rules shall be consistent with the provisions of the law and this chapter. “House rules”
490 shall be conspicuously posted or, at an organization’s option, printed on the game
491 program.

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

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

498 1. No cards that have been marked, defaced, altered, tampered with or otherwise
499 constructed in a manner that tends to deceive the public or affect the chances of
500 winning or losing shall be placed into play.

- 501 2. Winning cards shall have the winning symbol or number defaced or punched
502 immediately after redemption by the organization's authorized representative.
- 503 3. An organization may commingle unsold instant bingo cards and pull-tabs with no
504 more than one additional deal. The practice of commingling deals shall be disclosed to
505 the public via house rules or in a similar manner. Seal card deals shall not be
506 commingled.
- 507 4. If a deal is not played to completion and unsold cards remain, the remaining cards
508 shall be sold at the next session the same type of ticket is scheduled to be sold. If no
509 future date is anticipated, the organization shall, after making diligent efforts to sell the
510 entire deal, consider the deal closed or completed. The unsold cards shall be retained
511 for three years following the close of the fiscal year and shall not be opened.
- 512 5. All seal card games purchased shall contain the sign-up sheet, seals and the cards
513 packaged together in each deal.
- 514 6. Progressive seal card prizes not claimed within 30 days shall be carried forward to
515 the next progressive game in progress and paid to the next progressive game prize
516 winner.
- 517 D. No one involved in the conduct of bingo may play bingo at any session they have
518 worked or intend to work. No one involved in the sale or redemption of any instant
519 bingo, pull-tabs, seal cards, or electronic game cards may purchase directly or through
520 others instant bingo, pull-tab, seal card, or electronic game card products from
521 organizations they assist on the day they have worked or from any deal they have
522 helped sell or redeem, whichever occurs later.
- 523 E. Electronic bingo.
- 524 1. Electronic bingo devices may be used by bingo players in the following manner:
- 525 a. Players may input into the device each number called or the device may
526 automatically daub each number as the number is called;
- 527 b. Players must notify the game operator or caller of a winning pattern of bingo by a
528 means other than use of the electronic device;
- 529 c. Players are limited to playing a maximum of 54 card faces per device per game;
- 530 d. Electronic bingo devices shall not be reserved for players. Each player shall have an
531 equal opportunity to use the available devices on a first come, first served basis;
- 532 e. Each electronic bingo device shall produce a player receipt with the organization
533 name, date, time, location, sequential transaction or receipt number, number of
534 electronic bingo cards loaded, cost of electronic bingo cards loaded, and date and time
535 of the transaction. Images of cards or faces stored in an electronic device must be
536 exact duplicates of the printed faces if faces are printed;
- 537 f. Department agents may examine and inspect any electronic bingo device and related
538 system. Such examination and inspection shall include immediate access to the device

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

613 1. No instant bingo cards or pull-tabs that have been marked, defaced, altered,
614 tampered with or otherwise constructed in a manner that tends to deceive the public or
615 affect the chances of winning or losing shall be placed into play.

616 2. Instant bingo cards and pull-tabs used in an event game shall not be offered for sale
617 or sold at a purchase price other than the purchase price indicated on the flare for that
618 particular deal.

619 3. The maximum prize amount for event games shall not exceed the amount set forth in
620 § 18.2-340(33)(9) of the Code of Virginia for instant bingo, pull tab or seal card.

621 A sign-up sheet is not required for event games in which the winner or winners are
622 determined using a seal card.

623 4. Organizations shall determine the winner or winners of event games during same
624 bingo session in which the instant bingo cards or pull-tabs are sold.

625 5. An authorized representative of the organization shall deface or punch the winning
626 instant bingo cards or winning pull-tabs immediately after redemption.

627 6. If unsold bingo cards or unsold pull-tabs remain, the unsold cards shall be retained
628 for three years following the close of the fiscal year and shall not be opened.

629 11VAC15-40-70

630 Article 3

631 Bank Accounts, Recordkeeping, Financial Reporting, Audits, Fees

632 11VAC15-40-70. Bank accounts.

633 A. A qualified organization shall maintain a charitable gaming bank account that is
634 separate from any other bank account and all gaming receipts shall be deposited into
635 the charitable gaming bank account.

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

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

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

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

647 11VAC15-40-80

648 11VAC15-40-80. Recordkeeping.

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

654 1. Charitable gaming supplies purchased and used;

655 2. A session reconciliation form and an instant bingo, pull-tab, seal card, or electronic
656 game card reconciliation form completed and signed within 48 hours of the end of the
657 session by the bingo manager;

658 3. All discounts provided;

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

661 5. Number of electronic bingo devices rented, unique serial numbers of such devices,
662 number of faces sold by each unit and a summary report for each session to include
663 date, time, location and detailed information on income and expenses;

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

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

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

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

674 10. A record of all door prizes awarded; and

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

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

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

683 a. Name and address of supplier;

684 b. Name of purchaser;

685 c. Date of purchase;

686 d. Number of tickets printed;
687 e. Ticket number sequence for tickets printed; and
688 f. Sales price of individual ticket.

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

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

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

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

702 C. All raffle tickets shall have a detachable section; be consecutively numbered with the
703 detachable section having the same number; provide space for the purchaser's name,
704 complete address and telephone number; and state the name and address of the
705 organization, the prize or prizes to be awarded, the date, time and location of the prize
706 drawing, and the selling price of the ticket and the charitable gaming permit number.
707 Winning tickets and unsold tickets shall be maintained for three years from the close of
708 the fiscal year.

709 D. All unused charitable gaming supplies shall either be returned for refund to the
710 original supplier in unopened original packaging in resalable condition as determined by
711 the supplier or turned in to the Department for destruction. The organization shall
712 maintain a receipt for all such supplies returned to the supplier or turned in to the
713 Department.

714 11VAC15-40-90
715 11VAC15-40-90. Financial reporting, penalties, inspections and audits.

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

719 B. The annual report shall be accompanied by the audit and administration fee as
720 established by the Department for the fiscal year unless the fee has been remitted with
721 quarterly reports or the organization is exempt from payment of the fee pursuant to §
722 18.2-340.23 of the Code of Virginia.

723 C. An organization desiring an extension to file its annual report for good cause shall
724 request the extension in writing on a form prescribed by the Department and shall pay

725 the projected audit and administration fee, unless exempt from payment of the fee
726 pursuant to § 18.2-340.23 of the Code of Virginia. The extension request and payment
727 of projected fees shall be made in accordance with the provisions of § 18.2-340.30 of
728 the Code of Virginia.

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

732

<u>Quarter Ending</u>	<u>Date Due</u>
<u>March 31</u>	<u>June 1</u>
<u>June 30</u>	<u>September 1</u>
<u>September 30</u>	<u>December 1</u>
<u>December 31</u>	<u>March 1</u>

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

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

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

753 G. Any qualified organization in possession of funds derived from charitable gaming
754 (including those who have ceased operations), regardless of when such funds may
755 have been received or whether it has a valid permit from the Department, shall file an
756 annual financial report on a form prescribed by the Department on or before March 15
757 of each year until such funds are depleted. If an organization ceases the conduct of
758 charitable gaming, it shall provide the Department with the name of an individual who
759 shall be responsible for filing financial reports. If no such information is provided, the
760 president of an organization shall be responsible for filing reports until all charitable
761 gaming proceeds are depleted.

762 H. If an organization has been identified through inspection, audit or other means as
763 having deficiencies in complying with statutory or regulatory requirements or having

764 ineffective internal controls, the Department may impose restrictions or additional
765 recordkeeping and financial reporting requirements.

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

770 11VAC15-40-100

771 11VAC15-40-100. Use of proceeds.

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

774 B. Use of proceeds payments may be made for scholarship funds or the future
775 acquisition, construction, remodeling or improvement of real property or the acquisition
776 of other equipment or vehicles to be used for religious, charitable, educational or
777 community purposes. In addition, an organization may obtain Department approval to
778 establish a special fund account or an irrevocable trust fund for special circumstances.
779 Transfers to such an account or an irrevocable trust fund from the organization's
780 charitable gaming account may be included as a use of proceeds if the payment is
781 authorized by an organization's board of directors.

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

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

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

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

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

798 G. Organizations shall maintain details of all use of proceeds disbursements for a
799 minimum of three years and shall make this information available to the Department
800 upon request.

801 H. The Department may disallow a use of proceeds payment to be counted against the
802 minimum percentage referred to in 11VAC15-40-20(D).

803 If any payment claimed as use of proceeds is subsequently disallowed, an organization
804 may be allowed additional time as specified by the Department to meet minimum use of
805 proceeds requirements.

806 11VAC15-40-110

807 Article 4

808 Rent

809 11VAC15-40-110. Requirements regarding renting premises, agreements and landlord
810 participation.

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

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

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

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

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

834 1. Participate in the management, operation or conduct of any charitable games;

835 2. Sell, lease or otherwise provide any bingo supplies including, but not limited to, bingo
836 cards, pull-tab cards, electronic game cards, or other game pieces; or

837 3. Require as a condition of the lease or contract that a particular manufacturer,
838 distributor or supplier of bingo supplies be used by the organization.

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

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

846 11VAC15-40-120

847 Part III

848 Suppliers

849 11VAC15-40-120. Suppliers of charitable gaming supplies: application, qualifications,
850 suspension, revocation or refusal to renew permit, maintenance, and production of
851 records.

852 A. Prior to providing any charitable gaming supplies, a supplier shall submit an
853 application on a form prescribed by the Department and receive a permit. A \$1,000
854 application fee payable to the Treasurer of Virginia is required. In addition, a supplier
855 must be authorized to conduct business in the Commonwealth of Virginia, which may
856 include, but not be limited to, registration with the State Corporation Commission, the
857 Department of Taxation, and the Virginia Employment Commission. The actual cost of
858 background investigations for a permit may be billed by the Department to an applicant.
859 The Department shall act on an application within 90 days of receipt of the application.

