

## **NOTE:**

The Bingo Review Committee was formed by the Alberta Gaming and Liquor Commission in 1998 to conduct a review of Alberta's bingo industry. The Committee's work **concluded** with the presentation of its final report in September, 1999.

**Any questions about the review or bingo in general should be directed to Penny Kleinmeyer, Manager, Bingo Programs – (780) 447-8856.**

# **Alberta Bingo Industry Review**

**Findings and Recommendations of  
the Bingo Review Committee**

**September 1999**

Edmonton, Alberta

## **Bingo Review Committee**

**Office of the Chairman**

11<sup>th</sup> Floor Commerce Place  
10155 – 102 Street  
Edmonton, Alberta  
Canada T5J 4L4

Telephone 780/422-8047  
Fax 780/415-2182

September 1999

Mr. Eric McGhan  
Chairman and Chief Executive Officer  
Alberta Gaming and Liquor Commission  
50 Corriveau Avenue  
St. Albert, AB  
T8N 3T5

Dear Sir:

I respectfully submit this report on the findings and recommendations of the Bingo Review Committee. I am pleased to indicate that each recommendation made by the committee represents the consensus of committee members.

Sincerely,

The Hon. S.S. Lieberman, C.D., Q.C., LL.D.  
Chair

# Members, Bingo Review Committee

---

The Hon. S. S. Lieberman, C.D., Q.C., LL.D.  
Chair

---

Peter Lewko  
Vice-Chair

---

Yvonne Armstrong  
Past President, Thorncliffe-Greenview  
Community Association, Calgary

---

Richard Magnus  
MLA, Calgary - North Hill

---

Shelley Burr  
Director, SALTA Gymnastics Club  
Past President, Cypress Bingo Association,  
Medicine Hat

---

Elizabeth O'Neill  
"future for ALL families", Edmonton

---

Donna Carter  
Red Deer Regional Hospital Voluntary  
Association, Red Deer

---

Carol Robinson  
Director, Fund-Raising, South Side Hockey  
Association, Calgary

---

Bill Diachuk  
President, Federation of Alberta Bingo  
Associations, Edmonton

---

Dana Russell  
Past President, North Glenmore Park  
Community Association, Calgary

---

Warren Kootenay  
Kipohtakow Recreation Society  
Alexander First Nation

---

Suzanne Thompson  
President, Leefield Community League,  
Edmonton

---

Pam Lancaster  
Manager Representative  
Grande Prairie Bingo Association

# **Alberta Bingo Industry Review**

**Findings and Recommendations of  
the Bingo Review Committee**

**September 1999**

Edmonton, Alberta

# Contents

• Report Highlights .....	1
• Introduction .....	13
• Findings and Observations	
• Charitable Gaming.....	19
• Background: Bingo in Alberta .....	21
• Legislative Framework .....	26
• Popularity of Bingo: Some Facts and Figures .....	30
• Net Proceeds by Licence Category .....	37
• Why Bingo Regulation is Complex .....	40
• Stakeholder Submissions .....	45
• Recommendations .....	57
A. General .....	58
B. Licensing Charitable and Non-Profit Groups .....	59
C. Access to Association Bingo .....	66
D. Conducting and Managing Bingo Games/Events .....	72
E. Use of Proceeds .....	82
F. Reporting Requirements .....	90
G. Enforcement and Prevention Measures .....	92
H. Policy Development and Industry Relations/Communications ..	96
• Concluding Comments .....	101
• Acknowledgments .....	103
• Glossary .....	105
• Sources .....	111
• Appendices	
1. Bingo Review Terms of Reference	
2. Letter Requesting Written Submissions	
3. Advertisement	
4. Letter Requesting Written and Verbal Submissions	
5. Letter Updating Stakeholders of Review	
6. Media Notice	
7. Groups that Provided Written Submissions	
8. Groups/Individuals that Made Verbal Submissions	



# Report Highlights

- The Alberta Gaming and Liquor Commission (AGLC) initiated a review of the bingo industry in August 1998 due to suggestions for improvement by industry stakeholders and complaints in matters such as accessing bingo and the allocation of bingo events.
- The bingo review is the first comprehensive review of the bingo industry after more than 20 years, during which time bingo has grown into a sizable gaming industry and its regulation has become more complex.
- The AGLC appointed the Bingo Review Committee in December 1998 to conduct the review based on the terms of reference document entitled *Review of the Bingo Industry*, which lists more than 90 specific questions or matters to be addressed (see Appendix 1).
- The objective of the bingo review, as stated in the terms of reference, is:
  - ... to determine whether the bingo industry is fulfilling the intent of the legislation, policies and objectives of charitable gaming.
- The terms of reference note that the relevant legislation and policies include: *Criminal Code of Canada, Gaming and Liquor Act (Alberta), Gaming and Liquor Regulation, and Bingo Terms & Conditions and Operating Guidelines*. It further states that a:
  - ... key objective of charitable gaming is to maximize the return to charities so they may do their community work.

## Industry Submissions

- During the review, the committee received more than 500 written submissions and heard 52 verbal presentations from bingo industry stakeholders in response to the terms of reference (see Appendices 6 and 7).
- Bingo industry stakeholders include bingo associations and their member groups, community (non-association) bingo groups, First Nations and Metis organizations, interested organizations which presently do not have access to bingo, bingo facility landlords and gaming suppliers.

## Background to the Recommendations

- The committee concluded the purpose of its recommendations was to ensure the continued viability and integrity of this volunteer-driven industry, and to make certain that proceeds from bingo were being used for charitable or religious objects or purposes, as required by law.
- In their deliberations, committee members were asked to set aside their own subjective interests and those of any particular stakeholders, and to consider the best interests of the bingo industry as whole.
- In arriving at the recommendations, the committee considered:
  - stakeholder submissions;



- the objective of the review;
  - the relevant laws, regulations and policies;
  - research and background into bingo, including development of policy; and
  - the personal experience of bingo committee members.
- The committee believes the bingo industry, for the most part, is fulfilling the general intent of the relevant legislation, regulation and policies. However, the regulatory foundation for bingo has developed problems due to the demands and expectations placed upon it.
  - The recommendations reflect the view that possessing a bingo licence is not a right to which any charitable or non-profit group is automatically entitled. Rather, holding a bingo licence is a privilege which should only be granted based on merit.
  - One stakeholder suggested that the bingo industry should be privatized - to reduce or eliminate the need for bingo volunteers. This issue must be examined separately by the appropriate authority at another time when all the relevant facts and figures are available.

## Recommendations

- The committee made 74 recommendations that are aimed at:
  - **bringing about greater consistency** in the granting of bingo licences through criteria which focus on the “need” of eligible organizations
  - **improving access by charitable organizations** to association bingo while continuing to give bingo associations the discretion to allocate bingo event slots
  - **bringing about more cooperation and better communication** between bingo stakeholders and the AGLC
  - **giving bingo halls the option of adopting new technology** with the required prior authorization of the AGLC and if the financial returns in doing so outweigh the financial costs
  - **preserving the use of credits** to reward volunteers, recognizing that eliminating credits would negatively effect the charitable programs of many organizations which have benefited from them
  - **facilitating the equitable distribution of bingo net proceeds** by making the pooling of revenue in all bingo associations mandatory by 2001
  - **helping licensees to maximize their return** from bingo by limiting and controlling expenses to the extent reasonable and possible
  - **addressing concerns about the integrity of gaming** and illegal activity through various preventive measures, and
  - **creating a more level playing field** for association and community bingo.
- The recommendations, which are elaborated upon in the main report, are as follows:

## **A. GENERAL RECOMMENDATION**

1. The AGLC should appoint a provincial bingo manager to oversee licensed bingo in the province and act as the primary liaison between the AGLC and the bingo industry.

## **B. LICENSING CHARITABLE AND NON-PROFIT GROUPS**

1. New bingo licences, and the renewal of existing ones, should be granted by the AGLC based on the applicant's proven delivery of charitable services or programs, its budget, and its need for funds, in addition to the existing eligibility criteria.
2. All existing bingo licences should be assessed by the AGLC against the suggested three new criteria to determine future eligibility for a licence.
3. "Spin-off" groups and "related" groups should be restricted in their ability to obtain bingo licences.
4. The definition of a charitable organization, or of "charitable purpose or object," should be examined by a committee of the appropriate provincial agencies, in keeping with the review of such matters now occurring at the national level.

## **C. ACCESS TO ASSOCIATION BINGO**

1. The AGLC should establish a central registry of charitable organizations wishing to access association bingo.
2. The AGLC should establish a new bingo application process for association bingo, to complement the recommended central registry of charitable organizations.
3. The AGLC and association bingo stakeholders together should consider ways to further reduce inconsistencies after the granting of bingo licences. For example, bingo association bylaws could include various specific clauses that directly affect questions of access and allocation of bingo slots.
4. Charitable organizations that are members of bingo associations should voluntarily examine whether they need the number of bingo slots they have, and whether they can give up slots to other organizations conducting charitable work in their own communities.
5. The response by stakeholders to the matter dealing with access to bingo by First Nations and Metis organizations was relatively low and data is lacking or insufficient to arrive at a recommendation.
6. The AGLC should continue to exercise its discretion in assessing whether to grant new bingo facility licences or, where appropriate, refuse to grant such licences. The AGLC's assessment in this matter should be based on practical and reasonable considerations, such as demographics, shifting trends, population base, and other market realities.
7. Any new bingo associations wishing to operate at least seven events per week should have at least 20 member charitable organizations. At least two new additional member charitable groups should be required for each additional event beyond the seven per week. Existing bingo associations operating at least seven events per week and with fewer than 20 members should meet this requirement by April 1, 2000.

8. Bingo associations should be encouraged to give special consideration to community bingo groups that are willing to end their community bingo events and join an association.
9. Charitable organizations which operate community bingo should not at the same time be a member of a bingo association.
10. Charitable organizations unable to access bingo in their local community (for example, town or city) should be able to access bingo in other communities, as provided under existing bingo policy. This access should be provided only if there are “slots” available in the other community and after local organizations have received first consideration for such slots.
11. FABA and the recommended AGLC bingo manager should review and address the complaints of charitable organizations wishing to access bingo associations.

#### **D. CONDUCTING AND MANAGING BINGO GAMES/EVENTS**

1. A bingo hall should have the flexibility to introduce any new game that falls within the current policy definition of a bingo game. The bingo hall must notify the AGLC 48 hours prior to such a game being implemented.
2. Keno should be made available to bingo halls only if the financial benefits to charitable groups outweigh the financial costs. However, if keno were to be introduced in casinos in Alberta before such an assessment could be made, it should be made available to individual bingo halls immediately based upon their own assessment of cost/benefit and subject to AGLC authorization.
3. The financial cost/benefit of introducing electronic bingo to bingo halls should also be determined in the near future. If the benefits are shown to outweigh the costs, electronic bingo should be authorized for individual bingo halls.
4. The introduction of other new bingo games, or an expansion of games such as linked bingo, should only be considered after the benefits and costs of keno and electronic bingo are determined and the applicable recommendations made in this report are followed and implemented.
5. One additional progressive bingo game should be permitted per event in association bingo facilities as part of the overall mix of bingo games available to bingo customers. The accumulated prize pool of the game should be excluded from the requirement of a \$15,000 maximum prize payout limit per event, an exclusion that already exists for loonie pot and satellite bingo.
6. Maximum seating capacity in a bingo association hall should be dictated by local bylaw, fire regulation, and the maximum prize payout allowed per event under bingo policy.
7. The maximum number of events presently allowed per day in association bingo should remain at two with the exception that the AGLC should have the flexibility to license up to three events per day if there is only one association hall in the community (for example, town or city) *and* the bingo association operating it wishes to accommodate more charitable groups.

8. The maximum number of games allowed in association bingo should remain at the current level of 75 per event.
9. The bingo licensee, operating on a voluntary basis, must continue to be the organization responsible for the bingo event, in keeping with the province's charitable gaming model.
10. Only members of the charitable organization conducting a bingo event should hold key volunteer positions, such as bingo chairperson, paymaster, bonanza controller, or special games controller.
11. Any bingo volunteer who is not a member of the charitable organization must be made known to the bingo chairperson.
12. The only paid positions in association bingo should be those explicitly permitted under the existing bingo policy.
13. The role of landlords in bingo should continue to remain as stated under the existing bingo policy.
14. Bingo facilities generating \$150,000 or less in gross annual revenue should be permitted to schedule one day per week in which minors accompanied by an adult may play regular bingo games for cash prizes. The accompanying adult must buy the regular bingo cards for the minor.
15. The use of sealed bingo cards should be required for all special games in which certain numbers are pre-called or pre-determined by other criteria.
16. All association bingo facilities, and community bingo licensees generating \$150,000 or more per year, should be required to use a video camera in the hall to broadcast and electronically record the selection of balls coming out of the blower.
17. Minors under 14 years of age who volunteer at bingo events should be prohibited from handling cash.
18. A policy of zero tolerance for shortages during bingo events should be established and implemented to the extent possible.
19. Prizes for special bingo games should be based on cards sold or in play rather than on cash received.
20. Only media bingo with a "local" focus should be permitted.
21. The AGLC should establish a policy requiring association bingo halls to have a separate, ventilated non-smoking area for bingo players as soon as possible.

## **E. USE OF PROCEEDS (PRIZE PAYOUT, EXPENSES, NET PROCEEDS)**

### **PRIZE PAYOUT**

1. Maintain overall prize payout at any bingo hall at the maximum annual average of 65% of gross bingo revenue. Community bingo licensees may apply to the AGLC for an exemption from this requirement.

