

**Testimony of Gerald “Mort” Ward**  
**Ohio Veterans and Fraternal Charitable Coalition**  
**To the Ohio Senate, Select Committee on Gaming**  
**February 24, 2021**

Chairman Schuring and members of the committee:

My name is Mort Ward. I am the current commander of VFW Post 5713 in Celina Ohio. I am the former State Commander of the VFW Department of Ohio and I am the Treasurer of the Ohio Veterans and Fraternal Charitable Coalition.

Ohio is home to over 866,000 veterans, the sixth largest veteran population of any state. Ohio’s veterans and fraternal organizations consist of approximately 2.1 million members at approximately 1500 posts and lodges in nearly every community in Ohio.

Just take a drive anywhere in Ohio and you will find a VFW, AMVETS, American Legion, Eagles, Elks or Moose location. In many communities they are the center of activity, hosting meetings, weddings and other gatherings. They also donate millions of dollars in revenue to charities in their local communities. Our organizations exist in order to serve veterans, our communities, and those in need, all at zero cost to taxpayers.

Last year our organizations raised \$113 million in charitable revenue; that’s over \$2 million per week, all which was used to help operate our posts and lodges, and even more importantly to support our charitable mission within our communities. Compared to for profit gaming, \$113 million might not seem like much, but it is critical to the charities we support. We help veterans in need and support hundreds of local charities with revenue generated by our own members. You will be hearing more details on this from groups we help. A few examples are:

- Columbus VA: funding for rent and utility payments for indigent veterans.
- Save A Warrior: funding for veterans with PTSD.
- Fisher House: provided lodging for veterans and families receiving medical treatment.
- MASH Food Pantry: food for veterans and their families who are in need.
- Buckeye Boys State: raising up Ohio’s future leaders.
- Wexner Medical Center: Providing walking machines for patients with spinal cord injuries.
- Hyperbaric Oxygen Therapy: Treatment for veterans not funded by insurance to treat mental and physical wounds.
- Firefighters/First Responders: Funding for local fire departments to purchase equipment.
- At-risk youth programs: Help inner-city youth with meaningful activities.
- Battered spouses: Help get battered spouses placed in safe housing.
- Special Olympics: Providing sports training and athletic competition for children and adults with intellectual disabilities.

The primary way we generate funding for these causes is through our charitable gaming proceeds, which includes traditional bingo, but to a greater extent instant bingo (also known as pull-tabs). About ten years ago veterans and fraternal groups were seeing an influx of electronic gaming in Ohio. Whether this electronic gaming took to the form of illegal sweepstakes machines or regulated slot machines, gaming technology was improving throughout Ohio and we were being left behind. We knew that in order to stay relevant and continue with our charitable mission, we would need to upgrade our technology to include electronic forms of charitable gaming. While paper forms of gaming are still popular, many members are finding electronic gaming more enjoyable and entertaining.

After working with an experienced charitable gaming attorney and looking at existing Ohio law, the veterans and fraternal groups determined that it would be legal to implement an electronic raffle program. We were completely comfortable with this because the revised code is silent on the issue of electronic raffles, whereas it specifically prohibits electronic forms of other charitable games.

In 2011 we implemented a pilot program by installing about 100 electronic raffle machines in some of our posts and lodges, all which operate on a centralized reporting system. The game and its systems were tested by an accredited testing lab. Our electronic charitable raffle program has been tremendously popular and has helped us raise a substantial amount of charitable revenue...over \$70 million since late 2011.

After looking at the program, Ohio Attorney General Mike DeWine said his office felt our electronic raffle system was operating in a gray area of the law. While we disagreed with his office's legal opinion (and still do) we also wanted to work cooperatively with the AG. He asked if we would be agreeable to updating state law to allow electronic instant bingo (pull-tabs) because his office already had considerable regulatory authority over these games. We agreed to this request and immediately began working with his office to draft language. This language was ultimately sponsored by representative Rick Perales in 2013 in the form of House Bill 325. Unfortunately, this legislation did not pass due to opposition by other gaming interests.