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

862 1. Is operating without a valid license, permit or certificate as a supplier or manufacturer
863 in any state in the United States;

864 2. Fails or refuses to recall a product as directed by the Department;

865 3. Conducts business with unauthorized entities or is not authorized to conduct
866 business in the Commonwealth of Virginia;

867 4. Has been convicted of or pleaded nolo contendere to any crime as specified by §
868 18.2-340.34 B of the Code of Virginia; has had any license, permit certificate or other
869 authority related to activities defined as charitable gaming in the Commonwealth
870 suspended or revoked in the Commonwealth or in any other jurisdiction; has failed to
871 file or has been delinquent in excess of one year in the filing of any tax returns or the
872 payment of any taxes due the Commonwealth; or has failed to establish a registered
873 office or registered agent in the Commonwealth if so required by § 13.1-634 or 13.1-763
874 of the Code of Virginia. As this provision relates to employees or agents, it shall only
875 apply to individuals involved in sales to or solicitations of customers in the
876 Commonwealth of Virginia;

877 5. Fails to notify the Department within 20 days of the occurrence, knowledge, or receipt
878 of the filing of any administrative or legal action relating to charitable gaming or the
879 distribution of charitable gaming supplies involving or concerning the supplier, any
880 officers or directors, employees, agent, or owner during the term of its permit;

881 6. Fails to provide to the Department upon request a current Letter for Company
882 Registration on file with the U.S. Department of Justice—Gambling Devices Registration
883 Unit, if required in accordance with The Gambling Devices Act of 1962, 15 USC §§
884 1171-1178, for any device that it sells, distributes, services or maintains in the
885 Commonwealth of Virginia; or

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

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

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

901 2. Sell bingo cards and paper to persons or entities other than qualified organizations
902 provided such supplies shall not be sold or otherwise provided for use in charitable
903 gaming activities regulated by the Department or in unlawful gambling activities. For
904 each such sale, the supplier shall maintain the name, address and telephone number of
905 the purchaser. The supplier shall also obtain a written statement from the purchaser
906 verifying that such supplies will not be used in charitable gaming or any unlawful
907 gambling activity. Such statement shall be dated and kept on file for three years from
908 the end of a fiscal year. Payment for such sales in excess of \$50 shall be accepted in
909 the form of a check.

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

917 All such sales shall be documented pursuant to subsection H of this section and
918 reported to the Department pursuant to subsection J of this section. This provision shall
919 not apply to the sale to landlords of equipment and video systems as defined in this
920 chapter. Equipment and video systems shall not include dispensing devices, electronic
921 bingo devices, and player devices.

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

928 E. No supplier, supplier's agent, or employee may be involved in the management,
929 operation or conduct of charitable gaming in the Commonwealth of Virginia. No member
930 of a supplier's immediate family or person residing in the same household as a supplier
931 may be involved in the management, operation or conduct of charitable gaming of any
932 customer of the supplier in the Commonwealth of Virginia. No supplier, supplier's agent
933 or employee may participate in any charitable gaming of any customer of the supplier in
934 the Commonwealth of Virginia. For the purposes of this regulation, servicing of
935 electronic devices shall not be considered conduct or participation.

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

939 1. A search of the Virginia Central Criminal Records Exchange (CCRE) on all officers,
940 directors and owners; and

941 2. Verification of current compliance with Commonwealth of Virginia tax laws.

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

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

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

950 1. Name, address, and OCG number of the organization;

951 2. Date of sale or rental and location where bingo supplies are shipped if different from
952 the billing address;

953 3. Name, form number and serial number of each deal of instant bingo, pull-tabs, seal
954 cards, electronic game cards, or bundles, and the number of cards in each deal;

955 4. Quantity of deals sold, the cost per deal, the selling price per card, the cash take-in
956 per deal and the cash payout per deal;

957 5. Serial number of the top sheet in each pack of disposable bingo paper, the number of
958 sheets in each pack or pad, the cut and color and the number of packs or pads sold;

959 6. Serial number for each series of uncollated bingo paper and the number of sheets
960 sold;

961 7. Detailed information concerning the type, quantity and individual price of any other
962 charitable gaming supplies or related items including, but not limited to, concealed face
963 bingo cards, hard cards, markers or daubers and refills, or any other merchandise. For
964 concealed face bingo cards, the number of sets, price per set and the serial number of
965 each set shall be included;

966 8. Serial number of each player device, the form of the player device, the number of
967 player devices sold or rented, and the physical address to which each player device is
968 shipped;

969 9. Serial number and description of any other equipment sold or rented that is used to
970 facilitate the distribution, play, and redemption of electronic game cards and the
971 physical address to which the equipment is shipped; and

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

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

978 J. Each supplier shall provide a report to the Department by March 1 of each year on
979 sales of charitable gaming supplies for the fiscal year ending December 31 of the
980 previous year to each organization in the Commonwealth of Virginia. This report shall
981 be provided to the Department on computer disk or other Department-approved media.
982 The report shall include the name and address of each organization and the following
983 information for each sale or transaction:

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

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

990 3. Electronic bingo device sales including purchase or rental price and number of units;

991 4. Equipment used to facilitate the distribution, play, and redemption of electronic game
992 cards including purchase or rental price, description of equipment, number of units of
993 each type of equipment, and the physical address to which the equipment is shipped;
994 and

995 5. Sales of miscellaneous items such as daubers, markers, and other merchandise
996 including purchase price, description of product, and number of units.

997 K. The Department shall set manufacturing and testing criteria for all electronic bingo
998 devices and other equipment used in the conduct of charitable gaming. An electronic
999 bingo device shall not be sold, leased, or otherwise furnished to any person in the
1000 Commonwealth of Virginia for use in the conduct of charitable gaming until an identical

1001 sample device containing identical proprietary software has been certified by a testing
1002 facility that has been formally recognized by the Department as a testing facility that
1003 upholds the standards of integrity established by the Department. The testing facility
1004 must certify that the device conforms, at a minimum, to the restrictions and conditions
1005 set forth in these regulations. Once the testing facility reports the test results to the
1006 Department, the Department will either approve or disapprove the submission and
1007 inform the manufacturer of the results within 10 business days. If any such equipment
1008 does not meet the Department's criteria, it shall be recalled and shall not be distributed
1009 in the Commonwealth of Virginia. The cost of testing shall be borne by the manufacturer
1010 of such equipment.

1011 L. Department employees shall have the right to inspect all electronic and mechanical
1012 equipment used in the conduct of charitable gaming.

1013 M. Suppliers, their agents and employees, members of the supplier's immediate family
1014 or persons residing in their household shall not make any loan directly or indirectly to
1015 any organization or officer, director, game manager or entity involved in the
1016 management, operation or conduct of charitable gaming of a supplier's customer
1017 located in the Commonwealth of Virginia.

1018 N. No supplier, supplier's agent or employee shall directly or indirectly provide a rebate,
1019 discount or refund to any person other than an organization which purchases supplies
1020 or leases or purchases equipment from the supplier. All such transactions shall be
1021 recorded on the supplier's account books.

1022 O. A supplier shall not rent, sell or otherwise provide electronic bingo devices or
1023 equipment used to distribute, play, or redeem electronic game cards unless the supplier
1024 possesses a valid permit in the Commonwealth of Virginia.

1025 P. A written agreement specifying the terms of lease or rental shall be required for any
1026 electronic bingo devices or equipment used to distribute, play, or redeem electronic
1027 game cards provided to an organization.

1028 11VAC15-40-130
1029 11VAC15-40-130. Construction and other standards for bingo, instant bingo, pull-tabs,
1030 seal cards, event games, raffles, electronic bingo devices, and instant bingo, pull-tab
1031 and seal card dispensers.

1032 A. No supplier shall knowingly sell or otherwise provide to an organization and no
1033 organization shall knowingly use bingo supplies unless they conform to the following
1034 construction standards:

1035 1. Disposable paper sold shall be of sufficient weight and quality to allow for clearly
1036 readable numbers and to prevent ink from spreading, bleeding or otherwise obscuring
1037 other numbers or cards.

1038 2. Each sheet of disposable bingo paper shall be comprised of cards bearing a serial
1039 number. No serial number shall be repeated on or in the same style, series and color of
1040 cards within a three-year period.

1041 3. Disposable bingo paper assembled in books or packs shall not be separated except
1042 for single-sheet specials. This provision does not apply to two-part cards on which
1043 numbers are filled by players and one part is separated and provided to an organization
1044 for verification purposes.

1045 4. Each unit of disposable bingo paper shall have an exterior label listing the following
1046 information:

1047 a. Description of product;

1048 b. Number of packs or loose sheets;

1049 c. Series numbers;

1050 d. Serial number of the top sheet;

1051 e. Number of cases;

1052 f. Cut of paper; and

1053 g. Color of paper.

1054 5. "Lucky Seven" bingo cards or electronic facsimiles thereof shall have a single face
1055 where seven numbers shall be chosen. "Lucky Seven" sheets or electronic facsimiles
1056 thereof shall have multiple faces where seven numbers shall be chosen per face.

1057 B. No supplier shall knowingly sell or otherwise provide to an organization and no
1058 organization shall knowingly use instant bingo, pull-tab, seal cards, or event game cards
1059 unless they conform to the following construction standards:

1060 1. Cards shall be constructed so that concealed numbers, symbols or winner protection
1061 features cannot be viewed or determined from the outside of the card by using a high
1062 intensity lamp of 500 watts, with or without utilizing a focusing lens.

1063 2. Deals shall be designed, constructed, glued and assembled in a manner to prevent
1064 determination of a winning or losing ticket without removing the tabs or otherwise
1065 uncovering the symbols or numbers as intended.

1066 3. Each card in a deal shall bear the same serial number. Only one serial number shall
1067 be used in a deal. No serial number used in a deal shall be repeated by the same
1068 manufacturer on that same manufacturer's form within a three-year period. The flare of
1069 each deal shall accompany the deal and shall have affixed to it the same serial number
1070 as the tickets in such deal.

1071 4. Numbers or symbols on cards shall be fully visible in the window and shall be placed
1072 so that no part of a number or symbol remains covered when the tab is removed.

1073 5. Cards shall be glued on all edges and around each window. Glue shall be of
1074 sufficient strength and type to prevent the undetectable separation or delamination of
1075 the card. For banded tickets, the glue must be of sufficient strength and quality to
1076 prevent the separation of the band from the ticket.