2. The maximum total prize payout for any “special” bingo game should be maintained at 60% of sales. The regular bingo games should continue to be based on the pre-determined payout schedules and within the overall 65% payout.
3. The maximum total prize payout per event should remain at \$15,000 (excluding the satellite game, progressive loonie pot accumulated prize pool, and the additional progressive games recommended in this report) and the annual prize payouts at a bingo hall over a one year period should not exceed 65% of total annual gross revenue.
4. The prize payouts for “loonie pots” and additional progressive games as recommended in this report should be capped at a maximum of \$10,000 (it may be capped at less than this amount). Once this cap is reached, the prize pool must be played off during the next day of bingo. The amount to be awarded during the play off would consist of the cap amount plus the amount accumulated after the cap was reached. Therefore, no reserve loonie pot may be accumulated during the period in which the capped amount is available to be won.
5. The existing policy effecting the total prize payout for satellite bingo should be continued.

#### **BINGO EXPENSES**

6. Controlled bingo expenses, whether those of an association or community bingo organization, should not exceed 10% of the annual gross bingo revenue.
7. A bingo association or community bingo organization should be required to conduct a lease or rental market analysis before entering into any lease or rental agreement for a bingo facility or renewing such an agreement.
8. The AGLC, through the recommended bingo manager, in consultation with FABA, should establish a range of reasonable pay rates for paid positions within bingo association facilities.
9. A licensee of community bingo should have the option of hiring a part-time bingo hall manager to oversee the conduct of its bingo events. Expenses for this position would have to be covered within the 10% maximum of gross bingo revenue allowed for controlled bingo expenses and be in line with the previous recommendation regarding pay rates.
10. The AGLC must review its policy regarding bingo association expenditure in the area of conferences, seminars, and training sessions.

#### **NET PROCEEDS**

11. All net proceeds from bingo events should be directed to the licensees’ services and programs.
12. Bingo licensees should endeavour to limit their administrative expenses to no more than 10% of net proceeds. In any event, all administrative expenses must be approved by the AGLC.

13. The benefits and disadvantages of pooling should be clearly communicated to bingo associations across Alberta, and should include the experience of those bingo associations that have established pooling.
14. Pooling should be made mandatory for all bingo associations by April 1, 2001. Pooling of revenue on a monthly basis, by experience, has proven to provide more benefits than the perceived disadvantages. It addresses industry wide issues.
15. Each bingo association should determine the formula for distributing pooled revenue in a fair and equitable manner, and within some general standards.
16. The use of credits should be allowed, but only to offset the cost of registration or competition fees in an acceptable charitable activity, such as amateur athletics.

## **F. REPORTING REQUIREMENTS**

1. The AGLC should introduce and enforce a standardized, bingo-event financial and inventory control system for bingo events conducted by all bingo associations and by community bingo licensees generating \$150,000 or more in annual gross revenue from bingo.
2. The AGLC should introduce and enforce a standard provincial bingo accounting system for the use of net proceeds by licensees and in the annual bingo financial reports of licensees.
3. The AGLC should continue to simplify bingo reporting requirements.

## **G. ENFORCEMENT AND PREVENTION MEASURES**

1. Establish a variety of new procedures in bingo, to help *prevent* illegal activity such as theft, fraud, etc. from occurring and to ensure the integrity of bingo games.
2. The following practices should be adopted in the signing of bingo account cheques: only executive members of licensed organizations should be signers or co-signers of bingo account cheques; only executive members of bingo associations should sign bingo association operating account cheques; the practice among charitable organizations of pre-signing cheques should be strongly discouraged; and, family members should not be co-signers of gaming account cheques.
3. Members of the same family should not hold paid positions which involve the handling of cash or bingo revenues in a bingo association.
4. An appointed provincial bingo manager, as recommended, should oversee and/or conduct a training program for all volunteers of charitable organizations which hold bingo, and make the program available to them upon request.
5. A system of "spot" audits by the AGLC should continue, and occur more frequently.
6. Volunteers or bingo staff engaging in theft or other illegal activity associated with bingo should be prosecuted.

7. A three-member board should direct and administer a bingo crime prevention program, to be funded by the AGLC.
8. Bingo chairpersons, treasurers, and persons in charge of “loonie pots” should all be bonded for \$10,000.
9. The bonding of hired bingo staff in association facilities should be increased to \$25,000 from \$10,000.

## **H. POLICY DEVELOPMENT & INDUSTRY RELATIONS, COMMUNICATIONS**

1. All bingo policies should be contained in one document, the “red book,” and generally apply to both association and community bingo, except where distinctions should be made.
2. The primary role of the Federation of Alberta Bingo Associations (FABA) should be to provide bingo education and resource information to its members.
3. FABA’s secondary role should be as an advisory body to the AGLC on matters of legislation, regulation and policy related to bingo.
4. To improve the overall effectiveness of FABA to the bingo industry as a whole, all bingo associations should be required to belong to FABA. In addition, FABA should accept as members those community bingo groups interested in joining its organization.
5. FABA should determine an adequate budget to fulfill its recommended role and re-assess its fees accordingly.
6. FABA should develop a job description(s) for the position of bingo association representative/bingo hall manager. Bingo associations should be required to evaluate annually the performance of their association representatives against performance criteria.
7. The main distinctions of community bingo from association bingo should be as follows:
  - community bingo may hold up to two progressive bingo games per bingo event, in addition to the loonie pot provisions;
  - community bingo may continue to seed its progressive bingo games, but must do so within the maximum prize payout limit of 65% of annual gross revenue;
  - with the prior approval of the AGLC, community bingo may exceed the 65% prize payout amount;
  - community bingo may continue to hold the successful marathon bingo events, typically once per year, and to exceed the prize payout limit for these events with the prior approval of the AGLC; and
  - community bingo may operated up to three days per week.
8. The main distinguishing feature for any bingo hall should be whether or not it generates more than \$150,000 in annual gross bingo revenue.
9. The “red book” must be reviewed by a committee comprising the AGLC and the bingo industry to ensure that it reflects the adopted bingo review committee recommendations,

eliminates ambiguities and inconsistencies that may exist, and simplifies interpretation of the bingo policies and guidelines.

## Observations and Findings: Bingo Facts and Figures

- The Criminal Code permits the province to issue a bingo licence to a charitable or religious organization if the proceeds are used for a charitable or religious object or purpose.
- In Alberta, bingo is a form of charitable gaming that is conducted by eligible charitable or religious organizations that have obtained a bingo licence from the AGLC.
- An eligible charity provides a public or community benefit. Its programs must provide one of the following:
  - relief of the aged and disadvantaged;
  - advanced education and learning; or
  - other programs to help the community, such as:
    - making improvements to the quality of health; providing a facility for the community's use; supporting competitive amateur athletics; and, providing places for public worship and religious programs.
- Volunteers of licensed organizations conduct and manage bingo, and thus "earn" the revenue from bingo.
- Bingo is played either in "commercial style" association bingo halls, or in community (non-association) halls:
  - Over the past 20 years bingo has grown into a sizable industry, and is now dominated by "commercial style" association bingo halls. Association bingo is operated in a licensed facility mainly by the members of the association which may number from 5 to 77 licensed charities. About 90% of gross bingo revenue is generated in the province's 62 bingo association halls.
    - The association itself decides its membership based on its own criteria. There are no province-wide standards or criteria for membership in a bingo association, apart from the requirement that association members must hold a bingo licence granted by the AGLC.
  - Community bingo is typically operated by one licensed charity in its own facility, such as community hall, service club hall, or church facility. Community bingo earned 100% of gross bingo revenue before association bingo was introduced in the early 1980s. Today, it earns only about 10% of gross bingo revenue.
- The vast majority of community bingo halls generate gross revenues of less than \$150,000 per year, whereas all bingo associations generate more than \$750,000 and most well over \$1million on a yearly basis.



- In 1997/98:
  - More than 3,500 bingo licences were issued and about 50,000 bingo events were held across Alberta.
  - Bingo was played more than eight million times during more than 35,000 events in bingo association halls alone; licensed charitable groups provided more than 2.7 million volunteer hours to operate and manage these association bingo events.
  - Bingo generated \$334 million in gross revenue. After prizes and expenses, charities earned \$57 million in net proceeds from bingo, or 17% of gross revenue.
  - The AGLC generated \$1.17 million in bingo licence fees (it does not receive any other revenue from bingo).
  - The AGLC estimates that the average amount spent per player per bingo event in Alberta was \$36.56.
- In 1997/98, amateur sports groups held 25% of all bingo licences, more than any other category of eligible groups. They earned net proceeds of \$18 million from bingo, or 31% of the province's total net proceeds. The next largest category was that of service organizations, which held 18% of all bingo licences, and earned \$8 million in net proceeds, or 14% of the provincial total.
- Expenses to operate association bingo can run from 14 to 21 percent of gross revenue, with the industry average at about 16.5%. These expenses include paid staff, supplies, services, rent, advertising and promotions, among other costs.
- In the current decade casinos, another type of charitable gaming in the province, only began to surpass bingo in gross revenue in 1996/97. Casinos, in effect, assumed a position they once held - back to 1984 and prior years - when they generated more in total gross revenue than bingo.

## Why Regulating the Bingo Industry is Complex

The issues in the bingo industry are complex. This is not unique to Alberta.

A recent British Columbia report on bingo notes: "Given the multitude of complex issues within the bingo sector it must be recognized that any government policy that may be created and implemented will not fully address all stakeholder concerns."

Following are factors which, it is submitted, contribute to the complexity of regulating bingo in Alberta:

- Bingo is a **distinct form of gaming** based on its social aspect, history and tradition, size of volunteer base, and player base.

- The **infrastructure** which brings bingo to players includes 62 bingo associations representing approximately 2,000 licensed charities, 540 licensed community bingo groups (charities), a large volunteer base, paid staff, suppliers, landlords, and the regulatory component.
- **While volunteerism is the most significant part of the bingo industry, there is a business side to bingo** that is evident in the “commercial-style” bingo association halls. Expenses to operate bingo are from 14% to 21% of gross bingo revenues.
- **About 8,000 charitable or non-profit groups** have been granted a charitable gaming licence in the past two years. About 2,500 groups hold bingo licences. The competition among charitable organizations for funds through charitable gaming activity is intense.
- The **growth in the diversity of charitable services and programs**, which has been occurring throughout Canada, is attributed in part to changing demographics and to the increasing reliance upon the community to provide services that formerly were provided by government.
- **Groups relying on bingo proceeds may jealously guard this source of revenue** and in effect block access to other charitable groups. **Founding members of bingo associations may exclude or strictly limit** “newcomer” charitable groups which have not “been there from the beginning.”
- **There is no single voice for the bingo industry.** FABA represents most associations but community bingo lacks a similar body. FABA is reluctant about recommending changes to bingo which are not supported by a majority of members.
- **Association bingo consists of six levels**, from the thousands of ground level volunteers through to the executive of FABA, thus making communication among members in association bingo an enormously difficult task.
- **Community bingo groups** want to maintain various advantages they have over association bingo in order to compete.
- There is **no universal, up to date definition of a “charitable purpose.”** With changing social priorities and the shifting, shrinking role of government, the legal definition of “charitable purpose” must be amended to reflect today’s social and economic realities.
- **While many charitable groups may have in place appropriate checks and balances in the handling of their finances**, others may lack basic resources to guard against potential abuses such as theft or fraud.
- Bingo groups want more flexibility in the games they may introduce to their bingo halls, but also want to limit the number of bingo halls in their communities. **They appear willing to accept improvement or change only if their subjective interests are preserved.**
- In the province’s diverse bingo industry, **arriving at “common standards” poses challenges.** An industry with common standards is easier, and less costly, to regulate.
- The well organized and comprehensive bingo policy “red book” is viewed by some bingo groups as **an example of too much policy and too many regulations.**

- The current process of granting bingo licences **does not take into account the applicant's proven delivery of services to the community, overall budget, or need for funds.**
- The **regulatory complexity of bingo makes it difficult for gaming inspectors**, charged with enforcing both gaming and liquor regulations, to appreciate the intricacies of bingo. Thus they may possibly alienate bingo licensees in the process of regulating the industry.
- Stakeholders believe other forms of gaming, such as electronic games, **compete with bingo, and erode the bingo player base.** Some stakeholders **believe the AGLC is in a position of conflict** as regulator of both charitable gaming, which does not generate revenue apart from licence fees, and government-operated gaming, which generates considerable revenue to government.
- Some stakeholders believe **bingo played on the Internet has the potential to erode the bingo player base** in Alberta.

# Introduction

## The Bingo Review Committee

In August 1998 the Alberta Gaming and Liquor Commission (AGLC) decided that a review of the bingo industry should be undertaken. The decision was made in light of numerous complaints and suggestions for improvement by stakeholders in the bingo industry and in the recognition by the AGLC of changes in the social, economic and technological forces affecting the expanding gaming industry in general and bingo in particular.

The following were appointed as members of the Bingo Review Committee in December 1998:

- Yvonne Armstrong - Past President, Thorncliffe-Greenview Community Association, Calgary
- Roy Bricker - Chief Operating Officer, AGLC
- Shelley Burr - Director, SALTA Gymnastics Club; Past President, Cypress Bingo Association, Medicine Hat
- Donna Carter - Red Deer Regional Hospital Voluntary Association
- Bill Diachuk - President, Federation of Alberta Bingo Associations (FABA)
- Warren Kootenay - Kipohtakow Recreation Society, Alexander First Nation
- Pam Lancaster - Manager Representative, Grande Prairie Bingo Association
- Peter Lewko - Board of Trustees, Al Azhar; Treasurer, Lethbridge Shrine Club, Lethbridge
- Richard Magnus - MLA, Calgary – North Hill
- Elizabeth O'Neill - "future for ALL families", Edmonton
- Carol Robinson - Director – Fund-Raising South Side Hockey Association, Past Bingo Coordinator – Bow Valley Hockey Society, Calgary
- Dana Russell - Past President, North Glenmore Park Community Association; Past President, Best Bingo Association Golden Wings Bingo; Past President, Federation of Calgary Communities
- Suzanne Thompson - President, Leefield Community League, Edmonton

The Honourable Samuel Lieberman, C.D., Q.C., L.L.D., a retired justice of the Court of Appeal of Alberta, was appointed as chair of the committee.

