

## Dear fellow concerned charitable gaming organizations:

In August, the Kentucky Department of Charitable Gaming announced a plan to fundamentally alter charitable gaming in the Commonwealth. The plan was to “unburden” Kentucky’s charities of paperwork by offering a flashy new accounting system; they promised big savings and fewer headaches. However, as organizations began peeling back the layers of the plan, the need for action became apparent, and the Coalition for Charitable Gaming (CCG) was created.

The CCG is a group of charities, players, hall owners, distributors and manufacturers that is committed to stopping the state from taking over the broad charitable gaming network – privately owned businesses that employ Kentuckians, ensure competition in the industry, and provide a tremendous partnership with our churches, veterans groups, volunteer fire departments and other charities all across the Commonwealth. Many of Kentucky’s most vulnerable, well-respected and hardest working citizens depend on the revenue generated through bingo, pull-tabs and other charitable games. A state-proposed plan that limits game choice, severs vendor relationships, and adds undue responsibility on volunteers will likely lead to a reduction in charities’ revenue.

So far, the Coalition has focused on building a grassroots network to inform charitable organizations in the state about the dangers of the Department’s plan. Coalition members have attended each “information session” held by the Department, uncovering the details about the plan that the State would rather you not know, and asking the tough questions – questions you need answered so that you fully understand the impact of the State plan on your charity. We have also assisted charities and hall owners from all over Kentucky in contacting their elected representatives and expressing their opposition to the takeover – a critical component in protecting your charities.

### ***BUT OUR WORK HAS ONLY JUST BEGUN***

This is the first weekly email you will receive from the Coalition for Charitable Gaming. Each week, you will be sent an update of what efforts have taken place to this point, a preview of what to expect next week, and all of the information you need to stay on top of this issue and continue your opposition.

For the Coalition’s part, we will continue to enlist the help of charitable game operators and players to make clear that Big State Government should keep its hands off charitable gaming, ***but we need your help!***

We ask that you help us build our network by distributing the information you receive in these emails to other individuals and organizations that are concerned about the well-being of their charity. You are strongly encouraged to report back to us about the contacts you’ve made.

For instance, please contact us if you:

- Plan on visiting a town hall,
- Talk to your elected officials, or
- Have the email address of someone who wants to join this effort

Our contact information is [infoccg@ccgky.org](mailto:infoccg@ccgky.org). The more information we can send out and receive back from you, the more effective the organization will be.

## Department of Charitable Gaming Info Sessions This Week:

At town hall meetings from east to west, charities have spoken up - asking for answers to critical questions about the future of their operations. This week, the Department continues its "information sessions." If you are in these areas, please take this opportunity to ask state bureaucrats the tough questions, and let them know how you feel about the plan.

- Saturday, Oct. 10, Holy Name School, 628 Second Street, Henderson; 10 a.m. CT
- Tuesday, Oct. 13, Boyd County Fair Bingo, 1760 Addington Road, Ashland; 6 p.m. ET
- Thursday, Oct. 15, Corbin Bingo Parlor, Cumberland Falls Highway, Corbin; 6 p.m. ET

## Key Points

- Fewer games: a key aspect of the plan is to limit the amount of manufacturers from over 20 down to as few as 1. There is no guarantee that the manufacturer of your favorite game will win the bid.
- Less competition: with as few as one manufacturer and one distributor, there are no incentives for manufacturers to create the games you love or for distributors to provide you with the service levels you've come to know and expect.
- Less revenue: evidence has shown that as the amount of gaming options available to players decreases, the revenues to charities goes down as well. Between smoking bans and the bad economy, are your charities in a position to take a chance on supporting a plan that will almost definitely decrease their gross revenue? Particularly when the state's current laws mandate that lower revenues mean higher fees?
- Manufactured crisis: Department bureaucrats claim that there is **\$100 million** in fraud and misreporting of charitable gaming in the Commonwealth. But where did they get those numbers? There has been no statewide audit or any data to back this claim, only a generic study about all "cash enterprises" losing 20 cents out of every dollar they generate to fraud or incompetence. So is the State saying that Kentucky's charities are criminal, incompetent or both?
- More big government regulation: despite the fact that the KY Department of Charitable Gaming is one of the best funded organizations of its kind in the country, it insists on imposing burdensome regulations and processes on all state charities to prevent \$100 million in fraud – the number they pulled out of thin air. That means the bulk of state charities, which are compliant and do tremendous work, are forced to discard their existing computers, equipment and supplies, for a new accounting system they didn't ask for, want or need. Charitable games are already licensed; bingo doesn't need to be socialized in order for the Department to do a job it is supposed to be doing already.
- The proposed accounting system doesn't even exist: the State has created a plan for a new accounting system that requires software that doesn't even exist yet. Implementing a customized program, built from scratch, with new computers and scanning guns, in over 660 charities all across the state could cost tens of millions and take years to get up and running.
- Kentucky's charities will not benefit from the State's purchasing scheme: The Department insists that it can use the negotiating power of the state to obtain a "bargain" for supplies. When asked at a town hall in Owensboro how much charities would pay for supplies under the new plan, the Department gave its most honest answer yet: the same price you pay today. *If* the State can negotiate lower prices, it will charge *you* today's prices, keep the difference, and use the "savings" to purchase an accounting system that you will be forced to use.

## What You Can Do to Help

Frankfort bureaucrats have told town hall audiences all across the state that Gov. Steve Beshear has asked them to consider the new system. Tell Gov. Beshear how you feel about it! Contact the Governor's Office at (502) 564-2611 or reach out to your State Representative or State Senator. All state legislators can be reached by phone through the legislative Message Line at (800) 372-7181 or via email. All legislative emails can be found at <http://www.lrc.ky.gov/whoswho/email.htm>.

Contact with your elected representatives is crucial. If this plan moves forward, your State Legislator will be crucial in stopping this. But don't wait: reach out to them today.

Thank you for your continued support. Let's take this opportunity to show Big Government how you feel about its plan.

- The Coalition for Charitable Gaming