1077 6. The following minimum information shall be printed on a card:

- 1078 a. Break open pull-tab, instant bingo cards, and event game cards:
- 1079 (1) Name of the manufacturer or its distinctive logo;
- 1080 (2) Name of the game;
- 1081 (3) Manufacturer's form number;
- 1082 (4) Price per individual card or bundle;
- 1083 (5) Unique minimum five-digit game serial number printed on the game information side
1084 of the card; and
- 1085 (6) Number of winners and respective winning number or symbols and specific prize
1086 amounts, unless accompanied by a manufacturer's preprinted publicly posted flare with
1087 that information.
- 1088 b. Banded pull-tabs:
- 1089 (1) Manufacturer;
- 1090 (2) Serial number;
- 1091 (3) Price per individual card or bundle, unless accompanied by a manufacturer's
1092 preprinted publicly posted flare with that information; and
- 1093 (4) Number of winners and respective winning numbers or symbols and prize amounts,
1094 or a manufacturer's preprinted publicly posted flare giving that information.
- 1095 7. All seal card games sold to organizations shall contain the sign-up sheet, seals and
1096 cards packaged together in each deal.
- 1097 C. Raffle tickets used independent of a bingo game must conform to the following
1098 construction standards:
- 1099 1. Each ticket shall have a detachable section and shall be consecutively numbered.
- 1100 2. Each section of a ticket shall bear the same number. The section retained by the
1101 organization shall provide space for the purchaser's name, complete address and
1102 telephone number.
- 1103 3. The following information shall be printed on the purchaser's section of each ticket:
- 1104 a. Dates and times of drawings;
- 1105 b. Locations of the drawings;
- 1106 c. Name of the charitable organization conducting the raffle;
- 1107 d. Price of the ticket;
- 1108 e. Charitable gaming permit number; and
- 1109 f. Prizes.

1110 Exceptions to these construction standards are allowed only with prior written approval
1111 from the Department.

1112 D. Electronic bingo.

1113 1. The Department, at its discretion, may require additional testing of electronic bingo
1114 devices at any time. Such additional testing shall be at the manufacturer's expense and
1115 shall be a condition of the continued use of such device.

1116 2. All electronic bingo devices shall use proprietary software and hardware or commonly
1117 available software and computers and shall be enabled for play on the premises where
1118 the game is to be played.

1119 3. Each electronic bingo device shall have a unique identification number permanently
1120 coded into the software of such device. Manufacturers of electronic bingo devices shall
1121 employ sufficient security safeguards in designing and manufacturing the devices such
1122 that it may be verified that all proprietary software components are authentic copies of
1123 the approved software components and all functioning components of the device are
1124 operating with identical copies of approved software programs. The device must also
1125 have sufficient security safeguards so that any restrictions or requirements authorized
1126 by the Department or any approved proprietary software are protected from alteration
1127 by unauthorized personnel. The device shall not contain hard-coded or unchangeable
1128 passwords. Security measures that may be employed to comply with these provisions
1129 include, but are not limited to, the use of dongles, digital signature comparison hardware
1130 and software, secure boot loaders, encryption, and key and callback password systems.

1131 4. Electronic bingo devices shall not allow a player to create a card by the input of
1132 specific numbers on each card. Manufacturers shall ensure that an electronic bingo
1133 device does not allow for the play of any bingo card faces other than those verifiably
1134 purchased by the patron.

1135 5. Electronic bingo devices shall not accept cash, currency or tokens for play.

1136 6. Electronic bingo devices shall require the manual entry of numbers as they are
1137 called, the manual verification of numbers as they have been electronically transmitted
1138 to the device, or the full automatic daubing of numbers as each number is called.
1139 During the play of a bingo game, the transmission of data to electronic bingo devices
1140 shall be limited to one-way communication to the device and shall consist only of the
1141 number called.

1142 7. A device shall not allow the play of more than 54 cards per device per game.

1143 8. The electronic bingo device system shall record a sequential transaction number or
1144 audit tracking number for each transaction. The system shall not allow the manual
1145 resetting or changing of this number.

1146 9. The system shall produce a receipt and a transaction log containing the following:

1147 a. Organization name;

1148 b. Location of bingo game;

- 1149 c. Sequential transaction or receipt number;
1150 d. Number of electronic bingo cards loaded;
1151 e. Cost of electronic bingo cards loaded; and
1152 f. Date and time of each transaction.
- 1153 10. The system shall maintain and make available on demand a summary report for
1154 each session that includes the following:
- 1155 a. Organization name;
1156 b. Physical location of bingo game;
1157 c. Date and time of each transaction;§
1158 d. Sequential transaction or receipt number;
1159 e. Number of electronic bingo cards loaded;
1160 f. Cost of electronic bingo cards loaded;
1161 g. A transaction history correlating each electronic sale to the device identification
1162 number of the device on which the sale was played;
1163 h. Sufficient information to identify voids, including the date and time of each voided
1164 transaction;
1165 i. Sufficient information to identify device returns; and
1166 j. Total gross receipts for each session.
- 1167 11. Each device shall be programmed to automatically erase all stored electronic cards
1168 at the end of the last game of a session, within a set time from their rental to a player, or
1169 by some other clearance method approved by the Department.
- 1170 12. All devices shall be reloaded with another set of cards at the beginning of each
1171 session if the devices are to be reused at the same location.
- 1172 E. In instances where a defect in packaging or in the construction of deals or electronic
1173 devices is discovered by or reported to the Department, the Department shall notify the
1174 manufacturer of the deals or devices containing the alleged defect. Should the
1175 Department, in consultation with the manufacturer, determine that a defect exists, and
1176 should the Department determine the defect affects game security or otherwise
1177 threatens public confidence in the game, the Department may, with respect to deals or
1178 electronic devices for use still located within the Commonwealth of Virginia, require the
1179 supplier to:
- 1180 1. Recall the deals or electronic devices affected that have not been sold or otherwise
1181 provided; or
1182 2. Issue a total recall of all affected deals or electronic devices.

1183 F. No instant bingo, pull-tab or seal card dispenser may be sold, leased or otherwise
1184 furnished to any person or organization in the Commonwealth of Virginia or used in the
1185 conduct of charitable gaming until an identical sample device containing identical
1186 proprietary software, if applicable, has been certified by a testing facility that has been
1187 formally recognized by the Department as a testing facility that upholds the standards of
1188 integrity established by the Department. The cost of testing shall be borne by the
1189 manufacturer of such equipment. In addition, suppliers and manufacturers of such
1190 dispensers shall comply with the requirements of The Gambling Devices Act of 1962
1191 (15 USC §§ 1171-1178).

1192 G. All instant bingo, pull-tab or seal card dispensing devices must meet the following
1193 standards:

1194 1. Each dispenser shall be manufactured in a manner that ensures a pull-tab ticket is
1195 dispensed only after insertion of United States currency or coinage into the dispenser.
1196 Such ticket and any change due shall be the only items dispensed from the machine.

1197 2. Each dispenser shall be manufactured in a manner that ensures the device neither
1198 displays nor has the capability of displaying or otherwise identifying an instant bingo,
1199 pull-tab, or seal card winning or nonwinning ticket.

1200 3. Each dispenser shall be manufactured in such a manner that any visual animation
1201 does not simulate or display rolling or spinning reels or produce audible music or
1202 enhanced sound effects.

1203 4. Each dispenser shall be equipped with separate locks for the instant bingo, pull-tab,
1204 or seal card supply modules and money boxes. Locks shall be configured so that no
1205 one key will operate both the supply modules and money boxes.

1206 H. The Department may require additional testing of a dispensing device at any time to
1207 ensure that it meets construction standards and allows for fair play. Such tests shall be
1208 conducted at the cost of the manufacturer of such devices.

1209 I. The face value of cards being dispensed shall match the amount deposited in the
1210 currency/coin acceptor less change provided.

1211 11VAC15-40-140

1212 11VAC15-40-140. Instant bingo, pull-tabs, seal card, or event game card randomization
1213 standards.

1214 All instant bingo, pull-tabs, seal cards, or event game cards shall meet the following
1215 randomization standards:

1216 1. Deals shall be assembled so that winning tickets are placed throughout each deal.

1217 2. Deals shall be assembled and packaged in a manner that prevents isolation of
1218 winning cards due to variations in printing, graphics, colors, sizes, appearances of cut
1219 edges or other markings of cards.

1220 3. Winning cards shall be distributed and mixed among all other cards in a deal so as to
1221 eliminate any pattern between deals or portions of deals from which the location or
1222 approximate location of any winning card may be determined.

1223 11VAC15-40-150

1224 Part IV

1225 Electronic games of chance systems

1226 Article 1

1227 General Requirements

1228 11VAC15-40-150. Approval of distributed pull-tab systems, validation systems, point of
1229 sale stations, and redemption terminals.

1230 A. The department shall set manufacturing and testing criteria for all distributed pull-tab
1231 systems, validation systems, point of sale stations, redemption terminals, and other
1232 equipment used in the conduct of charitable gaming. A distributed pull-tab system,
1233 validation system, point of sale station, redemption terminal, or other equipment shall
1234 not be sold, leased or otherwise furnished to any person in the Commonwealth of
1235 Virginia for use in the conduct of charitable gaming until an identical sample system or
1236 equipment containing identical software has been certified by a testing facility that has
1237 been formally recognized by the department as a testing facility that upholds the
1238 standards of integrity established by the department. The testing facility must certify that
1239 the distributed pull-tab system and associated hardware and software conforms, at a
1240 minimum, to the requirements set forth in these regulations. Once the testing facility
1241 reports the test results to the department, the department will either approve or
1242 disapprove the distributed pull-tab system or system components and inform the
1243 manufacturer of the results within 10 business days. If any such system or equipment
1244 does not meet the department's criteria, it shall be recalled and shall not be distributed
1245 in the Commonwealth of Virginia. The cost of testing shall be borne by the manufacturer
1246 of such equipment.

1247 B. No supplier shall knowingly sell or otherwise provide to an organization and no
1248 organization shall knowingly use a distributed pull-tab system, validation system, point
1249 of sale station, redemption terminal, or other equipment used to conduct charitable
1250 gaming unless it conforms to the requirements set forth in this regulation.