Resource persons to the committee were Penny Kleinmeyer, bingo gaming analyst with the AGLC, and George Rodziewicz, a communications advisor.

All the members of the committee, other than the chair and Richard Magnus, MLA are stakeholders in the bingo industry. To avoid any perception of conflict of interest, Roy Bricker, Chief Operating Officer of the AGLC, resigned as a member of the review committee early in the review process.

## Terms of Reference

The terms of reference that were to guide the committee in its deliberations were formulated by the AGLC with bingo industry input and provided to the committee (see Appendix 1). The objective of the proposed review is set out in the terms of reference as follows:

**To determine if the bingo industry is fulfilling the intent of the legislation, policies and objectives of charitable gaming.**

The terms of reference document notes, under this objective, that the relevant legislation and policies include the *Criminal Code of Canada, Gaming and Liquor Act (Alberta), Gaming and Liquor Regulation, and Bingo Terms & Conditions and Operating Guidelines*. It further states that a:

**...key objective of charitable gaming is to maximize the return to charities so they may do their community work.**

## The Committee Mandate

Early in its deliberations, the committee decided that it was not the intention of the AGLC that the committee make recommendations that would alter the basic model of the bingo industry in Alberta, which is viewed by some stakeholders as one of the best in the country. The committee concluded the purpose of its recommendations was to ensure the continued viability and integrity of this volunteer-driven industry, and to make certain that proceeds from bingo were being used for charitable or religious objects or purposes as required by law.

This interpretation of the committee's mandate is further supported by the Government of Alberta's acceptance of a recommendation of the Lotteries and Gaming Summit '98, which states that "the charitable model for operating casinos and bingos be maintained." In accepting this recommendation, government noted in a news release entitled "Commitment to Communities and Charities Reaffirmed in Response to Summit Report," issued on July 21, 1998, that "it continues to support the charitable gaming model."

## Committee Meetings and Hearings

In January 1999 the committee established an office in the City of Edmonton and hired Cathy Scott as secretary.

Meetings of the committee were held in Edmonton on January 19, 1999 and February 17, 1999. On January 25, 1999 the terms of reference and a letter requesting formal submissions was sent to all bingo associations, community bingo groups, First Nations and Metis organizations (see Appendix 2). Advertisements concerning the review were placed in newspapers throughout the province (see Appendix 3).

To ensure all bingo association member groups were also aware of the review, a letter was sent to their presidents on February 25, 1999 (see Appendix 4). Each president was advised of the bingo review and encouraged to participate by contacting his or her association or the committee office for a copy of the terms of reference. Each was invited to send a written submission to the committee and also asked to notify the committee if they wished to make a verbal submission in addition to, or in place of, a written submission.

All submissions and requests for verbal representations were to be received by the committee on or before March 22, 1999. A few submissions were accepted after the deadline due to reasonable circumstances that prevented groups from meeting the deadline.

Industry stakeholders received a letter in April 1999 advising them of the status of the bingo review, including the locations and dates of committee meetings to hear verbal submissions (see Appendix 5). A media notice was also issued to advise news outlets throughout the province of the impending review committee meetings (see Appendix 6).

A total of 528 written submissions was received (see Appendix 7) and there were 55 requests to make verbal representations. Fifty-two of the 55 organizations or persons requesting an opportunity to make verbal submissions did in fact do so (see Appendix 8). The verbal submissions were heard by panels of the committee's members in Edmonton on May 10 and 11, in Calgary on May 17, in Lethbridge on May 18, in Red Deer on May 20 and in Grande Prairie on May 26.

Following the completion of the verbal hearings, the committee held meetings in Edmonton on June 16, 17 and 29, 1999 to deliberate upon its findings.

The committee at a meeting in Edmonton on July 22 reviewed a draft report with recommendations, based upon the findings and committee discussions. The committee reviewed a final report draft at a meeting in Edmonton on August 20.

## **Background**

### ***Legal***

In Canada bingo is a form of gambling. As such it would be an illegal activity if it were not for the provisions of Section 207 (1) (b) of the Criminal Code of Canada which state that it is lawful

**... for a charitable or religious organization, pursuant to a licence issued by the Lieutenant Governor in Council of a province or by such other person or authority in the province as may be specified by the Lieutenant Governor in Council thereof, to conduct and manage a lottery scheme in that province if the proceeds from the lottery scheme are used for a charitable or religious object or purpose;... .**

Pursuant to this legislation the AGLC is the authority in Alberta which issues such licences and is governed by the provincial Gaming and Liquor Act, Gaming and Liquor Regulation, and policies of the AGLC board.

The section of the Criminal Code cited above is not specific in that it does not set out what percentage or share of the proceeds from the lottery scheme - in this case, from bingo - are to be used for charitable or religious objects or purposes. More importantly, this section contains no guidelines as to the meaning of "charitable purpose." The common law provides guidelines in this area and the AGLC applies them in exercising its discretion in ruling on the questions of "proceeds" and "charitable or religious object or purpose." The challenges posed in this area are explored in depth in the committee's recommendations that follow in a later section of this report.

An additional difficulty facing the AGLC is the conflict that inevitably arises between the requirement for government regulation (made necessary in this case by the Criminal Code) and society's dedication to the market economy (evident in the growth of commercial-style bingo halls in Alberta). This conflict is discussed elsewhere in this report.

### ***Bingo in Alberta***

The game of bingo is distinct from other gaming activities. Traditionally, bingo has been a popular family game, played in community halls and church basements across the province. Over the past 20 years bingo has grown into a sizable industry, and is now dominated by "commercial style" association bingo halls. Bingo provides entertainment to its own base of customers in a social atmosphere and at a reasonable price.

Bingo is also one of the most popular forms of gaming. In fiscal year 1997/98, bingo generated gross revenue of \$333.8 million - an increase of approximately \$1.5 million over the 1996/97 figure. These revenues were realized in spite of competition from other forms of legalized gambling, including ticket lotteries, video lottery terminals (VLTs), slot machines in casinos, and casino table games.

In 1997/98, more than 50,000 bingo events were held in Alberta. These events were conducted by 2,505 licensees. Of these licensees, 1,963 were member organizations of bingo associations operating "commercial-style" bingo halls, and 542 were licensed non-association organizations operating mainly from community facilities.

In 1997/98, provincial government revenue from bingo licence fees was \$1.2 million. Apart from licence fees, government does not realize revenue from bingo.

### **Concerns Expressed in Written and Verbal Submissions**

- Some bingo stakeholders view the AGLC as an arm of the provincial government which competes with the bingo industry for the gaming dollar since it owns and operates electronic games such as slot machines in casinos, and VLTs in adult-only liquor-licensed premises. They are of the view that the AGLC imposes regulations that impair the bingo industry's ability to compete with other forms of gaming that

may contribute greater revenue to the province. In their perception the AGLC is therefore reluctant or refuses to allow the bingo industry to introduce electronic bingo or keno.

- A perceived fear that the increase of casino facilities with the accompanying diversity of forms of gambling will erode an already declining bingo customer base.
- The fear that the AGLC will prohibit the “credit” system to reward volunteers.
- The concern that the AGLC will require that all bingo association members (licensees) be allocated an equal number of bingo slots, rather than continuing to allow bingo associations to make decisions regarding allocation.
- The withdrawal of government subsidies and grants from “charitable groups” that formerly had benefited from such subsidies or grants. In fairness, this concern appears to ignore the availability, on application, of provincial government lottery funds.

## **Privatization**

The Bingo Review Committee received a written submission and a verbal representation suggesting the bingo industry be privatized. It is the committee’s view that, while the privatization model has certain attractive features, a consideration of it at this time is premature. It is better left for another day when all relevant facts and figures would be available to whatever authority or board may be assigned the task of making a decision in this regard.

## **Glossary**

The definition of various bingo and gaming-related terms used in this report are found in the glossary at the back of this report.





# Findings and Observations

## Charitable Gaming

Bingo is a form of charitable gaming under the province's "charitable gaming model." There are three other forms of charitable gaming: casinos, raffles, and pull tickets.

These charitable gaming activities may only be conducted by an eligible charitable or religious organization after it has obtained a licence to do so from the Alberta Gaming and Liquor Commission (AGLC). A nominal licence fee is usually assessed.

The volunteers of licensed charitable organizations are responsible for conducting and managing gaming activities. The licensed charitable organizations "earn" revenue by their direct involvement in these activities.

All net proceeds earned from these gaming activities go to the licensed organization to be used for charitable or religious purposes. In 1997/98 charities across the province earned \$128.6 million from all forms of charitable gaming, an increase of 18% over the previous fiscal year.

### Key Objectives of Charitable Gaming

The AGLC, in its document *Charitable Gaming in Alberta: 1997/98 in Review*, states that it:

**... endeavours to ensure, through the setting of appropriate policies, procedures and terms and conditions for these various [charitable] gaming activities, that the financial return to charitable and religious groups is maximized for the benefit of the charitable organizations, the programs and activities they deliver and the communities in which these activities are undertaken.** (page 2, emphasis added)

Bingo policies aimed at maximizing the return to charities include: licensing eligible charitable organizations; setting reasonable prize pay-out and expense levels to operate bingo; and, requiring charities to provide financial reports indicating the amount of proceeds earned from their bingo events, and how the proceeds have been used.

In addition, the AGLC:

**... seeks to ensure, as part of its mandate, that the integrity of gaming is maintained through ongoing reviews of these gaming activities, the licensing process, and enforcement of policies, procedures and terms and conditions.** (ibid)

### **Other Types of Gaming in the Province**

Various forms of gaming are operated by the AGLC as an agent of government. These include electronic games which, under the Criminal Code, must be conducted and managed by government (such as slot machines and VLTs), and ticket lotteries (such as 6/49, Super 7, Pogo, etc.). In 1997/98 the AGLC remitted \$702 million to the Lottery Fund, being revenue generated from these gaming activities. The AGLC expects to generate about \$768 million in revenue to the Lottery Fund in 1999/2000.

Horse racing, the oldest form of legal gambling in Alberta, is operated separately, under the Alberta Racing Corporation.

# Background: Bingo in Alberta

Following is a chronology of events in the development of charitable gaming in Alberta, with a focus on bingo.

## Highlights in the Development of Bingo in Alberta

YEAR	EVENT
1892	<ul style="list-style-type: none"> <li>• Criminal Code enacted. The code declares most forms of gambling to be illegal.</li> </ul>
1925	<ul style="list-style-type: none"> <li>• Criminal Code amended to formally exempt agricultural fairs and exhibitions from some of the prohibitions against gambling.</li> </ul>
1938	<ul style="list-style-type: none"> <li>• Criminal Code excludes, from the definition of a common gaming house, a place “while occasionally being used by charitable or religious organizations for playing gaming therein for which a direct fee is charged to the players if the proceeds are to be used for the benefit of any charitable or religious object.” This permits charities and religious groups to occasionally operate bingo.</li> </ul>
1970	<ul style="list-style-type: none"> <li>• Parliament of Canada enacts Section 190 (now 207) of the Criminal Code, which authorizes the Lieutenant Governor or designate in each province to issue gaming licences to charitable and religious groups, if the proceeds are used for charitable or religious purposes.</li> <li>• Province uses common law definition of “charitable organization” and “charitable object or purpose” in determining eligibility for gaming licences.</li> <li>• To 1973, senior police personnel were designated as licence issuers by Order in Council. Police were not required to determine if the objectives of the groups applying were charitable or religious; nor were there formal requirements for charities to provide financial returns.</li> </ul>
1973	<ul style="list-style-type: none"> <li>• To 1976, gaming licensing functions were taken over from police by a lotteries licensing unit, Criminal Justice Division, Department of the Attorney General. Eligible groups were required to submit documents on financial returns.</li> </ul>
1974	<ul style="list-style-type: none"> <li>• Records indicate many bingo licences were issued.</li> </ul>
1975	<ul style="list-style-type: none"> <li>• From the brochure <i>Lotteries in Alberta</i>, produced by the Department of the Attorney General: <ul style="list-style-type: none"> <li>• A “charitable organization” is “to include any bona fide benevolent, philanthropic, service, educational, recreational or community organization which operates without profit to its members.”</li> <li>• A “charitable object or purpose” includes: <ul style="list-style-type: none"> <li>• Relief of poverty and disease;</li> <li>• Advancement of Education;</li> <li>• Advancement of Religion;</li> <li>• Any object or purpose beneficial to the community generally.</li> </ul> </li> </ul> </li> </ul>
1976	<ul style="list-style-type: none"> <li>• To 1981, Gaming Control Branch replaces the lotteries licensing unit.</li> </ul>
1979	<ul style="list-style-type: none"> <li>• Three commercial style bingo halls are operating, all in Edmonton, that is: Rainbow Bingo Hall; K of C Hall; Jasper Place Bingo.</li> </ul>
1980s	<ul style="list-style-type: none"> <li>• Interest in commercial bingo halls increases among community bingo groups.</li> </ul>
1980	<ul style="list-style-type: none"> <li>• The Caucus Task Force and The Citizens Advisory Committee on Gaming issue their recommendations. One recommendation is that gaming policy development and licence issuing functions be separated from enforcement functions of audit and investigations.</li> </ul>

