

TO: The Honorable John Kasich, Ohio General Assembly, Controlling Board Members
FROM: Ohio Veteran and Fraternal Organization Leadership
DATE: November 20, 2013
SUBJECT: Video Gaming for Charitable Organizations

As leaders of Ohio's major veterans and fraternal organizations, we want to inform you of our position on two important issues:

1. A recent announcement by the Ohio Lottery Commission about a video gaming program for veterans and fraternal organizations;
2. HB 325, legislation we are backing that would allow our organizations to conduct video forms of charitable bingo.

The Ohio Lottery Commission recently announced a video gaming device it plans to market to veterans and fraternal organizations as a way to help us raise funds. However, the program provides no charitable component and none of the funds generated through by these Lottery devices would be required to go to charity. We also have concerns with the fact that the program is limited to just one vendor, which gives no incentive to make innovative products at a competitive price. And the announced limit of just 1,200 devices statewide would be nowhere near enough to meet the demand of or posts and lodges.

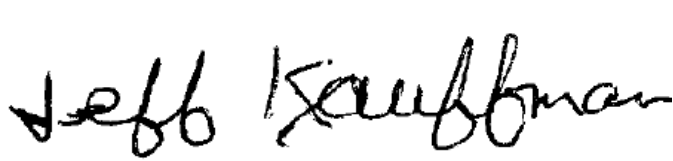
We are charitable organizations. Our charitable gaming programs under ORC 2915 enable us to raise funds to support our overhead and local charities in our communities. Homeless veterans, veterans in need, families of active duty men and women, and other charities all across this state rely on our charitable giving. Under the Ohio Veterans and Fraternal Charitable Coalition's charitable video raffle program, locations and their 501(c)(3) charities receive 60% of the revenue generated by their terminals. State law mandates that the location and the charity split all revenues that they receive from video raffle ticket sales 50/50. Conversely, under the Lottery program, much if not all of our charitable support would dry up.

We understand the Lottery Commission is free to offer these devices to our posts and lodges, but we want to make you aware that as the state leaders of each of these organizations, we will actively discourage our locations from entering into contracts with the Lottery Commission's program as it stands. Without a charitable component, vital charities across the state will be devastated. And the limits on the number of devices will not enable us to raise enough funds to support our operations.

While we appreciate the effort to assist our organizations, we believe we have a better plan and we are asking you to support it. Under ORC 2915, our organizations can raise funds through various paper forms of bingo. House Bill 325 would simply allow our organizations to play these same bingo games, but in a more entraining video format. "Charitable video bingo" would still operate under ORC 2915 and the regulatory authority of the Ohio Attorney General. It would require all video gaming terminals to connect to a central server system under the authority of the Attorney General and it would place clear limits on the number of terminals per location based on membership. House Bill 325 would be the simplest, most effective way to help our organizations restore their fundraising capability by upgrading to an entertaining video form of charitable bingo. It would also provide greater transparency and accountability since all funds would be tracked electronically.

We strongly support this legislation and feel it is the best solution for our organizations and our charities. We would appreciate your support for HB 325.

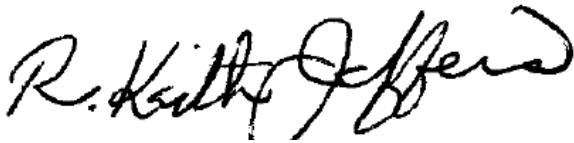
Sincerely,



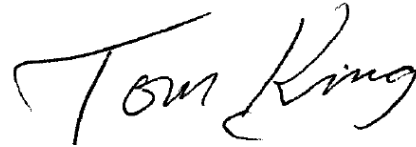
Jeff Kauffman, Commander
The American Legion of Ohio



Don Perdue, President
Ohio State Moose Association




R. Keith Jeffers, Commander
VFW Department of Ohio



Tom King, State President
Ohio Fraternal Order of Eagles



Sandy Vorhies, Commander
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