1251 C. If a defect in a distributed pull-tab system, validation system, point of sale station,
1252 redemption terminal, or other equipment used to conduct charitable gaming is
1253 discovered by or reported to the department, the department shall notify the
1254 manufacturer of the system or equipment containing the alleged defect. Should the
1255 department, in consultation with the manufacturer, determine that a defect exists, and,
1256 should the department determine the defect affects game security or otherwise
1257 threatens public confidence in the game, the department may, with respect to any
1258 distributed pull-tab system, validation system, point of sale station, redemption terminal,
1259 or other equipment used to conduct charitable gaming still located within the
1260 Commonwealth of Virginia, require the supplier to issue a recall of all affected

1261 distributed pull-tab systems, validation systems, point of sale stations, redemption
1262 terminals, or other equipment.

1263 11VAC15-40-160
1264 Article 2

1265 System Requirements

1266 11VAC15-40-160. Distributed pull-tab system.

1267 A distributed pull-tab system shall be dedicated primarily to electronic accounting,
1268 reporting, and the presentation, randomization, and transmission of electronic game
1269 cards to the player devices. It shall also be capable of generating the data necessary to
1270 provide the reports required within this article, or otherwise specified by the department.

1271 11VAC15-40-170
1272 11VAC15-40-170. Dispensing of electronic game cards.

1273 A distributed pull-tab system shall dispense, upon request, an electronic game card or
1274 cards. All games must be played without replacement, drawing from a single finite game
1275 set.

1276 11VAC15-40-180
1277 11VAC15-40-180. Game set requirements.

1278 Each game set shall meet the following minimum requirements:

1279 1. Each game set shall be made up of a finite number of electronic game cards;
1280 2. The game set shall consist of a maximum of 25,000 electronic game cards;
1281 3. All electronic game cards in a particular game set shall be of the same purchase
1282 price;

1283 4. The maximum win amount awarded per any one electronic game card shall not
1284 exceed the value set forth for pull-tabs by the Code of Virginia § 18.2-340.33;

1285 5. Each game set shall be assigned a unique serial number; and

1286 6. After randomization, game sets may be broken into subsets of equal size. If game
1287 subsets are used, they shall each be assigned a unique serial number and be traceable
1288 to a parent game set.

1289 11VAC15-40-190
1290 11VAC15-40-190. Game set definition.

1291 If the system has the capability to create a game set from a pre-defined set of criteria,
1292 the criteria must contain the following information:

1293 1. Game ID;
1294 2. Game set version;
1295 3. Manufacturer;

- 1296 4. Game name;
- 1297 5. Paytable ID;
- 1298 6. Purchase price per electronic game card;
- 1299 7. Subset size;
- 1300 8. Total number of subsets; and
- 1301 9. Prize values with an associated index and frequency.
- 1302 11VAC15-40-200
- 1303 11VAC15-40-200. Data required to be available for each game set.
- 1304 A. The following data shall be available prior to the opening of a game set for
- 1305 distribution and shall be maintained and be viewable both electronically and if
- 1306 requested, by printed report, upon demand:
- 1307 1. A unique serial number identifying each game set and/or subset;
- 1308 2. A description of the game set sufficient to categorize the game set or subset relative
- 1309 to other game sets;
- 1310 3. The total number of electronic game cards in the game set;
- 1311 4. The number of game subsets to be created from the game set, and the number of
- 1312 electronic game cards in each subset when applicable;
- 1313 5. The payout percentage of the entire game set;
- 1314 6. The purchase price per electronic game card assigned to the game set; and
- 1315 7. Prize values with an associated index and frequency.
- 1316 B. The following data shall be available subsequent to the completion of a game set and
- 1317 shall be maintained and viewable both electronically and if requested, by printed report,
- 1318 upon demand:
- 1319 1. A unique serial number identifying each game set and/or subset;
- 1320 2. Description of the game set sufficient to categorize the game set relative to other
- 1321 game sets;
- 1322 3. The total number of electronic game cards unsold;
- 1323 4. The total number of electronic game cards purchased;
- 1324 5. The time and date that the game set and/or each game subset became available for
- 1325 play;
- 1326 6. The time and date that the game set and/or each game subset was completed or
- 1327 removed from play;
- 1328 7. Location where game set and/or subset was played;

- 1329 8. The final payout percentage of the game set when removed from play; and
- 1330 9. The purchase price per electronic game card assigned to the game set.
- 1331 C. In order to provide maximum game integrity, no audit or other determination of the
1332 status of any game set or any subset, including, but not limited to a determination of the
1333 prizes won or prizes remaining to be won, shall be conducted by anyone while a game
1334 set or subset is in play without causing termination of the entire game set or subset.
1335 Only upon game set termination shall the details of the associated game set and
1336 subsets be revealed to the individual(s) performing the audit.
- 1337 D. Once terminated a game set shall not be able to be re-opened.
- 1338 11VAC15-40-210
1339 11VAC15-40-210. Security requirements.
- 1340 A. A distributed pull-tab system computer must be in a locked, secure enclosure with
1341 key controls in place.
- 1342 B. A distributed pull-tab system shall provide a means for terminating the game set if
1343 information about electronic game cards in an open game set has been accessed or at
1344 the discretion of the department. In such cases, traceability of unauthorized access
1345 including time and date, users involved, and any other relevant information shall be
1346 available.
- 1347 C. A distributed pull-tab system shall not permit the alteration of any accounting or
1348 significant event information that was communicated from the player device without
1349 supervised access controls. In the event financial data is changed, an automated audit
1350 log must be capable of being produced to document the following:
- 1351 1. Data element altered;
- 1352 2. Data element value prior to alteration;
- 1353 3. Data element value after alteration;
- 1354 4. Time and date of alteration; and
- 1355 5. Personnel that performed alteration.
- 1356 D. A distributed pull-tab system must provide password security or other secure means
1357 of ensuring data integrity and enforcing user permissions for all system components
1358 through the following means:
- 1359 1. All programs and data files must only be accessible via the entry of a password that
1360 will be known only to authorized personnel;
- 1361 2. The distributed pull-tab system must have multiple security access levels to control
1362 and restrict different classes;
- 1363 3. The distributed pull-tab system access accounts must be unique when assigned to
1364 the authorized personnel and shared accounts amongst authorized personnel must not
1365 be allowed;

- 1366 4. The storage of passwords and PINs must be in an encrypted, non-reversible form;
1367 and
- 1368 5. A program or report must be available that will list all registered users on the
1369 distributed pull-tab system including their privilege level.
- 1370 E. All components of a distributed pull-tab system must have a password sign-on with
1371 two level codes comprising the personal identification code and a personal password.
- 1372 1. The personal identification code must have a length of at least six ASCII characters;
1373 and
- 1374 2. The personal password must have a minimum length of six alphanumeric characters,
1375 which should include at least one (1) non-alphabetic character.
- 1376 F. A distributed pull-tab system must have the capability to control potential data
1377 corruption that can be created by multiple simultaneous log-ons by system management
1378 personnel.
- 1379 1. A distributed pull-tab system shall specify which of the access levels allow for multiple
1380 simultaneous sign-ons by different users and which of the access levels do not allow for
1381 multiple sign-ons, and, if multiple sign-ons are possible, what restrictions, if any, exist;
1382 or
- 1383 2. If a distributed pull-tab system does not provide adequate control, a comprehensive
1384 procedural control document must be drafted for the Department's review and approval.
- 1385 G. Distributed pull-tab system software components/modules shall be verifiable by a
1386 secure means at the system level. A distributed pull-tab system shall have the ability to
1387 allow for an independent integrity check of the components/modules from an outside
1388 source and is required for all control programs that may affect the integrity of the
1389 distributed pull-tab system. This must be accomplished by being authenticated by a
1390 third-party device, which may be embedded within the distributed pull-tab system
1391 software or having an interface or procedure for a third-party application to authenticate
1392 the component. This integrity check will provide a means for field verification of the
1393 distributed pull-tab system components.
- 1394 H. A distributed pull-tab system may be used to configure and perform security checks
1395 on player devices, provided such functions do not affect the security, integrity or
1396 outcome of any game and meets the requirements set forth in this regulation regarding
1397 program storage devices.
- 1398 11VAC15-40-220
1399 11VAC15-40-220. Backup and recovery.
- 1400 A. A distributed pull-tab system computer shall have a separate physical medium for
1401 securely storing game sets or subsets on the computer which shall be mirrored in real
1402 time by a backup medium.
- 1403 B. All data required to be available and/or reported by these rules must be retained for a
1404 period of not less than three years.

1405 C. All storage of critical data shall utilize error checking and be stored on a non-volatile
1406 physical medium.

1407 D. The database shall be stored on redundant media so that no single failure of any
1408 portion of the system would result in the loss or corruption of data.

1409 E. In the event of a catastrophic failure when the distributed pull-tab system cannot be
1410 restarted in any other way, it shall be possible to reload the distributed pull-tab system
1411 from the last viable backup point and fully recover the contents of that backup, to
1412 consist of at least the following information:

1413 1. All significant events;

1414 2. All accounting information;

1415 3. Auditing information, including all open game sets and the summary of completed
1416 game sets; and

1417 4. Employee file with access levels.

1418 11VAC15-40-230

1419 11VAC15-40-230. Electronic accounting and reporting.

1420 A. One or more electronic accounting systems shall be required to perform reporting
1421 and other functions in support of distributed pull-tab system. The electronic accounting
1422 system shall not interfere with the outcome of any gaming function.

1423 B. The following reporting capabilities must be provided by the electronic accounting
1424 system:

1425 1. Electronic game card game set report – game sets in play. An electronic game card
1426 game set report must be available on demand for each game set currently in play.
1427 Game cards, outcomes or prizes must not be revealed. The report must contain the
1428 following information:

1429 a. A unique serial number identifying each game set and/or subsets;

1430 b. A description of the game set sufficient to categorize the game set or subset relative
1431 to other game sets;

1432 c. The total number of electronic game cards in the game set;

1433 d. The number of game subsets to be created from the game set, and the number of
1434 electronic game cards in each subset when applicable;

1435 e. The theoretical payout percentage of the entire game set;

1436 f. The purchase price per electronic game card assigned to the game set;

1437 g. The time and date that the game set and/or each game subset became available for
1438 play; and

1439 h. Location where the game set and/or subset is being played.