1981	<ul style="list-style-type: none"> <li>• Alberta Gaming Commission is formed, to issue gaming licences and develop gaming policy. Gaming Control Branch is responsible for enforcement (licence application review, audit and investigation).</li> <li>• Number of different charitable groups operate under the bingo licence of Comserv, Edmonton. Gaming Commission does not permit this umbrella bingo group to operate bingo, since it is not a charitable organization.</li> </ul>
1982	<ul style="list-style-type: none"> <li>• First two commercial halls proposed for Calgary: bingo associations have to be formed before bingo licences are issued to the charitable groups that operate bingo in the two halls.</li> <li>• Associations have to be incorporated as not-for-profit organizations.</li> </ul>
1983	<ul style="list-style-type: none"> <li>• Ten new bingo associations formed, bringing provincial total to about 15.</li> </ul>
1984	<ul style="list-style-type: none"> <li>• To 1985, terms and conditions for bingo associations are developed by Gaming Control Branch with input of associations.</li> </ul>
1987	<ul style="list-style-type: none"> <li>• Bingo associations are required to conduct annual financial audits.</li> </ul>
1993	<ul style="list-style-type: none"> <li>• Federation of Alberta Bingo Associations (FABA) incorporated, to provide a forum for bingo association members and to act as advocate in the bingo industry.</li> <li>• Approximately 65 bingo associations are operating.</li> </ul>
1995	<ul style="list-style-type: none"> <li>• Alberta Gaming and Liquor Commission (AGLC) is formed, amalgamating the Alberta Gaming Commission, Gaming Control Branch, Alberta Lotteries, Alberta Lotteries and Gaming, and Alberta Liquor Control Board.</li> <li>• Lotteries Review Committee releases its report, <i>New Directions for Lotteries and Gaming</i>, which includes recommendations for bingo.</li> </ul>
1996	<ul style="list-style-type: none"> <li>• In February, satellite bingo is introduced.</li> <li>• Gaming and Liquor Act comes into force, the first provincial statute in Alberta dealing specifically with gaming activities. Accompanied by Gaming and Liquor Regulation.</li> </ul>
1998	<ul style="list-style-type: none"> <li>• Lotteries and Gaming Summit '98 issues its report. Government accepts the recommendation that government maintain the charitable model for bingo and casinos.</li> <li>• AGLC issues policy prohibiting minors from playing bingo, in response to a recommendation of the Lotteries and Gaming Summit.</li> <li>• AGLC announces a comprehensive review of the bingo industry. It issues a draft terms of reference document to bingo stakeholders across Alberta for their input.</li> <li>• Members of the Bingo Review Committee are appointed in December, to conduct a bingo industry review in Alberta.</li> </ul>
1999	<ul style="list-style-type: none"> <li>• Amendments to the Gaming and Liquor Act passed.</li> <li>• Province's first Minister of Gaming is appointed.</li> <li>• Bingo Review Committee submits its report and recommendations to the AGLC.</li> <li>• Alberta Gaming Industry Association to hold its first general meeting in the fall, and to include members of the bingo industry.</li> </ul>

## Bingo: From Community Activity To Full-Fledged Industry

It is generally accepted that in previous decades bingo was almost exclusively a family or social game played in community halls and church basements. Prizes were generally small, and included both cash and non-monetary prizes, such as crafts, and hams and turkeys.

The funds earned in bingo were used to further the work of the charitable or religious groups holding bingo. As bingo events were not formally licensed prior to 1970, there are few records available to indicate how much revenue was earned by such groups from bingo in earlier years. The provinces were granted authority by the federal government to regulate and license gaming activities in 1970.

### **Commercial-Style Bingo: First Step Toward Association Bingo**

In 1979, bingo grossed \$25.5 million in revenue, less than the gross amount from casinos or pull-tickets. The introduction of commercial-style bingo halls in the late 1970s and early 1980s changed that. By 1985, bingo grossed more than \$122 million, most of which was generated in bingo association halls. Gross revenues from bingo surpassed the revenue generated from any other charitable gaming activity.

The first commercial-style bingo halls were in Edmonton. There were three such halls in 1979: Rainbow Bingo Hall, K of C hall on 119 Street, and Jasper Place Bingo. After “trial and error,” the charities in these halls eventually developed bingo associations, to coordinate bingo on behalf of their members, however, the Gaming Control Branch licensed only the individual charities rather than the associations.

By 1982 the Gaming Commission gave conditional approval to charities to operate out of two commercial style halls in Calgary, the Bingo Palace and Odgen Road Bingo. At the time there were no bingo associations in place in Calgary.

### **Bingo Associations Formed**

Later in 1982, following public hearings, the charities operating from the Calgary halls were given conditional approval to use them. It was strongly suggested that licensed charitable groups form bingo associations to operate out of commercial-style halls. It became a requirement that bingo associations be formed to coordinate bingo in commercial halls before the granting of licences. Ten new associations were approved in 1983.

Community, or non-association, bingo continued to be operated by individual charitable organizations out of their own hall or rented facility.

### **Role of Bingo Associations**

Associations were required to be incorporated as not-for-profit organizations which arrange to provide common bingo facility services to their members. A democratically elected executive would make decisions. These decisions included:

- scheduling and allocating bingo events to member groups
- maintaining financial and inventory records
- negotiating lease agreements (charities would be protected if the bingo was unsuccessful since the agreement would be with the association)
- arranging for staff to help volunteers run bingo events

- arranging for supplies and equipment
- establishing a common bingo program

Associations, comprised of charities, would continue to make volunteers responsible for the conduct and management of bingo.

In 1984 and 1985 the terms and conditions for association bingo were developed by the gaming authority in discussion with associations.

### **Large Cash Flows: An Issue Resulting from Success**

By 1987, bingo associations had been generating large cash flows from bingo. In some cases volunteers were not keeping adequate financial records. At the request of the gaming authority, three self-governing professional accounting associations developed a set of audit guidelines, which were adopted in the bingo terms and conditions of 1988. Each association had to have an independent, third party audit performed annually by a member of one of those three professional accounting associations.

### **Decline in Community Bingo**

Since its introduction, association bingo has gained popularity not only among bingo players but also among charitable organizations that recognized advantages in belonging to an association. Over time, the number of organizations belonging to bingo associations grew while the number of events and licences for community, or non-association, bingo declined.

At one time community bingo generated 100% of the gross revenue from bingo. Today it generates only about 10%, and 90% is generated from association bingo.

(Apart from the historical highlights, most of the above information in this section is from a background paper on association bingo prepared in 1995.)

### **Policies Affecting Association and Community Bingo**

The vast majority of community bingo halls generate gross revenues of less than \$150,000 per year, whereas all bingo associations generate well in excess of this amount.

Under existing policy, community bingo halls may hold progressive bingo games, other than the loonie pot scheme, whereas associations may only hold loonie pot schemes. This has been viewed by community bingo as one competitive advantage they have over the larger association bingo halls which generally offer larger prizes and draw more players than community bingo.

Following is a table outlining some of the features comparing the two types of bingo.

### Comparing Features: Association and Community Bingo

FEATURES	ASSOCIATION BINGO	COMMUNITY (NON-ASSOCIATION) BINGO
Number of licensees involved	Each of the 62 associations across Alberta may consist of anywhere from 5 to 77 licensed member charitable organizations. Licensed non-members may also access association bingo, at the discretion of each association.	Generally, one per bingo hall. There are about 540 community bingo licence holders across Alberta, most of whom operate from their own facility.
Days of operation	Up to seven days per week.	Up to three days per week.
Number of events per day	Up to two.	No formal limit (none operate more than two per day).
Use of bingo facility	Dedicated exclusively for bingo.	Used for other community activities when not used for bingo (four to six days per week).
Types of Games	May not hold progressive bingo (apart from loonie pots, which must start out as a percentage of sales for the game).	May hold progressive bingo, and "seed" the game pot (does not depend on a percentage of sales to start the pot).
Staff	A number of paid staff permitted, including caller, cashier, bingo event advisor, association representative, satellite game controller, and security guard and bookkeeper, if required.	Typically caller and cashier are the only paid staff. All other services provided by volunteers of the licensed charitable organization.
Financial Reporting	Reporting requirements to AGLC by the association, as well as individual licensees.	Reporting requirements by licensees only.
Overall expenses	Generally larger than community bingo, due primarily to paid staff, and common expenses shared among all participating members, including rented or leased facility.	Generally fewer expenses than association bingo since there are fewer paid staff; where the hall is owned by the bingo licensee, no rental expense is incurred.
Access	An issue with association bingo, since groups have complained about being unable to access association bingo or, if able to access, being allocated an inequitable number of events.	Not applicable, because the licence is typically granted to one charitable organization operating from its own hall.
General operational requirements	More requirements than community bingo; each member group must expend significant efforts to meet its volunteer requirements.	Simpler to operate than association bingo, both administratively and in satisfying volunteer requirements.
Overall gross revenue	62 bingo association halls, representing 2,000 members, generate 90% of gross bingo revenue in the province.	About 540 licensees operating from their own halls generate 10% of gross bingo revenue in the province.
Average annual gross revenue among bingo halls	More than \$750,000.	In the majority, less than \$150 thousand.



# Legislative Framework

## Criminal Code of Canada

As stated in the introduction, bingo is a form of gambling in Canada. It would be an illegal activity if it were not for the provisions of Section 207 (1)(b) of the Criminal Code, which state it is lawful

...for a charitable or religious organization, pursuant to a licence issued by the Lieutenant Governor in Council of a province or by such other person or authority in the province as may be specified by the Lieutenant Governor in Council thereof, to conduct and manage a lottery scheme in that province if the proceeds from the lottery scheme are used for a charitable or religious object or purpose;...

The Criminal Code does not specifically provide guidelines as to the legal meaning of the term “charitable and religious object or purpose.” The common law does provide such guidelines and the AGLC applies them in exercising its discretion in ruling on specific questions of “charitable or religious object or purpose.”

## Gaming and Liquor Act, Regulation and Policies

The Alberta Gaming and Liquor Commission (AGLC) is the authority, under the Criminal Code, which issues bingo licences. The AGLC is governed by the provincial Gaming and Liquor Act, Gaming and Liquor Regulation, and policies of the AGLC board.

The Gaming and Liquor Act, which took effect in 1996, is the province’s first statute to specifically govern gaming activities in the province. Policies for bingo are established under the Gaming and Liquor Act and its accompanying Gaming and Liquor Regulation.

Bingo policies for *association* bingo are contained in *Bingo Terms & Conditions and Operating Guidelines* (“red book”), a comprehensive document that consolidates the many policy notices or bulletins that were issued separately over the previous 15 years. The red book is inclusive of all activities permitted in licensed association bingo. Section 1.1.8 states: “Any activity not specifically permitted under these guidelines is prohibited.”

The policies and operating guidelines for *community* or non-association bingo are brief, and are provided to licensees on blue sheets of paper.

## Basic Requirements to Obtain a Bingo Licence

One of the issues under review pertains to eligibility requirements for a bingo licence. Following are these requirements, as of December 1998:

- The organization must be charitable or religious. Section 1.3 of “Eligibility Guidelines,” *Bingo Terms & Conditions and Operating Guidelines*, includes the following terms:

A “charity” provides a public service or community benefit. Its programs must provide one of the following:

- i) Relief of the aged and disadvantaged. This includes providing: relief to the poor, programs for the elderly so they stay active in society; or social service and educational programs for the emotionally or physically distressed.
  - ii) Advanced education and learning. This includes providing: student scholarships, aid to schools, libraries, museums and the arts; or preservation of cultural heritage. NOTE: Student groups must submit written approval from: Board of Governors of a university; President of post-secondary schools; School Board for high schools; or Principal for junior high or elementary schools.
  - iii) Other programs to help the community. This includes: making improvements to the quality of health; supporting medical research; aiding medical treatment programs; providing a facility for the community’s use; supporting competitive amateur athletics; or providing places for public worship and religious programs.
- Secondly, proposed use of the proceeds from the gaming activity must be for charitable or religious purposes. Specifically, section 1.4 of the *Bingo Terms & Conditions and Operating Guidelines*, entitled “Bingo Licensee Use of Profits,” provides that:

Profits shall be spent on charitable or religious objectives as approved on the licence, and in consideration of the following:

- a) the bingo licensee shall ensure that bingo profits are used to support the group’s overall objectives, programs and services as approved; and not to provide benefits to specific or select members of the group;
- b) bingo profits shall not be directed to specific or select members of the bingo licensee in recognition of the number of bingo events a particular member works; ... .

Section 1.4 of the guidelines also describes specific uses for net bingo proceeds.

## **Structure of Organizations and Membership**

The following is from Section 1.3.2 b) of the *Bingo Terms & Conditions and Operating Guidelines*:

- i) Membership in the group must be voluntary. The executive must be democratically chosen from its volunteer base.
- ii) Members, directors, and officers must not be paid for their services.
- iii) Programs must benefit the community, not the members’ self-interest.
- iv) The group must be not-for-profit, and have a broad based volunteer membership that establishes, maintains and delivers the group’s programs.

## **Bingo Licences and Licence Fees**

Currently, bingo licences may be held for a period of up to two years, and may only be renewed by the AGLC.

The bingo licence fee is \$30 per bingo event when the bingo is held in a licensed bingo facility. For other bingo, there is no licence fee if the total annual gross revenue from bingo is \$150,000 or less. If it is more than this amount, the fee is \$30 per bingo event.