When it became apparent that the bill was not going to pass, Attorney General DeWine asked veterans and fraternal groups to shut down the video raffle system which we did -- temporarily. We quickly filed a lawsuit and obtained a temporary restraining order allowing us to continue operating the video raffle system while the court heard the case. That case has made its way all the way to the Ohio Supreme Court, which has issued a stay until July 31 of this year so that we may seek legislation. If electronic pull-tab legislation were to pass, we would simply transition from electronic raffles to electronic pull-tabs.

Both Governor DeWine and Attorney General Yost are supportive of electronic instant bingo (pull tab) legislation that places regulatory authority with the AG's charitable law section.

Last year, as many of you know, we were close to passing this legislation. While we were disappointed it didn't pass, we understand the Senate's desire to thoroughly consider charitable gaming language.

In their recent testimony before this committee, the sports gaming industry expressed concerns that electronic instant bingo machines are slot machines. We will have a charitable gaming technology expert weigh in on this issue in more detail, but as our language states, an electronic instant bingo ticket is simply an "electronic or digital representation of instant bingo" paper ticket. Unlike slot machines, there are no random number generators. Every ticket is predetermined, just as if the customer were to purchase a paper pull-tab ticket. The video portion of the game is simply a more entertaining way to reveal the winnings.

Just to make it clear, the language we support states that a "Slot machine" does not include a skill-based amusement machine or, an instant bingo ticket dispenser, or an electronic instant bingo system.

There have also been comments made about the possibility of electronic pull-tab machines popping up at new locations, which cannot happen. In order to be able to conduct charitable gaming, a post or a lodge has to be affiliated with a national or state organization and has to have been in existence for two years. Consequently, it would be impossible for new locations to open up and immediately start operating charitable gaming. State law already prevents this from happening.

Unlike Ohio's other gaming establishments, our posts and lodges are open to members only. People cannot simply walk in off the street and play. Only members are permitted to participate in charitable gaming. It is not available to the general public.

With regard to the number of machines per location, an average post or lodge operating video raffle machines has about three or four machines, with a few of the larger locations having maybe seven to ten machines. This is determined solely by the size of the location and number of members.

There have also been some questions about our language being overly broad and concerns with the potential for money laundering. These concerns are totally unfounded. The language we have supported in cooperation with the Attorney General is very thorough. All vendors and distributors would be vetted by the Bureau of Criminal Investigation (BCI) and the Attorney General would have very strong authority to disqualify anyone who violates the statute or rules. Only legitimate and qualified manufacturers and distributors would be permitted to operate in Ohio. Companies with leadership that have felony convictions or violations against their licenses in other jurisdictions would be prohibited from operating in Ohio.

Also, the Attorney General would oversee the operation of a central computer reporting system that will track every ticket and financial transaction. The Attorney General has been regulating

charitable gaming for many years and is more than qualified to regulate electronic pull-tab technology.

Additionally, our language states that all machines and software have to be tested by a laboratory approved by the Ohio Lottery Commission to ensure the system meets the requirements of the law and the definition of electronic instant bingo.

There's also been some mention of problem gaming. While this is not specified in the language, the Ohio Casino Control Commission has graciously offered to make its problem gaming resources such as its hotline available for us to promote to our members. But again, unlike Ohio's other gaming venues, we are open to members only, so we personally know every person that walks through our doors. If a member has a gaming problem, it will quickly become apparent. Nevertheless, we still support utilizing the CCC's problem gaming resources and would be open to requiring that in the legislation.

In summary, the legislation we support is about veterans and fraternal organizations and the great charities that they support helping fellow veterans and the communities in which we live. It's about helping us update our charitable gaming technology to a more modern and entertaining form of gaming so we can advance our charitable mission. It's about giving the Attorney General strong regulatory authority to oversee the implementation of the gaming system. Such legislation is long overdue. We have waited patiently for many years now, while other forms of electronic gaming have passed us by. It is time to help our veterans and fraternalists in our mission to help others.