1440 2. Electronic game card game set report - completed game set. An electronic game
1441 card game set report must be available on demand, for each completed game set. The
1442 report must contain the following information:

1443 a. A unique serial number identifying each game set and/or subset;

1444 b. Description of the game set sufficient to categorize the game set relative to other
1445 game sets;

1446 c. The total number of electronic game cards unsold;

1447 d. The total number of electronic game cards purchased;

1448 e. The time and date that the game set and/or each game subset became available for
1449 play;

1450 f. The time and date that the game set and/or each game subset was completed or
1451 removed from play;

1452 g. Location where game set and/or subset was played;

1453 h. The final payout percentage of the game set when removed from play; and

1454 i. The purchase price per electronic game card assigned to the game set.

1455 3. A report that shall indicate all prizes that exceed the threshold that triggers additional
1456 procedures to be followed for the purpose of compliance with federal tax reporting
1457 requirements. At a minimum, on a daily and monthly basis, the report shall provide the
1458 following information per player device:

1459 a. The date and time won;

1460 b. Location of prize award; and

1461 c. Amount of each prize occurrence.

1462 4. Liability report. A liability report shall provide a summary of the outstanding funds
1463 that carry from business day to business day. At a minimum, this report shall include:

1464 a. Amount of prizes and/or vouchers which were awarded in dollars and cents, but have
1465 not yet been claimed that have not yet expired; and

1466 b. Summary of all outstanding accounts.

1467 5. Master reconciliation report. A master reconciliation report must be available on a per
1468 session basis, monthly basis, and quarterly basis at a minimum. A master reconciliation
1469 report shall include the following:

1470 a. Total of all monies used to purchase electronic game cards;

1471 b. Total of all prizes, in dollars and cents, awarded from electronic game cards;

1472 c. Total of all monies inserted into a player device or provided to a cashier for the
1473 purchase of electronic game cards; and

- 1474 d. Total of all monies removed from a player device.
- 1475 C. A distributed pull-tab system shall be capable of providing an electronic file in a
1476 format specified by the department on a periodic basis to a location specified by the
1477 department. The data to be reported will contain, at a minimum, the following items per
1478 session:
- 1479 1. Organization identification;
- 1480 2. Session date;
- 1481 3. Total cash in;
- 1482 4. Total cash out;
- 1483 5. Total cash played;
- 1484 6. Total cash won;
- 1485 7. For all game sets on the system in play or in inventory:
- 1486 a. Serial number;
- 1487 b. Description;
- 1488 c. Ticket price;
- 1489 d. Number of subsets if applicable;
- 1490 e. Number of tickets or number of tickets per subset;
- 1491 f. Theoretical return percentage; and
- 1492 g. Date game set was opened for play, when applicable.
- 1493 8. For all game sets completed or closed since the previous reporting date:
- 1494 a. Serial number;
- 1495 b. Description;
- 1496 c. Ticket price;
- 1497 d. Number of subsets, if applicable;
- 1498 e. Number of tickets or number of tickets per subset;
- 1499 f. Theoretical return percentage;
- 1500 g. Date game set was opened;
- 1501 h. Date game set was closed;
- 1502 i. Total tickets sold;
- 1503 j. Total dollars in;

1504 k. Total prizes paid; and
1505 l. Actual return percentage.
1506 11VAC15-40-240
1507 11VAC15-40-240. Randomization.
1508 A. As used in this section, unless the context requires a different meaning:
1509 "Card position" means the first card dealt, second card dealt in sequential order.
1510 "Number position" means the first number drawn in sequential order.
1511 B. A distributed pull-tab system shall utilize randomizing procedures in the creation of
1512 game sets for electronic game cards or externally generated randomized game sets
1513 which have been created using a method previously approved by the department.
1514 C. Any random number generation, shuffling, or randomization of outcomes used in
1515 connection with a distributed pull-tab system must be by use of a random number
1516 generation application that has successfully passed standard tests for randomness and
1517 unpredictability including but not limited to:
1518 1. Each card position or number position satisfies the 99% confidence limit using the
1519 standard chi-squared analysis. "Chi-squared analysis" is the sum of the ratio of the
1520 square difference between the expected result and the observed result to the expected
1521 result.
1522 2. Each card position or number position does not produce a significant statistic with
1523 regard to producing patterns of occurrences. Each card position or number position will
1524 be considered random if it meets the 99% confidence level with regard to the "run test"
1525 or any similar pattern testing statistic. The "run test" is a mathematical statistic that
1526 determines the existence of recurring patterns within a set of data.
1527 3. Each card position or number position is independently chosen without regard to any
1528 other card or number drawn within that game play. This test is the "correlation test."
1529 Each pair of card positions or number positions is considered random if it meets the
1530 99% confidence level using standard correlation analysis.
1531 4. Each card position or number position is independently chosen without reference to
1532 the same card position or number position in the previous game. This test is the "serial
1533 correlation test." Each card position or number position is considered random if it meets
1534 the 99% confidence level using standard serial correlation analysis.
1535 11VAC15-40-250
1536 11VAC15-40-250. Communications and network requirements.
1537 A. Where the distributed pull-tab system components are linked with one another in a
1538 network, communication protocols shall be used which ensure that erroneous data or
1539 signals will not adversely affect the operations of any such system components.
1540 B. All data communication shall incorporate an error detection and correction scheme to
1541 ensure the data is transmitted and received accurately.

- 1542 C. Connections between all components of the distributed pull-tab system shall only be
1543 through the use of secure communication protocol(s) which are designed to prevent
1544 unauthorized access or tampering, employing Advanced Encryption Standard (AES) or
1545 equivalent encryption.
- 1546 D. The minimum width (size) for encryption keys is 112 bits for symmetric algorithms
1547 and 1024 bits for public keys.
- 1548 E. There must be a secure method implemented for changing the current encryption key
1549 set. It is not acceptable to only use the current key set to “encrypt” the next set.
- 1550 F. There must be a secure method in place for the storage of any encryption keys.
1551 Encryption keys must not be stored without being encrypted themselves.
- 1552 G. If a wireless network is used, wireless products used in conjunction with any gaming
1553 system or system component must meet the following minimum standards:
- 1554 1. Employ a security process that complies with the Federal Information Protection
1555 Standard 140-2 (FIPS 140-2); or
- 1556 2. Employ an alternative method, as approved by the department.
- 1557 11VAC15-40-260
1558 11VAC15-40-260. Significant events.
- 1559 The following significant events, if applicable, shall be collected from the player device
1560 or point of sale and communicated to the system for storage and a report of the
1561 occurrence of the significant event must be made available upon request:
- 1562 1. Power resets or power failure.
- 1563 2. Communication loss between a player device and any component of the distributed
1564 pull-tab system.
- 1565 3. Player device jackpot (any award in excess of the single win limit of the player
1566 device).
- 1567 4. Door openings (any external door which accesses a critical area of the player
1568 device).
- 1569 5. Bill validator errors:
- 1570 a. Stacker full (if supported); and
- 1571 b. Bill jam.
- 1572 6. Printer errors:
- 1573 a. Printer empty; and
- 1574 b. Printer disconnect or failure.
- 1575 7. Corruption of the player device RAM or program storage device.

1576 8. Any other significant events as defined by the protocol employed by the distributed
1577 pull-tab system.

1578 11VAC15-40-270
1579 11VAC15-40-270. Validation system and redemption.

1580 A distributed pull-tab system may utilize a voucher validation system to facilitate gaming
1581 transactions. The validation system may be entirely integrated into a distributed pull-tab
1582 system or exist as a separate entity.

1583 1. Payment by voucher printer as a method of redeeming unused game plays and/or
1584 winnings on a player device is only permissible when the device is linked to an
1585 approved validation system or distributed pull-tab system that allows validation of the
1586 printed voucher.

1587 a. A distributed pull-tab system may allow voucher out only; vouchers shall not be
1588 inserted, scanned, or used in any way at the player device for redemption.

1589 b. The validation system must process voucher redemption correctly according to the
1590 secure communication protocol implemented.

1591 2. The algorithm or method used by the validation system or distributed pull-tab system
1592 to generate the voucher validation numbers must guarantee an insignificant percentage
1593 of repetitive validation numbers.

1594 3. The validation system must retrieve the voucher information correctly based on the
1595 secure communication protocol implemented, and store the voucher information in a
1596 database. The voucher record on the host system must contain, at a minimum, the
1597 following voucher information:

1598 a. Validation number;

1599 b. Date and time the player device printed the voucher;

1600 c. Value of voucher in dollars and cents;

1601 d. Status of voucher;

1602 e. Date and time the voucher will expire;

1603 f. Serial number of player device; and

1604 g. Location name or site identifier;

1605 4. The validation system or distributed pull-tab system must have the ability to identify
1606 the following occurrences and notify the cashier when the following conditions exist:

1607 a. Voucher cannot be found on file;

1608 b. Voucher has already been paid; or

1609 c. Amount of voucher differs from amount on file (requirement may be met by display of
1610 voucher amount for confirmation by cashier during the redemption process).

1611 5. If the connection between the validation system and the distributed pull-tab system
1612 fails, an alternate method or procedure of payment must be available and shall include
1613 the ability to identify duplicate vouchers and prevent fraud by redeeming vouchers that
1614 were previously issued by the player device.

1615 6. The following reports related to vouchers shall be generated on demand:

1616 a. Voucher Issuance Report shall be available from the validation system that shows all
1617 vouchers generated by an electronic game card device; and

1618 b. Voucher Redemption Report shall detail individual vouchers, the sum of the vouchers
1619 paid by the validation terminal or point of sale by session, and include the following
1620 information:

1621 (1) The date and time of the transaction;

1622 (2) The dollar value of the transaction;

1623 (3) Validation number;

1624 (4) A transaction number; and

1625 (5) Point of sale identification number or name.

1626 7. The validation system database must be encrypted and password-protected and
1627 should possess a non-alterable user audit trail to prevent unauthorized access.