Beginning in January 1998 bingo halls could also offer the sale of pull tickets during bingo events under a separate licence from the AGLC. Bingo associations serve as the agent for pull ticket sales in their halls. Proceeds from their sale must be pooled quarterly in bingo associations, and distributed according to the number of events held by members during the quarter as a percentage of total bingo events held. The eight pull ticket licences issued in 1997/98 generated total gross revenues of \$635,724 and net proceeds to charities of \$131,589, or about 21% of gross revenue.

### **Bingo Association Members**

Section 1.3.3 of the *Bingo Terms & Conditions and Operating Guidelines* requires that groups that belong to a bingo association must be incorporated. Acceptable forms of incorporation are:

- a) Societies Act;
- b) Part 9, Companies Act;
- c) Part II, Canada Corporations Act;
- d) other Alberta Statutes, approved by the board [of AGLC], as follows:
  - i) for a First Nations Charity operating an event on their reserve, a Band Council Resolution is an acceptable form of incorporation. To operate a gaming event off the reserve, a charity would have to be formally incorporated under:
    - Societies Act;
    - Part 9, Companies Act;
    - Part II, Canada Corporations Act;
  - ii) a group controlled under the School Act (with the exception of school councils which are not eligible for gaming licences in accordance with the School Act);
  - iii) a group established under the Regional Health Authorities Act to enhance hospital care for people in the community; or
  - iv) a charter from a recognized international governing body (for example, service club charter).

The association itself decides the membership of a bingo association. There are no province-wide standards or criteria for membership in a bingo association, apart from the requirement that association members must hold a bingo gaming licence granted by the AGLC. Each association establishes its own membership criteria.

### **Examples of Ineligible Organizations**

Following are examples of groups that are *ineligible* for a bingo licence:

- private for profit companies
- if membership is restricted to property ownership
- if organized to further professional development

- if group develops marketable skills and acts as a forum so individuals can establish useful contacts for career advancement
- bingo associations (which represent licensed member charitable organizations)
- if group provides financial support to privately owned team or organization
- if control of group is limited to shareholders, or if group restricts membership
- if coordinating social activities or entertainment for visitors in conjunction with a professional sporting event
- hobby groups
- if board membership is not voluntary, for example, part of professional education duties of members (as with a society for students with learning difficulties comprising professional educators)
- political lobby groups
- adult sports groups whose focus is self benefit

# Popularity of Bingo: Some Facts and Figures

Bingo is a popular form of gaming in the province.

In 1997/98, more than 50,000 bingo events were conducted across the province. About 35,200, or 70% of the provincial total, occurred in bingo association facilities, and about 14,600, or 30% of the total, occurred in community (non-association) bingo halls.

In 1997/98, players played bingo more than eight million times in bingo association halls alone.

Bingo association events earned 90% of the gross revenue from bingo in the province, while community bingo events earned 10%.

## **Gross Revenue and Net Proceeds to Charity**

The table which follows indicates gross revenues from bingo since 1981 and corresponding net proceeds to charity (gross revenue minus prizes to players and expenses to operate bingo events).

Gross amounts and net proceeds to charities continued to grow until 1994/95, when both decreased compared to the previous year. The net proceeds to charities increased in 1995/96, and the gross revenue increased two years later, in 1996/97.

In 1997/98 the net proceeds to charity, as a percentage of gross revenue, reached an average of 17%, matching levels experienced in the 1980s, before association bingo was introduced. The lowest average return to charities as a percentage of gross revenue occurred in 1988, when it fell to 14.1%.

### Net Proceeds to Charities from Bingo, as Percentage of Gross Revenue

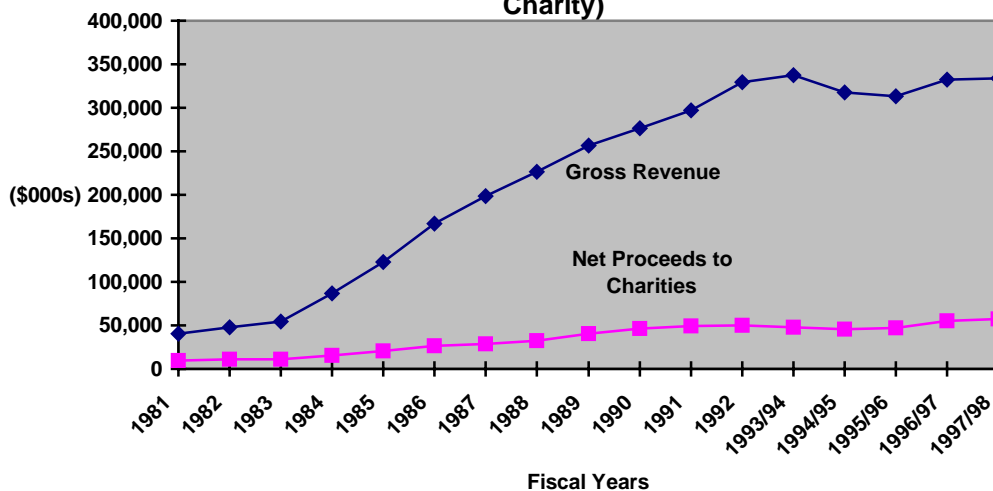
YEAR	GROSS BINGO REVENUE (\$000)	NET PROCEEDS TO CHARITY (\$000)	% OF GROSS TO CHARITY (AFTER PRIZES, EXPENSES)
1981	40,256	9,921	24.6
1982	47,502	10,720	22.6
1983	54,311	10,954	20.2
1984	86,526	15,323	17.7
1985	122,543	20,760	16.9
1986	167,148	26,428	15.8
1987	198,417	29,028	14.6
1988	226,393	32,026	14.1
1989	256,776	40,678	15.8
1990	276,677	46,418	16.8
1991	297,259	48,933	16.5
1992	329,246	49,866	15.1
1993/94*	337,718*	48,128*	14.3*
1994/95	317,367	45,819	14.4
1995/96**	313,272	46,738	14.9
1996/97	332,307	55,255	16.6
1997/98	333,753	57,339	17.2

Source: Charitable Gaming in Alberta review reports for the respective years shown.

\* The reporting period changed to the government fiscal year in 1993/94 (April 1 to March 31) from the calendar year (January 1 to December 31) used previously. Due to the transition, the 1993/94 fiscal year covered the period April 1, 1993 to March 31, 1994.

\*\* Satellite bingo was introduced in February 1996.

**Bingo Revenue (Gross Revenue Compared to Net Proceeds to Charity)**



Source: AGLC, Charitable Gaming in Alberta review reports for respective years shown.

## Gross Revenue and Net Profit from Charitable Gaming in Alberta

The following table shows the relative gross revenue and net profit derived from all four forms of charitable gaming since 1990. As a percentage of total charitable gaming gross revenue, bingo fluctuated from a high of 47% in 1992 to a low of 37% in 1997/98.

Bingo has consistently generated no less than 45% of all the net proceeds earned from charitable gaming, that is, after prizes and expenses.

In the current decade casinos only began to surpass bingo in gross revenue in 1996/97. Casinos, in effect, assumed a position they once held - back to 1984 and prior years - when they generated more in total gross revenue than bingo.

Bingo still provides a larger return to charities than casinos. This gap, however, is narrowing.

### Bingo Revenue: Compared with Other Charitable Gaming Activities

FISCAL YEAR	GROSS REVENUE AND [NET PROCEEDS TO CHARITY]					BINGO AS % OF TOTAL
	(\$000)					
	BINGO	CASINOS	PULL TICKETS	RAFFLES	TOTAL	
1990	276,677 [46,418]	192,257 [18,700]	106,627 [20,900]	25,113 [10,392]	<b>600,674</b> <b>[96,410]</b>	<b>46%</b> <b>[48%]</b>
1991	297,258 [48,933]	224,312 [19,256]	103,644 [20,533]	24,228 [10,003]	<b>649,442</b> <b>[98,725]</b>	<b>46%</b> <b>[50%]</b>
1992	329,246 [49,866]	243,287 [20,914]	98,978 [19,406]	26,361 [11,662]	<b>697,872</b> <b>[101,848]</b>	<b>47%</b> <b>[49%]</b>
1993/94	337,718 [48,128]	297,634 [22,979]	86,480 [16,984]	45,022 [19,017]	<b>766,854</b> <b>[107,108]</b>	<b>44%</b> <b>[45%]</b>
1994/95	317,367 [45,819]	294,070 [19,604]	63,161 [12,260]	54,044 [21,285]	<b>728,642</b> <b>[98,968]</b>	<b>44%</b> <b>[46%]</b>
1995/96*	313,272 [46,738]	303,948 [17,818]**	62,106 [11,910]	58,863 [21,483]	<b>738,189</b> <b>[97,949]</b>	<b>42%</b> <b>[48%]</b>
1996/97	332,307 [55,255]	354,598 [27,853]**	45,116 [8,494]	63,237 [17,527]	<b>795,258</b> <b>[109,129]</b>	<b>42%</b> <b>[51%]</b>
1997/98	333,753 [57,339]	476,716 [43,733]**	47,708 [8,838]	55,088 [18,731]	<b>913,265</b> <b>[128,641]</b>	<b>37%</b> <b>[45%]</b>

Source: AGLC, Charitable Gaming in Alberta review reports for respective years shown

\*Satellite bingo was introduced to bingo halls in February 1996. Slot machines were introduced to casinos in January 1996 and electronic horse racing in October 1996. Starting in 1995/96, the above table does not include raffles with a total ticket value of less than \$10,000.

\*\* Includes the contribution to charities from slot machines, as follows: \$166,000 in 1995/96, \$2.680 million in 1996/97, and \$10.975 million in 1997/98.

### Growth Rate of Bingo and Charitable Gaming Revenue

The gross amounts from charitable gaming have grown considerably over the past ten years, and continue to generate significant returns to charity.

The table that follows shows that the rate of growth of bingo and of charitable gaming as a whole between 1988 and 1993/94 was substantial. In the four years which followed, the rate of growth for bingo slowed, showing a decrease of 1.2% at the end of 1997/98 over 1993/94 - gross revenue fell in intervening years. Charitable gaming as a whole, on the strength of casinos in particular, increased by 19% in 1997/98 over gross revenues four years earlier.

**Gross Revenue: Bingo as a Percentage of Total Charitable Gaming Revenue**

YEAR	BINGO (\$000)		ALL CHARITABLE GAMES (\$000)		BINGO AS % OF CHARITABLE GAMING GROSS REV.
	Gross Revenue	% change	Gross Revenue	% change	
1988	226,393		474,869		48%
1993/94	337,718	49.2%	766,854	61.5%	44%
1997/98	333,753	(1.2%)	913,265	19.1%	37%

Source: AGLC, Charitable Gaming in Alberta review reports for respective years shown

**Total Gaming Net Revenue**

The following table gives the combined net revenue (gross revenue less prizes) from both “government operated” gaming and charitable gaming over ten years. The total combined amount grew by almost 340% from 1988/89 to 1997/98.

In this period, net revenue from charitable gaming grew by 91% while government operated gaming grew by 583%. In effect, even as charitable gaming grew relatively moderately during this period, and actually showed a decline in 1994/95, the entire gaming “pie” grew in absolute terms. This growth is attributed mainly to the introduction of video lottery terminals (VLTs) in 1991/92 and slot machines in the latter part of 1995/96.



**Charitable Gaming Compared to “Government Operated” Gaming: Net Revenue  
(after prizes, before expenses and commissions) from 1988/89 to 1997/98**

YEAR	GOV'T OPERATED GAMING, NET REVENUE (a) (b) (\$000)	CHARITABLE GAMING, NET REVENUE (c) (\$000)	TOTAL GAMING NET REVENUE (\$000)	CHARITABLE GAMING AS % OF TOTAL
1988/89	126,825	125,302	252,127	49.7%
1989/90	123,615	146,532	270,147	54.2%
1990/91	137,180	163,118	300,298	54.3%
1991/92	156,230	172,424	328,654	52.5%
1992/93	207,447	184,145	391,592	47.0%
1993/94	466,109	200,340	666,449	30.1%
1994/95	651,179	192,432	843,611	22.8%
1995/96 (d)	697,976	197,136	895,112	22.0%
1996/97 (d)	745,324	215,573	960,897	22.4%
1997/98 (d)	866,497	238,931	1,105,428	21.6%

Source: AGLC annual reports, and Gaming in Alberta review documents for the respective years shown.

- (a) The foregoing table, as it applies to government operated gaming, includes revenue from ticket lotteries (for example, 6/49, Super 7, Pogo, etc.) and electronic gaming (video lottery terminals or VLTs were introduced on a test basis in 1990/91 and “rolled out” starting in 1991/92; slot machines were introduced early in 1996).
- (b) From 1988/89 to 1992/93, due to the manner of reporting at the time, the net revenue from ticket lotteries is gross revenue minus prizes and costs of tickets and administration. Thus the amounts are slightly less than they otherwise would be. In 1992/93 and later years the net revenue in the table realized from ticket lotteries is gross revenue minus prizes.
- (c) Prior to 1993/94 charitable gaming revenue was reported by calendar year (January 1 to December 31), whereas government operated gaming is reported throughout by fiscal year (April 1 to March 31). The charitable gaming figures shown in the table for the fiscal years 1988/89, 1989/90, 1990/91, 1991/92 and 1992/93 are the net revenues from charitable gaming for calendar years 1988, 1989, 1990, 1991, and 1992 respectively.
- (d) Starting in 1995/96, the table does not include raffles under \$10,000 total ticket value. In addition, charities which held casinos also received a percentage of slot machine revenue; however, this revenue is captured in the table under government operated gaming net revenue.

## Who Plays Bingo?

Alberta Satellite Bingo (ASB) commissioned Criterion Research to conduct a market survey of bingo players in 1998. ASB shared the results of the survey with the Bingo Review Committee.