1628 8. The normal operation of any device that holds voucher information shall not have any
1629 options or method that may compromise voucher information. Any device that holds
1630 voucher information in its memory shall not allow removal of the information unless it
1631 has first transferred that information to the ticketing database or other secured
1632 component or components of the validation system.

1633 11VAC15-40-280
1634 11VAC15-40-280. Point of sale; validation terminal.

1635 A. A distributed pull-tab system may utilize a point of sale and/or validation terminal that
1636 is capable of facilitating the sale of the organization's pull tab outcomes or used for the
1637 redemption of credits from player accounts or vouchers. The point of sale may be
1638 entirely integrated into a distributed pull-tab system or exist as a separate entity.

1639 B. Point of sale use is only permissible when the device is linked to an approved
1640 validation system or distributed pull-tab system.

1641 C. If a distributed pull-tab system utilizes a point of sale, it shall be capable of printing a
1642 receipt for each sale, void, or redemption.

1643 1. The receipt shall contain the following information:

1644 a. Date and time of the transaction;

1645 b. Dollar value of the transaction;

1646 c. Validation number, if applicable;

1647 d. Quantity of associated products, if applicable;
1648 e. Transaction number;
1649 f. Account number, if applicable; and
1650 g. Point of sale identification number or name.

1651 D. The following point of sale or validation terminal reports shall be generated on
1652 demand:

1653 1. Sales Transaction History Report shall show all sales and voids by session and
1654 include the following information:

1655 a. Date and time of the transaction;
1656 b. Dollar value of the transaction;
1657 c. Quantity of associated products;
1658 d. Transaction number; and
1659 e. Point of sale identification number or name;

1660 2. Voucher Redemption Report shall detail individual voucher redemptions paid by the
1661 validation terminal or point of sale by session and include the following information:

1662 a. Date and time of the transaction;
1663 b. Dollar value of the transaction;
1664 c. Validation number;
1665 d. Transaction number; and
1666 e. Point of sale identification number or name.

1667 11VAC15-40-290
1668 11VAC15-40-290. Location of equipment.

1669 All equipment used to facilitate the distribution, play, or redemption of electronic pull-tab
1670 or instant bingo games must be physically located within the boundaries of the
1671 Commonwealth of Virginia. This includes but is not limited to the distributed pull-tab
1672 system, player devices, redemption terminals, and point of sale stations.

1673 11VAC15-40-300
1674 Article 2

1675 Player Devices

1676 11VAC15-40-300. Player device general requirements.

1677 A. Each player device shall bear a seal approved by the Commissioner and affixed by
1678 the department.

1679 B. A player device shall not be capable of being used for the purposes of engaging in
1680 any game prohibited by the department.

1681 C. In addition to a video monitor or touch screen, each player device may have one or
1682 more of the following: a bill acceptor, printer, and electromechanical buttons for
1683 activating the game and providing player input, including a means for the player to make
1684 selections and choices in games.

1685 D. For each player device, there shall be located anywhere within the distributed pull-
1686 tab system, non-volatile memory or its equivalent. The memory shall be maintained in a
1687 secure location for the purpose of storing and preserving a set of critical data which has
1688 been error checked in accordance with the critical memory requirements of this
1689 regulation.

1690 E. A player device shall not have any switches, jumpers, wire posts, or other means of
1691 manipulation that could affect the operation or outcome of a game. The player device
1692 may not have any functions or parameters adjustable through any separate video
1693 display or input codes except for the adjustment of features that are wholly cosmetic.

1694 F. A player device shall not have any of the following attributes: spinning or mechanical
1695 reels, pull handle, sounds other than an audio effect to simulate the opening of a paper
1696 pull-tab or instant bingo card, flashing lights, tower light, top box, coin tray, ticket
1697 acceptance, hopper, coin acceptor, enhanced animation, cabinet or payglass artwork,
1698 or any other attribute identified by the department.

1699 G. A player device shall be robust enough to withstand forced illegal entry which would
1700 leave behind physical evidence of the attempted entry, or such entry which causes an
1701 error code that is displayed and transmitted to the distributed pull-tab system. Any such
1702 entry attempt shall inhibit game play until cleared, and shall not affect the subsequent
1703 play or any other play, prize or aspect of the game.

1704 H. The number of player devices, other than those player devices that are handheld,
1705 present at any premise at which charitable gaming is conducted shall be limited to one
1706 device for every 50 permissible occupants under the maximum occupancy as
1707 determined pursuant to the Uniform Statewide Building Code. The Department shall
1708 determine whether a player device is handheld.

1709 11VAC15-40-310
1710 11VAC15-40-310. Cabinet wiring.

1711 A. Proof of UL or equivalent certification shall be required for all submitted electronic
1712 devices.

1713 B. A player device shall be designed so that power and data cables into and out of the
1714 player device can be routed so that the cables are not accessible to the general public.

1715 11VAC15-40-320
1716 11VAC15-40-320. Player device identification.

1717 A player device shall have a permanently affixed identification badge which cannot be
1718 removed without leaving evidence of tampering. This badge shall be affixed to the
1719 exterior of the player device and shall include the following information:

1720 1. Manufacturer name;

1721 2. A unique serial number;

1722 3. The player device model number;

1723 4. The date of manufacture; and

1724 5. Any other information required by the Department.

1725 11VAC15-40-330

1726 11VAC15-40-330. Doors; compartments.

1727 A. If a player device possesses an external door which allows access to the interior of
1728 the machine the following rules shall apply:

1729 1. Doors and their associated hinges shall be capable of withstanding determined illegal
1730 efforts to gain access to the inside of the player device and shall leave evidence of
1731 tampering if an illegal entry is made;

1732 2. All external doors shall be locked and monitored by door access sensors, which shall
1733 detect and report all external door openings by way of an audible alarm, on-screen
1734 display, or both;

1735 3. The player device shall cease play when any external door is opened;

1736 4. It shall not be possible to disable a door open sensor when the machine's door is
1737 closed, without leaving evidence of tampering;

1738 5. The sensor system shall register a door as being open when the door is moved from
1739 its fully closed and locked position; and

1740 6. Door open conditions shall be recorded in an electronic log that includes a date/time
1741 stamp.

1742 B. Player devices that contain control programs located within an accessible area shall
1743 have a separate internal locked logic compartment which shall be keyed differently than
1744 the front door access lock. The logic compartment shall be a locked cabinet area with its
1745 own locked door, which houses critical electronic components that have the potential to
1746 significantly influence the operation of the player device. There may be more than one
1747 such logic area in a player device. Electronic component items that are required to be
1748 housed in one or more logic areas are:

1749 1. CPUs and other electronic components involved in the operation and calculation or
1750 display of game play;

1751 2. Communication controller electronics and components housing the communication
1752 program storage media or, the communication board for the on-line system may reside
1753 outside the player device; and

1754 3. Logic compartment door open conditions shall be recorded in a log that includes a
1755 date/time stamp.

1756 C. Player devices that do not contain a door shall have adequate security for any panels
1757 or entry points which allow access to the interior of the device.

1758 11VAC15-40-340
1759 11VAC15-40-340. Memory clear.

1760 A. Following the initiation of a memory reset procedure utilizing a certified reset method,
1761 the program shall execute a routine which initializes the entire contents of memory to
1762 the default state. For player devices that allow for partial memory clears, the
1763 methodology in doing so must be accurate and the game application must validate the
1764 un-cleared portions of memory. The player device display after a memory reset shall not
1765 be the top award.

1766 B. It shall not be possible to change a configuration setting that causes an alteration or
1767 obstruction to the electronic accounting meters without a memory clear.

1768 11VAC15-40-350
1769 11VAC15-40-350. Critical memory.

1770 A. Critical memory shall be used to store all data that is considered vital to the
1771 continued operation of the player device. Critical memory storage shall be maintained
1772 by a methodology that enables errors to be identified and corrected in most
1773 circumstances. This methodology may involve signatures, checksums, partial
1774 checksums, multiple copies, timestamps and/or use of validity codes. This includes, but
1775 is not limited to:

1776 1. All electronic meters required in 11VAC15-40-420 E;
1777 2. Current unused credits;
1778 3. Player device or game configuration data;
1779 4. Recall of all wagers and other information necessary to fully reconstruct the game
1780 outcome associated with the last 10 plays;
1781 5. Software state, which is the last state the player device software was in before
1782 interruption; and
1783 6. Error conditions that may have occurred on the player device which may include:
1784 a. Memory error or control program error;
1785 b. Low memory battery, for batteries external to the memory itself or low power source;
1786 c. Program error or authentication mismatch; and
1787 d. Power reset.

1788 B. Comprehensive checks of critical memory shall be made continually to test for
1789 possible corruption. In addition, all critical memory:

1790 1. Shall have the ability to retain data for a minimum of 180 days after power is
1791 discontinued from the player device. If the method used is an off-chip battery source, it
1792 shall recharge itself to its full potential in a maximum of 24 hours. The shelf life shall be
1793 at least five years. Memory that uses an off-chip back-up power source to retain its
1794 contents when the main power is switched off shall have a detection system that will
1795 provide a method for software to interpret and act upon a low battery condition;

1796 2. Shall only be cleared by a department certified memory clear method; and

1797 3. Shall result in an error if the control program detects an unrecoverable memory error.

1798 11VAC15-40-360

1799 11VAC15-40-360. Program storage devices.

1800 A. All program storage devices (writable/non-writable), including Erasable
1801 Programmable Read Only Memory (EPROM), DVD, CD-ROM, compact flash, and any
1802 other type of program storage device shall be clearly marked with sufficient information
1803 to identify the software and revision level of the information stored in the devices.

1804 B. Program storage devices shall meet the following requirements:

1805 1. Program storage, including CD-ROM, shall meet the following rules:

1806 a. The control program shall authenticate all critical files by employing a hashing
1807 algorithm which produces a 'message digest' output of at least 128 bits at minimum, as
1808 certified by the recognized independent test laboratory and agreed upon by the
1809 department. Any message digest shall be stored on a read-only memory device within
1810 the player device. Any message digest which resides on any other medium shall be
1811 encrypted, using a public/private key algorithm with a minimum of a 512 bit key, or an
1812 equivalent encryption algorithm with similar security certified by the independent test
1813 laboratory and agreed upon by the department.