### Survey Highlights

Some highlights from the survey follow:

- *Total number of bingo players surveyed* -- 600 by telephone in June 1998
- *Sub-segments interviewed* -- 200 interviews each were conducted with (1) regular players (play one time per week or more), (2) frequent players (play 1-3 times per month), and (3) infrequent players (play less than once a week).

- *Accuracy* -- determined to be within 4% of the true population figure, 19 times out of 20. Where 200 interviews per category were achieved, results were determined to be accurate to within +6.9%, 19 times out of 20.

### ***Demographics***

- *Gender* -- 81% of bingo players interviewed were female, 19% male
- *Age* -- Most (58%) are 45 years old or older; the remainder are under 45.
- *Employment* -- 51% are employed, 27% retired, and 22% either homemakers (14%), unemployed (3%), students (2%) or other (3%).
- *Education* -- 69% have high school education, 21% post-secondary education that was not university, and 8% university (some or completed).
- *Income* -- 40% earned a household income above \$30,000, 38% below; 19% refused to disclose income.

### ***Frequency of Play***

- Most regular players (68%) are over the age of 45, the remainder under 45. Among infrequent players, 57% are under 45 years of age, the remainder over 45. Among frequent players, 51% are under 45, the remainder over 45.
- Most respondents (86%) say bingo is a “fun” activity. Infrequent players are least likely to agree with this view, and are more likely motivated by winning. Regular players most often find bingo fun. Frequent players prefer smaller halls because of “increased odds” of winning.

### ***Average Spending***

- The average amount usually spent is \$31.30 per session of bingo for all games, most of this on regular or other cards (\$16.60), followed by bonanza (\$7.77), pull tickets (\$6.16), satellite cards (\$6.02), early birds (\$3.90) and loonie pots (\$2.36) (the specific amounts spent do not add up to the total average as the size of the groups responding to various specific games was smaller than the entire group).
- (Note: The AGLC estimates that the average amount spent per player per bingo event in Alberta in 1997/98 was \$36.56. The specific average amount spent for afternoon bingo was \$35.56, for evening bingo, \$38.05, and for late night bingo, \$27.21.)

### ***Behaviour***

- Compared to a year ago, 47% are playing less often, 43% about the same, and 10% more often. Those least likely to play less often are regular players. Frequent players say they play less often due to expense (41%), lack of time to play (34%), loss of interest (17%) and not winning (15%).
- “Socialization is a strong motivating factor to play. It was identified in the qualitative research that all players see a social aspect to the bingo hall, whether they go alone or with friends.”

## **Alberta Population Sample**

A 1998 report commissioned by the Alberta Alcohol and Drug Abuse Commission (AADAC)\* provides information about Albertans who gamble and the small percentage who experience gambling problems.

Of the majority of adult Albertans who gamble without gambling problems, 11% played bingo in the “previous” 12-month period. This compares to 74% who bought lottery tickets in the previous 12 months, 63% raffle or fundraising tickets, 18% who played VLTs, and 6% who went to an Alberta casino and 10% to a casino outside Alberta.

Among the same population, 5% indicated bingo was their current favourite game compared to 23% whose current favourite game was lottery tickets, 10% raffles or fundraising tickets, 4% VLTs, and 2% gambling at local casinos and 6% outside Alberta.

Among the small minority of adult Albertans who experience problems with gambling, a higher percentage than non-problem gamblers played all the games in the previous 12 months, whether it is bingo (up to 41% of problem gamblers), lottery tickets (up to 86%), raffles (up to 71%), VLTs (up to 67%), or casino gambling (up to 33%). As for those citing their favourite current gaming activities, the percentage identifying bingo (up to 14%), VLTs (up to 19%) and local casinos (up to 14%) was higher than the percentage for non-problem gamblers in these activities, whereas for ticket lotteries (up to 8%) and raffles (up to 4%) the percentages were lower than those in the non-problem gambling population.

\* *Adult Gambling and Problem Gambling in Alberta, 1998*, prepared by Wynne Resources Ltd. for AADAC, Edmonton, June 1998.

# Net Proceeds by Licence Category

Bingo licensees represent a cross section of charitable or non-profit organizations across the province who rely upon volunteers to deliver their services and programs. Each year about 2,500 such organizations obtain or hold bingo licences.

They are among the 11,600 non-profit organizations in the province which are registered with the AGLC, and eligible to obtain a charitable gaming licence. Numerous charitable organizations have come to depend upon bingo revenues to deliver their charitable services or programs in the community.

## Licences Issued by AGLC Organization Categories

The following two tables show the number of licensed bingo groups according to AGLC organization categories, and the respective number of bingo licences held by them, in 1997/98. The first table applies to community or non-association bingo groups, and the second to association bingo groups. In almost all categories, particularly in association bingo, the number of licences is greater than the number of groups that hold them. This reflects the fact that a number of groups hold more than one licence for bingo and, for this reason, are referred to as multi-licence holders.

The largest number of bingo licences (25% of the provincial total and 30% of those in bingo associations) are held by amateur sports organizations.

### Community Bingo: Number of Licensed Groups & Licences Held (1997/98)

AGLC ORGANIZATION CATEGORY	NUMBER OF COMMUNITY BINGO GROUPS	NUMBER OF LICENCES	PERCENT (%) OF TOTAL COMMUNITY BINGO LICENCES*
Agriculture	36	37	6.7
Arts	13	13	2.4
Community	109	110	19.9
Education	23	23	4.2
Foundation	1	1	0.2
Medicine/Health	1	1	0.2
Multiculturalism	17	18	3.3
Other	1	1	0.2
Recreation	21	21	3.8
Religious	26	26	4.7
Senior Citizens	84	85	15.4
Service	161	164	30.0
Social Action	15	17	3.1
Sports	26	28	5.1
Youth	8	8	1.4
GRAND TOTAL	542	553	100.6*

Source: AGLC Licensing Division

\* Total does not equal 100% due to rounding.

### Association Bingo: Number of Licensed Groups & Licences Held (1997/98)

AGLC ORGANIZATION CATEGORIES	NUMBER OF ASSOCIATION BINGO GROUPS	NUMBER OF LICENCES	PERCENT (%) OF TOTAL ASSOCIATION BINGO LICENCES*
Agriculture	31	31	1.4
Arts	174	193	8.5
Community	170	219	9.6
Education	184	198	8.7
Foundation	16	17	0.7
Medicine/Health	54	79	3.5
Multiculturalism	130	151	6.6
Other	9	10	0.4
Recreation	44	48	2.1
Religious	64	72	3.2
Senior Citizens	32	35	1.5
Service	280	289	12.7
Social Action	165	186	8.1
Sports	546	687	30.1
Youth	64	69	3.0
<b>GRAND TOTAL</b>	<b>1,963</b>	<b>2,284</b>	<b>100.1*</b>

Source: AGLC Licensing Division

\* Total does not equal 100% due to rounding.

### Multi-licence Holders

Various bingo licensees hold two or more bingo licences, typically at different bingo association halls and are referred to as multi-licence holders. Relatively few hold bingo licences at both association and community bingo halls. Following is a breakdown of multi-licence holders by number of licences held.

#### Multi-licence Holders, by Number of Licences Held (1997/98)

NO. BINGO LICENSEES	NO. BINGO LICENCES HELD BY LICENSEES	TOTAL NO. OF LICENCES HELD
162	x 2	= 324
44	x 3	= 132
10	x 4	= 40
2	x 5	= 10
5	x 6	= 30
1	x 8	= 8
1	x 12	= 12
<b>Total 225</b>		<b>Total 557</b>

The following table shows that organizations holding more than one bingo licence also work at more bingo events, and thus earn more in average proceeds, than organizations holding one bingo licence. On average, multi-licence holders also appear to hold more events per licence than the provincial average.

### Multi-Licence Holders: 1997/98 Comparisons

	MULTI-LICENCE HOLDERS	PROVINCIAL COMPARISON *
Number of licensees	225	9% of total (2,505)
Number of licences held	557	20% of total (2,837)
Total number of events held	11,000	22% of total (50,552)
Total net proceeds earned	\$14 million	24% of total (\$57.8 million)
Net proceeds per licensee (average)	\$62,222	\$23,061
Events held per licensee (average)	49	20
Events per licence held (average)	20	17.8

Source: AGLC (\* Using updated provincial figures for 1997/98, see table which follows)

The following table shows the gross revenue and net proceeds earned from bingo in 1997/98 based on the AGLC categories for charitable organizations. Amateur sports organizations earned the largest share of total net proceeds at 31.2%, more than the combined amount earned by the next largest two categories, community and service organizations.

### Revenue by AGLC Category of Charitable Activity, 1997/98

AGLC ORGANIZATION CATEGORY	NO. OF EVENTS	GROSS REVENUE (\$000)	NET PROCEEDS (\$000)*	PERCENT (%) OF TOTAL NET PROCEEDS
Agriculture	1,226	6,052	1,091	1.9
Arts	2,805	24,481	4,220	7.3
Community	7,630.5	42,679	7,045	12.2
Education	2,456	19,237	3,401	5.9
Foundation	257	2,080	354	0.6
Medicine/Health	1,429	11,990	2,087	3.6
Multiculturalism	3,269.5	24,314	4,207	7.3
Other	213.5	2,069	411	0.7
Recreation	1,169	6,374	1,184	2.0
Religious	1,159	7,836	1,311	2.3
Senior Citizens	2,666.5	6,040	1,108	1.9
Service	10,110	48,736	8,031	13.9
Social Action	3,070.5	22,577	3,827	6.6
Sports	12,158.5	103,086	18,044	31.2
Youth	931.5	8,120	1,448	2.5
GRAND TOTAL	50,552	335,671	57,769	99.9**

Source: AGLC Licensing Division (note: figures have been updated since publication of *Charitable Gaming in Alberta, 1997-98 in Review*).

\*Total net proceeds are 17.2% of gross.

\*\* Total does not equal 100% due to rounding.

# Why Bingo Regulation is Complex

As the review proceeded, it became more apparent that the regulation of bingo in the province is complex.

This experience is not unique to Alberta. A recent bingo review report prepared for the B.C. Gaming Secretariat notes: "Given the multitude of complex issues within the bingo sector it must be recognized that any government policy that may be created and implemented will not fully address all stakeholder concerns."

Following are factors which, it is submitted, contribute to the complexity of regulating bingo in Alberta.

## **The Game Itself**

***A distinct form of gambling*** While bingo may share some features of other forms of charitable gaming activities in the province, it is distinct in its venue, social aspect of the game, popularity across the province, history and tradition as a family game, size of volunteer base, and player base.

## **Bingo Infrastructure**

***Bingo "infrastructure"*** The infrastructure which brings bingo to players includes: (a) 62 bingo associations serving about 2,000 licensed charitable groups; (b) about 540 licensed community bingo groups; (c) purchased, rented or leased bingo hall facilities; (d) volunteer base - an estimated 2.7 million hours of service were provided in association bingo alone in 1997/98; (e) paid staff of bingo associations and community bingo halls; (f) private suppliers (of bingo cards, blowers, verifiers, daubers, furniture, etc.); (g) landlords; (h) satellite bingo provider; (i) Federation of Alberta Bingo Associations (FABA); and (j) the AGLC, and relevant laws, regulations, and policies.

***Part volunteerism, part business*** The most significant part of the province's bingo industry is its volunteers, who operate and manage bingo games. There is also a business side to bingo that is evident in association bingo that operates out of "commercial-style" halls. Expenses to operate association bingo can run from 14 to 21 percent of gross revenue, with the industry average at about 16.5%. These expenses include paid staff, supplies, services, rent, advertising and promotions, among other costs.

***Preserving community bingo*** With the success of association bingo, community bingo groups - whose share of bingo revenue has eroded over time - have felt under siege. They want special considerations to continue. For example, by being able to offer progressive bingo games, apart from loonie pot schemes, which association bingo, under current policy, may not provide. Some community bingo groups argue their facilities, used for bingo up to three days per week, serve other community purposes the rest of the week, whereas competing association bingo facilities are dedicated strictly to bingo events.

**Structure of association bingo** The existence of at least six distinct levels in association bingo poses communication challenges between and among the levels. The levels are: (1) the many thousands of front-line bingo volunteers who are members of licensed charitable groups; (2) the executives of the many hundreds of charitable groups holding bingo licences; (3) the bingo associations, made up of member groups; (4) the bingo association executive, made up of representatives of member groups; (5) the bingo associations which belong to the Federation of Alberta Bingo Associations (FABA); and (6) a FABA executive chosen from among its member associations.

**Diversity among stakeholders** If there is any commonality among stakeholders in the bingo industry, it is due to common policy requirements. Otherwise, there is a great diversity among stakeholders based upon whether they are from urban or rural Alberta, from northern or southern parts of the province, or in the type or category of charitable services or programs they may provide. Their needs and views differ on matters such as whether or not to introduce various new forms of gaming, such as electronic bingo or keno.

**Lack of single voice** There is no single voice for all bingo groups across Alberta. The Federation of Alberta Bingo Associations (FABA) provides services to most bingo associations in Alberta, while community bingo groups have no comparable body. Moreover, FABA has been reluctant to make recommendations to the gaming authority on key issues without a majority of membership support. The result - along with the practical difficulty of representing bingo associations across Alberta which differ in size, practices, geographic location, and specific demands - is that more pressure is placed on the gaming authority to respond to competing demands of the bingo industry. The result is a highly fragmented industry.

## **Charitable (Voluntary) Sector**

**Growing charitable (voluntary) sector** Approximately 8,000 charitable or non-profit groups have been granted a charitable gaming licence in the past two years to conduct bingo, casinos, raffles and/or pull tickets. Up to 11,600 groups have been registered by the AGLC as eligible to obtain a gaming licence. The ratio is about one “eligible” charitable or not-for-profit organization for every 250 Albertans. The competition among such groups for funds has intensified over the years.