1814 b. The player device shall authenticate all critical files against the stored message
1815 digests. In the event of a failed authentication, the player device should immediately
1816 enter an error condition with the appropriate indication such as an audible signal, on-
1817 screen display, or both. This error shall require operator intervention to clear. The player
1818 device shall display specific error information and shall not clear until the file
1819 authenticates properly and/or the player device's memory is cleared, the game is
1820 restarted, and all files authenticate correctly.

1821 2. CD-ROM specific based program storage shall:

1822 a. Not be a re-writeable disk; and

1823 b. The 'write session' shall be closed to prevent any further writing to the storage
1824 device.

1825 C. Player devices where the control program is capable of being erased and re-
1826 programmed without being removed from the player device, or other equipment or
1827 related peripheral devices shall meet the following requirements:

1828 1. Re-programmable program storage shall only write to alterable storage media
1829 containing data, files, and programs that are not critical to the basic operation of the
1830 game.

1831 2. Notwithstanding the foregoing, data may be written to media containing critical data,
1832 files, and programs provided that:

1833 a. A log of all information that is added, deleted, and modified be stored on the media;

1834 b. The control program verifies the validity of all data, files, and programs which reside
1835 on the media using the methods required herein;

1836 c. The player device's program contains appropriate security to prevent unauthorized
1837 modifications; and

1838 d. The player device's program does not allow game play while the media containing
1839 the critical data, files, and programs is being modified.

1840 D. The control program shall ensure the integrity of all critical program components
1841 during the execution of said components and the first time the files are loaded for use
1842 even if only partially loaded. Space that is not critical to machine security (e.g., video or
1843 sound) is not required to be validated, although the department recommends a method
1844 be in place for the files to be tested for corruption. If any of the video or sound files
1845 contain payout amounts or other information needed by the player, the files are to be
1846 considered critical.

1847 11VAC15-40-370

1848 11VAC15-40-370. Touch screens.

1849 Any touch screen must meet the following rules:

1850 1. A touch screen shall be accurate once calibrated;

1851 2. A touch screen shall be able to be re-calibrated; and

1852 3. A touch screen shall have no hidden or undocumented buttons or touch points
1853 anywhere on the touch screen, except as provided for by the game rules that affect
1854 game play.

1855 11VAC15-40-380

1856 11VAC15-40-380. Bill acceptors.

1857 A. A player device may have a mechanism that accepts U.S. currency and provides a
1858 method to enable the player device software to interpret and act appropriately upon a
1859 valid or invalid input.

1860 B. An acceptance device shall be electronically-based and be configured to ensure that
1861 it only accept valid bills and rejects all others in a highly accurate manner.

1862 C. A bill input system shall be constructed in a manner that protects against vandalism,
1863 abuse, or fraudulent activity. In addition, a bill acceptance device shall only register
1864 credits when:

1865 1. The bill has passed the point where it is accepted and stacked; and
1866 2. The bill acceptor has sent the 'irrevocably stacked' message to the machine.
1867 D. A bill acceptor shall communicate to the player device using a bi-directional protocol.
1868 E. A bill acceptor shall be designed to prevent the use of cheating methods such as
1869 stringing, the insertion of foreign objects, and any other manipulation that may be
1870 deemed as a cheating technique.
1871 F. If a bill acceptor is designed to be factory set only, it shall not be possible to access
1872 or conduct maintenance or adjustments to that bill acceptor in the field, other than:
1873 1. The selection of bills and their limits;
1874 2. Changing of certified EPROMs or downloading of certified software;
1875 3. The method for adjustment of the tolerance level for accepting bills of varying quality
1876 should not be accessible from the exterior of the player device. Adjustments of the
1877 tolerance level should only be allowed with adequate levels of security in place. This
1878 can be accomplished through lock and key, physical switch settings, or other accepted
1879 methods approved on a case-by-case basis;
1880 4. Maintenance, adjustment, and repair per approved factory procedures; and
1881 5. Options that set the direction or orientation of bill acceptance.
1882 G. A player device equipped with a bill acceptor shall have the capability of detecting
1883 and displaying an error condition, for the following events:
1884 1. Stacker Full (it is recommended that an explicit 'stacker full' error message not be
1885 utilized since this may cause a security issue);
1886 2. Bill Jams;
1887 3. Bill Acceptor Door Open. If a bill acceptor door is a machine door, a door open signal
1888 is sufficient;
1889 4. Stacker Door Open; and
1890 5. Stacker Removed.
1891 H. A player device equipped with a bill acceptor shall maintain sufficient electronic
1892 metering to be able to report the following:
1893 1. Total monetary value of all bills accepted;
1894 2. Total number of all bills accepted;
1895 3. A breakdown of the bills accepted for each denomination; and
1896 4. The value of the last five items accepted by the bill acceptor.
1897 11VAC15-40-390
1898 11VAC15-40-390. Payment by voucher printers.

1899 A. If the player device has a printer that is used to issue payment to the player by
1900 issuing a printed voucher for any unused game plays and/or winnings, the player device
1901 shall meet the following rules:

1902 1. The printer shall be located in a secure area of the player device, but shall not be
1903 located in the logic area or any cash storage area. The bill acceptor stacker or logic
1904 areas containing critical electronic components shall not be accessed when the printer
1905 paper is changed;

1906 2. The player device, in which the printer is housed, is linked to a voucher validation
1907 system, which records the voucher information;

1908 3. Data printed on a voucher shall be provided to the voucher validation system that
1909 records the following information regarding each voucher printed:

1910 a. Value of unused game plays and/or winnings in U.S. currency, in numerical form;

1911 b. Time the voucher was printed;

1912 c. Date the voucher was printed;

1913 d. Location name or site identifier

1914 e. Serial number of player device;

1915 f. Unique validation number or barcode; and

1916 g. Expiration date and time.

1917 B. If the player device is capable of printing a duplicate voucher, the duplicate voucher
1918 shall clearly state the word “DUPLICATE” on its face.

1919 C. The printer shall use printer paper containing security features such as a watermark,
1920 as approved by the Department.

1921 D. A printer shall have mechanisms to allow the player device to interpret and act upon
1922 the following conditions which must disable the game, and produce an error condition
1923 that requires attendant intervention to resume play:

1924 1. Out of paper;

1925 2. Printer jam or failure; and

1926 3. Printer disconnect. The player device may detect this error condition when the game
1927 tries to print.

1928 E. A Player device that uses a voucher printer shall maintain a minimum of the last 25
1929 transactions in critical memory. All voucher transactions shall be logged with a date and
1930 time stamp.

1931 11VAC15-40-400

1932 11VAC15-40-400. Payment by account.

1933 A. Credit may be added to a player account via a cashier or point of sale station. Credit
1934 may also be added by any supporting player device through credits won or bills.

1935 B. Money may be removed from a player account either through downloading of credits
1936 to the player device or by cashing out at a cashier's or point of sale station.

1937 C. All monetary transactions between a supporting player device and the distributed
1938 pull-tab system must be secured by means of a card insertion into a magnetic card
1939 reader and PIN entry or by other protected means.

1940 11VAC15-40-410

1941 Article 3

1942 Game Requirements

1943 11VAC15-40-410. Game play requirements.

1944 A. A player receives an electronic game card in return for consideration. A player wins if
1945 the player's electronic game card contains a combination of symbols or numbers which
1946 was designated in advance of the game as a winning combination. There may be
1947 multiple winning combinations in each game. Electronic versions of instant bingo and
1948 pull-tabs, as authorized by the department, shall only utilize devices which allow players
1949 to play electronic game cards. A player device shall meet the following minimum
1950 requirements:

1951 1. A player may purchase an opportunity to play an electronic game card by:

1952 a. Insertion of U.S. currency (bills only); or

1953 b. Purchase made at a point of sale terminal; or

1954 c. Withdrawing deposits available in a player account.

1955 2. In addition to the available games, the rules of play shall be displayed on the player
1956 device's video screen. Rules of play shall include all winning combinations.

1957 3. Any number of game themes may be selectable for play on any given player device.
1958 Only one of the game themes shall be playable at any given time.

1959 4. A player device shall be clearly labeled so as to inform the public that no one under
1960 18 years of age is allowed to play.

1961 5. A player device shall not be capable of displaying any enticing animation while in an
1962 idle state. A player device may use simple display elements or screen savers to prevent
1963 monitor damage.

1964 6. The results of the electronic game card shall be shown to the player using a video
1965 display. No rolling, flashing, or spinning animations are permitted. No rotating reels
1966 marked into horizontal segments by varying symbols are permitted. No entertaining
1967 sound or music is permitted other than an audio effect to simulate the opening of a
1968 paper pull-tab or instant bingo card. Any sounds present used to simulate the opening

1969 of a paper pull-tab must not be played at a level sufficient to disturb other players or
1970 patrons.

1971 7. The player device shall have one or more buttons, electromechanical or touch
1972 screen, to facilitate the following functions:

1973 a. Viewing of the game 'help' screens;

1974 b. Viewing of the game rules;

1975 c. Initiating game play;

1976 d. Cashout or logout; and

1977 e. One or more buttons designated to reveal the pull-tab or instant bingo windows.

1978 8. Following play on a player device, the result shall be clearly shown on the video
1979 display along with any prizes which may have been awarded. Prizes may be dispensed
1980 in the form of:

1981 a. Voucher; or

1982 b. Added to the machine balance meter; or

1983 c. Added to the player's account balance.

1984 9. An available balance may be collected from the player device by the player pressing
1985 the 'cashout' button or logging off of the player device at any time other than during:

1986 a. A game being played;

1987 b. While in an audit mode or screen;

1988 c. Any door open;

1989 d. Test mode;

1990 e. A machine balance meter or win meter incrementation, unless the entire amount is
1991 placed on the meter when the 'cashout' button is pressed; or

1992 f. An error condition.

1993 10. The default player device display, upon entering game play mode, shall not be the
1994 top award.

1995 B. A Player device shall not have hardware or software that determines the outcome of
1996 any electronic game card, produce its own outcome, or affect the order of electronic
1997 game cards as dispensed from the distributed pull-tab system. The game outcome shall
1998 be determined by the distributed pull-tab system as outlined within these rules.

1999 C. Game themes may not contain obscene or offensive graphics, animations, or
2000 references. All game themes will be subject to approval by the department.

2001 D. Prior to approval for use, each player device must meet the following specifications
2002 with respect to its operation:

- 2003 1. After accepting an allowable cash payment from the player, the player shall press a
2004 'play' button to initiate a game.
- 2005 2. The player device shall not display in any manner, the number of electronic game
2006 cards of each finite category, or how many cards remain.
- 2007 3. Awards of merchandise prizes in lieu of cash are prohibited.
- 2008 4. The player must interact with the device to initiate a game and reveal a win or loss.
2009 This may involve a button press on the console or on the touch screen.
- 2010 5. The electronic game card must be initially displayed with a cover and require player
2011 interaction to reveal the symbols and game outcome.
- 2012 6. In no event may a player device simulate play of roulette, poker, keno, lotto or lottery,
2013 twenty-one, blackjack, or any other card game, or simulate play of any type of slot
2014 machine game, regardless of whether or not the machine has a payback feature or
2015 extra play awards. Card symbols such as ace, king, queen, or heart are acceptable,
2016 provided the aforementioned is abided by.
- 2017 7. Games must not contain any elements of skill.
- 2018 E. Each player device must meet the following specifications with respect to its metering
2019 system:
- 2020 1. A player device shall contain electronic metering whereby meters record and display
2021 on the video screen of the following information, at a minimum:
- 2022 a. Total cash in for the bill acceptor, if equipped with a bill acceptor;
- 2023 b. Total cash played;
- 2024 c. Total cash won;
- 2025 d. Total cash removed from player device;
- 2026 e. Total count of electronic game cards played; and
- 2027 f. Total count of electronic game cards won.
- 2028 2. An electronic meter shall be capable of maintaining correct totals and be of no less
2029 than 10 digits in length.
- 2030 3. A player device shall not be capable of displaying the number of electronic game
2031 cards that remain in the game set or the number of winners or losers that have been
2032 drawn or still remain in the game set while the game set is still being played.
- 2033 4. An electronic meter shall not be capable of being automatically reset or cleared,
2034 whether due to an error in any aspect of its or a game's operation or otherwise.
- 2035 5. Currency meters shall be maintained in dollars and cents.

2036 11VAC15-40-420

2037 Part V

2038 Administrative Process

2039 11VAC15-40-420. Procedural rules for the conduct of fact-finding conferences and
2040 hearings.

2041 A. Fact-finding conference; notification, appearance, conduct.

2042 1. Unless automatic revocation or immediate suspension is required by law, no permit to
2043 conduct charitable gaming or to sell charitable gaming supplies shall be denied,
2044 suspended or revoked except after review and approval of such proposed denial,
2045 suspension or revocation action by the Board, and upon notice stating the basis for
2046 such proposed action and the time and place for a fact-finding conference, as set forth
2047 in § 2.2-4019 of the Administrative Process Act.

2048 2. If a basis exists for a refusal to renew, suspend, or a revoke a permit, the Department
2049 shall notify, by certified mail or by hand delivery, the interested persons at the address
2050 of record maintained by the department.

2051 3. Notification shall include the basis for the proposed action and afford interested
2052 persons the opportunity to present written and oral information to the department that
2053 may have a bearing on the proposed action at a fact-finding conference. If there is no
2054 withdrawal, a fact-finding conference shall be scheduled at the earliest mutually
2055 agreeable date, but no later than 60 days from the date of the notification. Organizations
2056 or suppliers who wish to waive their right to a conference shall notify the department at
2057 least 14 days before the scheduled conference.

2058 4. If, after consideration of evidence presented during an informal fact-finding
2059 conference, a basis for action still exists, the interested persons shall be notified in
2060 writing within 60 days of the fact-finding conference, via certified or hand-delivered mail,
2061 of the decision and the right to a formal hearing. Parties to the conference may agree to
2062 extend the report deadline if more time is needed to consider relevant evidence.

2063 B. Hearing; notification, appearance, conduct.

2064 1. If, after a fact-finding conference, a sufficient basis still exists to deny, suspend or
2065 revoke a permit, interested persons shall be notified by certified or hand-delivered mail
2066 of the proposed action and of the opportunity for a hearing on the proposed action. If an
2067 organization or supplier desires to request a hearing, it shall notify the department within
2068 14 days of receipt of a report on the conference. Parties may enter into a consent
2069 agreement to settle the issues at any time prior to, or subsequent to, an informal fact-
2070 finding conference.

2071 2. If an interested party or representative fails to appear at a hearing, the hearing officer
2072 may proceed in his absence and make a recommendation.

2073 3. Oral and written arguments may be submitted to and limited by the hearing officer.
2074 Oral arguments shall be recorded in an appropriate manner.

2075 C. Hearing location. Hearings before a hearing officer shall be held, insofar as
2076 practicable, in the county or city in which the organization or supplier is located. If the
2077 parties agree, hearing officers may conduct hearings at locations convenient to the

2078 greatest number of persons or by telephone conference, video conference or similar
2079 technology, in order to expedite the hearing process.

2080 D. Hearing decisions.

2081 1. Recommendations of the hearing officer shall be a part of the record and shall
2082 include a written statement of the hearing officer's findings of fact and recommendations
2083 as well as the reasons or basis for the recommendations. Recommendations shall be
2084 based upon all the material issues of fact, law or discretion presented on the record.

2085 2. The department shall review the recommendation of the hearing officer and render a
2086 decision on the recommendation within 30 days of receipt. The decision shall cite the
2087 appropriate rule, relief or denial thereof as to each issue.

2088 E. Agency representation. The commissioner's designee may represent the department
2089 in an informal conference or at a hearing.

2090 11VAC15-40-430

2091 11VAC15-40-430. Reporting violations.

2092 A. Unless otherwise required by law, the identity of any individual who provides
2093 information to the Department or its agents regarding alleged violations shall be held in
2094 strict confidence.

2095 B. Any officer, director, or game manager of a qualified organization, or any officer or
2096 director of a supplier shall immediately report to the department any information
2097 pertaining to the suspected misappropriation or theft of funds or any other violations of
2098 charitable gaming statutes or these regulations.

2099 C. Failure to report the information required by subsection B of this section may result in
2100 the denial, suspension or revocation of a permit.

2101 D. Any officer, director, or game manager of a qualified organization involved in the
2102 management, operation, or conduct of charitable gaming shall immediately notify the
2103 department upon conviction of a felony or a crime involving fraud, theft, or financial
2104 crimes.

2105 E. Any officer, director, partner, or owner of a supplier shall immediately notify the
2106 department upon conviction or plea of nolo contendere to a felony or a crime involving
2107 gambling or an action against any license or certificate held by the supplier in any state
2108 in the United States.

2109 F. Failure to report information required by subsection D or E of this section by any
2110 officer, director, or game manager of a qualified organization or by any supplier may
2111 result in the denial, suspension, or revocation of a permit.

2112 G. Any officer, director, or game manager of a qualified organization involved in
2113 charitable gaming shall immediately report to the department any change the Internal
2114 Revenue Service makes in the tax status of the organization, or if it is a chapter of a
2115 national organization covered by a group tax exempt determination, the tax status of the
2116 national organization.

2117 H. All organizations regulated by the department shall display prominently a poster
2118 advising the public of a phone number where complaints relating to charitable gaming
2119 may be made. Such posters shall be provided by the department to organizations at no
2120 charge.

2121 11VAC15-40-9998
2122 FORMS (11VAC15-40)

2123 GAME MANAGEMENT FORMS

2124 Bingo Session Reconciliation Summary, Form 103 (rev. 01/11)

2125 Admission Sales Reconciliation - Paper, Form 104 (A) (rev. 01/11)

2126 Floor Sales Reconciliation - Paper, Form 104 (B) (rev. 01/11)

2127 Decision Bingo Reconciliation, Form 104 (C) (rev. 01/11)

2128 Raffle/Treasure Chest Sales Reconciliation - Bingo Session, Form 104 (D) (rev. 01/11)

2129 Instant Bingo/Seal Cards/Pull-Tabs Reconciliation, Form 105 (rev. 01/11)

2130 Storeroom Inventory Issue - Paper, Form 106 (A) (rev. 07/08)

2131 Storeroom Inventory Issue - Instant Bingo/Seal Cards/Pull-Tabs, Form 106 (B) (rev. 07/08)

2132 List of Volunteer Workers Form, Form 107 (rev. 07/08)

2133 Prize Receipt Form, Form 108 (rev. 07/08)

2134 Storeroom Inventory - Paper, Form 109 (A) (rev. 07/08)

2135 Storeroom Inventory Form - Instant Bingo/Seal Cards/Pull-Tabs, Form 109 (B) (rev. 01/11)

2136

2137 ORGANIZATION LICENSING FORMS

2138 Bingo/Raffle Application - New Applicant, Form 201 (rev. 01/11)

2139 Bingo/Raffle Application - Renewal Applicant, Form 202 (rev. 01/11)

2140 Permit Amendment, Form 203 (rev. 01/11)

2141 Gaming Personnel Information Update, Form 204 (rev. 07/08)

2142 Report of Game Termination, Form 205 (rev. 07/08)

2143

2144 SUPPLIER LICENSING FORMS

2145 Charitable Gaming Supplier Permit Application, Form 301 (rev. 01/11)

2146 Annual Supplier Sales and Transactions Report, Form 302 (rev. 07/08)

2147

- 2148 BINGO MANAGER AND BINGO CALLER REGISTRATION FORMS
- 2149 Bingo Caller Application, Form 401 (rev. 01/11)
- 2150 Bingo Manager Application, Form 402 (rev. 01/11)
- 2151 Bingo Manager or Caller Amendment, Form 403 (rev. 01/11)
- 2152 Personal Information Update for Bingo Managers, Form 404 (rev. 07/07)
- 2153 Bona Fide Member Verification, Form 405 (rev. 05/11)
- 2154 11VAC15-40-9999
- 2155 DOCUMENTS INCORPORATED BY REFERENCE (11VAC15-40)
- 2156 IRS Publication 3079, Tax-Exempt Organizations and Gaming (Rev. 06/10)
- 2157