**Diversity of programs within charitable (voluntary) sector** The voluntary sector provides a broad diversity of services and programs in communities across the province as elsewhere in Canada. Due to its overall size (175,000 organizations across Canada) and contributions, this sector has been referred to as the “third pillar” of Canadian society, next to government and business. The growing diversity has been attributed in part to the increasing reliance upon the community to provide services that in the past were, or may have been, offered by government agencies. Among other factors, changing demographics also play a part in the types of new services or programs being offered by this sector.



**Defining “charitable purpose”** There is no universal, up-to-date definition of what constitutes a charitable purpose. Although centuries-old common law is referenced for this purpose, it has not kept abreast of the development of the charitable or “voluntary” sector in Alberta or in the country. Therefore the gaming authority must use its judgment and discretion in determining which groups qualify for a bingo licence, using as a guide the common law. The Pemsel (common law) test identifies four categories used to determine what constitutes a charitable purpose: (1) relief of poverty; (2) advancement of education; (3) advancement of religion; and, (4) “other purposes beneficial to the community.” The fourth category, which accounts for the largest number of bingo licensees in the province, is most problematic since “purposes beneficial to the community” may change with social priorities and shifting, shrinking roles of government. This latter view is echoed in the Broadbent report issued recently on the accountability and transparency of the “voluntary sector.” A recent Supreme Court of Canada decision involving the Vancouver Society of Immigrant and Visible Minority Women affirms the difficulties in establishing a satisfactory, contemporary definition of charitable purpose under the Income Tax Act. The Supreme Court indicated that arriving at a new definition, if desirable, should be undertaken by Parliament. While the Income Tax Act does not directly bear on the issues faced in determining eligibility of organizations for gaming licences, it does point out the difficulties presented by the general problem of arriving at a proper definition.

**Key source of funds** A number of charitable groups have come to rely on bingo as a key source of funds. For such groups, bingo provides a relatively stable and regular source of revenue, whereas other forms of charitable gaming, or other fundraising methods, may not. As a result, such groups may jealously guard this source of revenue and in effect block access to other charitable groups.

**Sense of hall “ownership”** Founding members of a bingo association, who helped to establish the association hall, feel a right of ownership in the facility and the holding of charitable bingo events. As a result, they may exclude or strictly limit access to “newcomer” charitable groups which have “not been there from the beginning.”

**Accountability and transparency** While many charitable groups may have in place appropriate checks and balances with respect to the handling of their finances, others may lack basic financial accounting skills or resources among its volunteer members to guard against potential abuses. The accountability and transparency of charitable groups is important in maintaining the level of trust needed among its volunteers and other supporters. The capacity of the voluntary sector to be accountable and transparent may not be in step with its growth. Licensed bingo groups and the AGLC must be vigilant in preventing abuse or criminal activity from occurring in the area of bingo.

## **Policy Development**

**To regulate or not?** Some bingo groups believe bingo attendance is stagnant. As a result, they want more freedom to offer more forms of bingo, and introduce complementary games, to compete more effectively for the entertainment or gaming dollar. On the other hand, the same groups want to limit the number of new bingo association halls in their communities, to preserve “market share” and stability. Groups

appear willing to accept improvement or change, as long as their subjective interests are preserved.

**Issue of common standards** Common standards in an industry are, from many perspectives, desirable. An industry with common standards is easier to regulate, because everyone understands the rules: both those who must follow the regulations and those charged with enforcing them. In this regard bingo, as a diverse and fragmented industry, poses challenges to regulators. Greater efforts must be made either to attain a common standard where possible and feasible, or to regulate “diversity” of approaches, for example, to review accounting reports which differ in method or system from organization to organization. This raises an issue of cost and effectiveness to both administer and enforce the regulation and policies, while helping charities maximize their returns from bingo and maintaining the integrity of gaming activities.

**Extensive bingo policies** The policy binder which in 1996 conveniently consolidated all the separate association bingo policies (the “red book”) is a comprehensive and well organized manual. It is circulated to the executives of bingo associations, and paid staff responsible for assisting member groups to operate and manage bingo events. While most stakeholders would have no need to review and understand its extensive contents, it is held up by some bingo groups as an example of too much policy and too many regulations.

**Question of need** There are criteria to determine whether an organization is eligible for a bingo licence. However, the process does not take into account the group’s overall budget, need, or proven delivery of services to the community. Some charitable groups which benefit a relatively small number of Albertans may hold more bingo events, and generate more revenue from bingo, even to the point of surplus, than other groups which benefit far more Albertans by their work, and which may lack funding from other sources.

**Policy development** Historically, bingo policy has developed to some extent according to circumstances rather than with a view to the long term interest of the bingo industry. This may be understandable in the context of an ever evolving gaming industry. Policies were developed as the need arose and accumulated over time. Only recently were they consolidated in the association bingo “red book.” In other cases, a blind eye was turned to practices that might otherwise have been prohibited, such as the now widespread use of credits for bingo volunteers. The number of bingo events conducted by an organization has no bearing on its budget, need, or record of service. As a result, policies may appear inconsistent and arbitrary, leaving to current decision makers a legacy of policy issues to resolve.

**Enforcement** The regulatory complexity of bingo has also made it difficult for gaming inspectors, charged with enforcing both gaming and liquor regulations, to appreciate its intricacies. They may therefore approach this industry without exercising the proper discretion or flexibility, possibly alienating bingo licensees or other stakeholders in the process.

## **Competition**

***Competing forms of gaming*** Other forms of gaming - whether charitable or government operated - are believed by some bingo groups to compete directly with bingo or to have eroded their player base. Just as bingo increased its market through commercial-style halls, some of these other gaming activities, including electronic gaming, which was introduced relatively recently to the province, have established their own markets while also enlarging the entire gaming market in the province. In effect, the success of gaming at some point in its history, whether of bingo or other gaming forms, has contributed to issues which have subsequently arisen about “market share” and being able to continue to compete.

***Perception of conflict*** The AGLC, as an agency of government, regulates charitable gaming which does not generate revenue to government apart from licence fees. It also regulates gaming activities that generate revenue to government, such as electronic games (slot machines and video lottery terminals or VLTs). This may leave the impression that the AGLC is in a position of conflict as regulator of all gaming activity, despite the fact net proceeds to charities from all charitable gaming continues to increase.

***Influence of new technology*** Ironically, while electronic bingo has yet to be introduced to Alberta, the bingo industry faces a potential threat in Internet bingo, which a few years ago never posed an issue. Some stakeholders feel it may erode the bingo player base. The more recent interest in Internet gambling has raised regulatory issues, as yet to be addressed in any comprehensive or satisfactory way in the province or, for that matter, in the country.

# Stakeholder Submissions

## Observations and Findings

Stakeholders were given the opportunity to comment on all the issues in the terms of reference document *Review of the Bingo Industry*, or to provide submissions on those of greatest concern or importance.

### General Observations

- It became apparent, in reviewing the more than 500 written responses and 52 verbal presentations, that the level of knowledge of the bingo industry among stakeholders is related almost directly to the extent of their involvement in the industry.
- Stakeholders generally felt comfortable addressing some issues, but not necessarily all of them. Some preferred to make no comment on various issues, focusing only on those important to them. Numerous groups indicate lack of knowledge about particular subjects that are beyond their responsibilities or concern, and understandably could not provide an informed view or opinion.
- A significant number of stakeholders, anywhere from 10 to 25 percent on various questions, were more comfortable providing a general comment, without committing themselves to “yes” or “no” answers as was requested.
- Responses generally appeared to reflect views that protect the stakeholders’ specific interests. This often depended upon whether the stakeholder was affiliated with association bingo or community bingo, whether from urban or rural Alberta, whether from the northern or the southern part of the province, and the type of charitable services they may provide to the community. As a result, there was lack of industry-wide consensus on some issues.
- Groups with the most at stake seemed to provide more individual written responses, including verbal submissions. This was evident among swim clubs from across the province. Collectively they realize a large return from bingo and expressed concerns about changes to bingo which might jeopardize this revenue.
- About three licensed charitable organizations (licensees) provided a total of 80 “form letter” responses signed by different members of their groups. The letter responses either were identical or very similar.

### Findings

Following are the committee’s findings from submissions made. The general subjects appear in the same order as in the terms of reference document (see Appendix 1).

### ***Regulation of the Bingo Industry in General***

- Most stakeholders believe that AGLC policy, inspection and audit programs are adequate, and no major changes are needed. Nevertheless, specific concerns are raised.
- A few stakeholders indicate that a large responsibility for regulation should rest with the community organizations and bingo associations that operate bingo, rather than completely with the gaming authority.
- A concern expressed by some stakeholders was lack of consistency in granting access to association bingo. Numerous stakeholders feel that access should be determined by the need of the organization for funds.
- There is also some concern about “spin off” groups of a licensed charitable organization also obtaining bingo licences. It is argued they take additional bingo slots that could be provided to other deserving organizations. As a result, some groups receive “double funding” opportunities while others wait for an opportunity to hold bingo.
- A general view is that bingo organizations should determine their own games. They need flexibility to encourage innovation and growth.
- Stakeholders also feel that there are adequate policy, inspection and audit programs regarding registered/paid staff.

### ***Allocation of Bingo Association Events***

- A general view is that the present system of allocating bingo association events - in which bingo associations themselves make such decisions - is fair and equitable. This is expressed in particular by bingo associations or their members who provided submissions. However, not all bingo association members agree with this view, nor do the few charitable sector organizations which made submissions and do not have a bingo licence. These groups feel there should be more access.
- There is some support for a generic method of slotting bingo events, and for the AGLC to set common criteria for slotting groups. However, most who hold clear and definite positions on these matters oppose such an option. Instead, they favour having allocation decisions made at the community level, that is, within the association rather than by the AGLC.
- Some argue the community is more responsive to local needs than the gaming authority. A few indicate that pooling in their association has addressed issues of groups obtaining the better bingo slots, for example, the more well-attended weekend evening bingo versus less popular weekday evening bingo, or the evening bingo versus afternoon bingo. One stakeholder indicates there should be arm's

length allocation of slots only if, in mediating a dispute involving slot allocation, the association is unable to resolve the matter.

- Interestingly, although most respondents feel the present allocation system is fair, significantly fewer agree that there is access to bingo association events by outside groups. Some feel there may not have been enough access to outside groups. This appeared to support the view in the verbal presentations - among bingo association stakeholders - that priority for accessing bingo slots should be given to the groups who built or developed the association bingo hall facility, a view not necessarily shared by outside organizations.
- A number of respondents also indicated “no comment” on some of the questions under this general topic, noting they lacked the statistics or background on the issue of allocation of bingo event slotting to give an informed view.

### ***Eligibility for Licensing***

- Most stakeholders feel the current definition of “charitable organization” is satisfactory in terms of basic eligibility rules. Fewer felt this way regarding the definition as it applies to special groups (related groups, seniors, agricultural fairs/exhibitions, umbrella groups, athletic groups, etc.). A few stakeholders feel the definition is too broad, benefiting members’ self interest rather than the community at large.
- While most feel that the definition of charitable organization is being applied appropriately and consistently in the granting of bingo licences, many who responded this way qualify their answers with, “to the best of our knowledge,” or, “assume this is so.” About 25 percent believe the definition is not being applied appropriately and consistently. These feel some licensed groups simply duplicate services provided by existing groups. Others indicate, “anybody can become a charitable organization,” and “there are some [licensees] who are not non-profit.”
- There was almost an even split in the responses to all of the following questions, about half saying “yes” and half saying “no”: Should eligibility be based on the scope of program/service delivery? Should there be a focus on member activities (sports, educational, specific cultural groups)? Should the focus be on community-at-large (service clubs, community leagues, health/medical/aid-relief)? Such responses may reflect the interest in services provided by one’s group and question whether the focus should be on the licences granted to others. A number of stakeholders indicate the community should be permitted to decide on these questions, since all eligible organizations provide some benefit.
- Is the current definition of “charitable uses of bingo profits” satisfactory, too broad, or too narrow? Most stakeholders who responded feel the definition is satisfactory. Is this definition applied consistently and appropriately? Most feel it is, although they were fewer in number than those responding to the first question. At issue was having the proper information to provide an informed opinion. To what extent should

charitable groups be financially dependent on gaming revenue for operations? Responses varied, from 0% to 100% reliance on gaming revenue, with no consensus. Some suggested that each group must decide this question on their own, based on the type of group and services provided.

- There was a more even split among respondents as to whether or not there should be classes or categories of organizations/licences, based on the nature or type of services provided to the community. There was a range of responses. For example, some suggest categories should be based on the community benefit gained from the organization, with priority to those directly benefiting the community. Some suggest emphasizing education and health. Others suggest there should be no categories as “all groups within the community are equal.”

### ***Bingo Event Licence Restrictions***

- There was a lack of consensus on the set of questions asking whether there should be a limit on the number of bingo events per charitable group based on the following factors: the structure of the group, scope of benefits or services to the community, number of members in the group, and budget requirements. Half of the respondents felt these should be factors to limit the number of bingo events, the other half did not. However, a clearer majority of respondents believe a group should be refused a bingo licence if it has not demonstrated delivery of a charitable program to the community within the preceding 12 month period.
- The majority of respondents believe there should be a limit on the number of bingo events for groups related to one another. A larger number in the majority agree there should be limits if the related groups have duplication in the programs offered, spin-off groups, control over administrative functions between the groups, and front-line responsibility for program delivery. There was a much closer split on the question whether limits should be placed on the related groups that have duplication in their membership, that is, in the executive or volunteer base.
- The clear majority of respondents indicate there should be a limit on the number of bingo associations to which one group may belong, regardless of programs/services delivered, number of members, whether urban or rural, or availability of bingo in the market. Most clearly oppose one group belonging to more than one bingo association. Some of those in the minority who disagree indicated there should be no limits if the group has enough workers to volunteer at all bingo events, and the proceeds benefit the community. An opposing point of view is that clubs should have loyalty to an association, and limiting membership prevents volunteer burnout from working too many events.
- There is also a clear majority who favour limiting the number of community bingo licences issued in the same location, and the number of such groups operating on the same day in the same location. Most of those responses, however, came from association bingo member groups. One stakeholder suggests that too many bingo

halls dilute the players over more halls, and jeopardize the success of any particular hall.

- Interestingly, the majority of respondents believe there should not be any maximum number of days per week allowed for community bingo events. That is, they should be able to operate on more days than the current maximum of three per week. Some groups supporting this position argue the free market should dictate how many days groups may operate in the week. Some association bingo groups argue that the rules for community bingo on this topic should be the same as for association bingo, which may operate up to seven days per week.

### ***Bingo Facility Licences (Bingo Associations)***

- One of the most overwhelming responses to the terms of reference issues is in support of limiting the number of bingo facility licences issued in a geographic region, for example, within a city, town, or specific region within the province. Many stakeholders suggest applying criteria to determine numbers of halls. Such criteria included, among others, population demand or attendance, the population of the centre, whether the market is shrinking or not, location or proximity to another bingo hall, and demonstrated need for another hall. Many feel that all bingo licensees will suffer if there are too many halls. Those in the minority suggest the market should dictate the number of halls, and that eligible groups should be free to establish a new hall if they so choose.
- Most respondents also feel, in the licensing of bingo events, consideration should be given by the AGLC to the proximity of bingo associations to community bingo licensees, and vice versa. However, there were few comments or suggestions as to the criteria that might be applied.
- The vast majority of respondents favour requiring a minimum number of groups to start a bingo association, and a minimum or maximum membership for existing bingo associations. Some in the majority suggest the market should dictate this number. Others suggest a specific minimum membership, ranging anywhere from 10 to 40 members. Those who favour a maximum number of members suggest that each association should decide the number.
- Should eligibility for days of operation and number of events be linked to the number of members the association has? Most say “no.” Those in the majority indicate the market should decide the number of events, and the number of volunteers who can work at the bingo events. Some say the days of operation should be based on lease requirements, others on financial need. Those in the minority who answered “yes” indicate each association should control the number of days of operation.
- Most respondents favour a standard maximum occupant load (or maximum seating capacity) per bingo association facility. Views vary on what the criteria should be to establish those maximums and include building code, size of facility and number of bingo players in the community, and “local decisions.” Some felt fire regulations



alone should govern capacity. One respondent suggests there should be no more than from 300 to 500 seats per hall, which allows players unable to get into one hall to go to another. Those who respond that there should be a maximum occupant load indicate there are already criteria to determine it, such as fire regulation, building code, etc.

- The greater majority also favours restricting the maximum number of bingo events per day in licensed facilities. Of these, most suggest that the maximum should be set at two. Those taking the opposite position suggest each association hall should make and justify its own decisions, and that by allowing more events, more groups may be able to join the association and hold bingo.

### ***Access by First Nations/Metis Organizations***

- This general subject drew more “no comments” and “unsure” responses than any of the others. Stakeholders generally indicate a lack of knowledge or information to be able to respond to the following questions: What is the First Nations/Metis perception of their accessibility to bingo events? What is their participation rate in bingo as compared to the population ratio of First Nations/Metis to the general public? How does their membership in association bingo compare to their membership or participation in community run bingo?
- Nevertheless, most stakeholders believe access to bingo by First Nations and Metis organizations is satisfactory, and that First Nations and Metis organizations have the same access as any other group. Many also feel there should not be special considerations for any type of group. The rules should apply to everyone in the same way.

### ***Prize Payouts***

- The clear majority of respondents feel that the maximum prize payouts per event should remain the same for all bingo events, regardless whether they occur in the morning, afternoon, evening or late night. Only a handful of stakeholders favour an increase, and none suggest they should be lower. A sizable number of stakeholders have no comment on this question, indicating they lacked information to present an informed view.
- The majority of respondents indicate there should be no maximum prize payout per game, whether they are regular games, special games, loonie pot schemes, or satellite bingo. A number who responded this way suggest the “current guidelines” are acceptable, in which the annual average prize payouts should be no more than 65% of annual gross revenue and, presumably the maximum prize payout at \$15,000 per event (excluding certain games, such as loonie pots). Others suggest each hall should decide this matter on its own.

- Most also indicate there should be a maximum number of games allowed per event in association bingo, however, the current numbers are satisfactory: that is, they are neither too high, nor too low.

### ***Distribution of Bingo Event Proceeds***

- The majority of respondents favour the current maximum for the overall average prize payout, at no more than 65% of annual gross revenue. Other responses suggest maximum payouts anywhere from 40% to 85% of annual gross revenue.
- There is a wide variety of responses to the question regarding what portion of bingo proceeds should be allocated to various bingo association administration expenses, such as controlled expenses, non-controlled expenses, rent, and salaries of paid staff. Some suggest individual associations should establish these amounts, as long as, in total, they are within the allowed limits in relation to annual gross revenue. There are other suggestions, for example, they should be based on attendance figures per event.
- Should there be common rates of pay for certain jobs within a bingo association? Between or among bingo associations? To both questions, those who responded in the majority indicate there should be common rates of pay. However, fewer said “yes” to the second question when compared to the first. That is, stakeholders believe the jobs within their own bingo association facilities should be paid using common pay rates, but fewer feel common pay rates should be applied among or between different bingo association halls.
- When asked about what portion of proceeds should be allocated to administrative costs of charities (that is, those holding bingo licences), the responses varied. They range from 0% to 100%, with the most common view that they should be around 10% and no more. A number of stakeholders feel the organizations should decide on how much should be allocated for this purpose.
- What portion of proceeds should be directed to the membership and family members of the licensees (that is, use of profits)? The responses range widely and, in some cases, reflect a lack of understanding of the question. For example one stakeholder indicated 100% of the proceeds be directed to the member groups of a bingo association. However, the question is about the use of proceeds by the licensed charitable organization itself. Moreover, for example, most stakeholders appear to favour the issuing of bingo “credits,” in which parents help offset fee costs for their children’s participation in amateur sport.
- There is a diverse range of views as to what portion of net proceeds should be directed to services and programs benefiting the community at large. A common view is that organizations be allowed to decide on this matter. Some suggest 100% should be dedicated for this purpose, others as low as 25%. Again, some respondents may have misinterpreted this question, believing it asks for a suggested percentage of total gross revenues earned from bingo rather than the intended

sense, that is, the percentage of the actual revenue earned by the charitable organization that should be directed to services and programs benefiting the community at large.

### ***Pooling of Bingo Revenue***

- Respondents provided a list of benefits of pooling, and a number of perceived negative issues about it (see under the recommendation addressing this topic). The views vary on whether all bingo events should be considered part of one pool, or whether there should be separate pools based on the type of event (that is, morning, afternoon, evening, and late night). A number disagree with pooling altogether, arguing that their system of allocating events is fair and equitable.
- Of those who addressed the question about whether the pooling of revenue should vary depending on the type of bingo event, the majority respond “no.” Others indicate the matter should be left up to the association.

### ***Role of Volunteers, Paid Staff, and Landlord***

- In bingo associations what are the positions that should be paid? Most stakeholders who responded are satisfied with the *status quo*, within the current bingo terms and conditions. These terms and conditions permit the following positions to be paid: association representative, caller, cashier, satellite game controller, security guard, and bookkeeper.
- The vast majority of stakeholders believe the duties of volunteers and paid staff should not be re-defined. Again, most are satisfied with current definitions.
- Most respondents indicate that volunteers should not be entitled to reimbursement for working bingo, and should not profit personally from bingo, as that would be contrary to volunteerism. A number of these respondents support existing bingo policy that prohibits monetary payment to volunteers for working at bingo events. However, a number of respondents approve of credits, because they fall outside the normal sense of reimbursement. Interestingly, those who suggest volunteers should be entitled to reimbursement also cite credits as a case in point, feeling these to be a legitimate and reasonable way to offset the cost of having their children involved in amateur athletic activities. A few respondents indicate meals and baby sitting expenses for volunteers should be covered as a legitimate expense.
- The respondents were almost evenly split on whether there should be restrictions about members, versus non-members, working the events and holding key positions. Slightly more oppose such restrictions than favour them. Some feel non-members should be able to hold key bingo positions if they are qualified and capable of doing so. Others holding contrary views note that key positions should be held by members or people accountable to the charitable group.

- Almost unanimously, stakeholders believe there should be no role for landlords in the running of bingo operations. Those who expressed a view indicate the role of landlord should be restricted to the reasonable care and quality of the facility; a few suggested they should also provide a safe venue. A few suggest landlords should provide air exchange to remove smoke from the halls.

### ***Bingo Policies***

- Respondents heavily support having similar bingo rules for all bingo groups, whether association or community bingo. A few who feel the rules should be different indicate more “leniency” for community bingo groups, that different circumstances dictate different rules, that it would be unfair for community groups to operate under the same rules as association halls operating seven days a week and offering large cash prizes.
- Most respondents feel the rules for association bingo should not differ based on location, for example, whether the hall is urban or rural. However, the views were evenly divided as to whether the rules should differ based on the size of the hall (that is, small, medium or large), half indicating they should, the other half indicating they should not. However, few offer any suggestions as to what the differences in the rules should be based on the size of the hall.
- While most respondents feel rules for community bingo should differ based on size of group and nature of its community work, the majority believed they should *not* differ based on gross revenue obtained per event and per year, participation in satellite bingo, number of events in a month or year, and location.

### ***New Games/Ideas***

- Almost unanimously, stakeholders believe each bingo hall should have the latitude to introduce original ideas to their bingo events. Many who hold this view also emphasize that the AGLC must approve any new games before they are introduced. Those who responded to the contrary indicate the AGLC should decide this matter, and echo the view that any games be approved in advance by the AGLC.
- As to games that should be introduced to bingo halls to help increase the return to charities, and which complement bingo, the following were among the replies given: Nevadas (pull tickets); keno; electronic bingo; progressive bingo games; and special games for children to win merchandise during family bingo.
- When asked how allowing greater flexibility for games or other ideas could be properly regulated, responses include: “cashier receipt”; review and control by AGLC; a reporting system manageable to both licensees and AGLC; if flexibility was allowed, total government control must be in place; “event reports”; and, by keeping the 65% prize payout “for everything.”

- The majority of respondents indicate the introduction of progressive-type bingo games has been successful. Following are some of the responses as to why: as prizes get larger, so do the crowds (the most commonly stated reason); added incentive to bring players that otherwise would not play; time saving; they create more patrons. One group which feels progressive bingo had not been successful says it failed to maximize profits consistently.
- In contrast to the previous response, more stakeholders feel there should not be an increase in progressive bingo as compared to those who feel there should be an increase. Those opposing offer these types of reasons: getting the proper number of volunteers for the larger crowds would pose problems; loonie pots (in association bingo) are sufficient; too many would detract from its novelty, etc. Many favouring an increase suggest it will draw more patrons.

### ***Additional Issues Identified***

- The policy change prohibiting minors from playing bingo drew the strongest negative response from rural bingo organizations. By contrast, little or no impact was felt in bingo in urban centres. For many in rural communities, bingo has been a family event, drawing adults and minors alike. When the prohibition against minors was introduced in August 1998, attendance declined in such communities: when minors were prohibited, some stakeholders indicate that the adult members of their family also stopped attending. One group indicates they have stopped holding bingo as a result.
- Most stakeholders indicate that the requirements to restrict access to bingo by those groups outside the “geographic location” should be maintained.
- Most respondents feel that administrative functions within bingo halls should not be changed, that they are satisfactory as they are. A few who take an opposing view suggest associations should be allowed to govern themselves more than they do currently; the current process is too repetitive and confusing; there should be more up to date cash registers with direct payments/ATMs; require less paperwork; and cut back on “paperwork redundancy.”
- Most feel AGLC licensing and reporting requirements should be made simpler. The minority feels the requirements are effective and working well as they are. Those who favour simpler requirements offer suggestions such as: use layman terms so everyone can understand what is meant; include an option of supplying computer summaries of required information; less photocopying of documents for smaller charities (for example, all cheques etc.); less paperwork; let us help design simpler forms; adopt an appropriate computer program.
- Should a market study of bingo in the province be conducted to obtain better information on the demographics of bingo players, and on what bingo players want? About 65% of respondents said “no,” the others favour it. Concerns and comments among those in the majority opposing a market study include the following: a

concern is the cost of a market study; its value is doubted when “so many studies” have already been conducted; it is better to share existing information than coming up with new information; and, community and local bingo organizations already understand their customers. Respondents in the minority indicate players should have a “say” in changes to their entertainment; that it would help to better know the customers; and, that such a study would be helpful before introducing new games to bingo halls.

- Although there was a very low response rate to the question dealing with the impact of media bingo on existing or new bingo initiatives, the majority who did respond feels the impact has been positive. They suggest bingo players like the game, and it raises awareness of bingo to a larger audience. The majority of respondents was unsure about the impact, or simply did not know.
- The overwhelming majority of respondents feel the role of FABBA should be re-defined and examined as to its full effectiveness, given the changes occurring in the bingo industry. Many are unaware of FABBA’s role, those who are aware responded with comments such as: FABBA should be more accountable to its members; it seems to be effective as is; “more power and authority” should be given to FABBA; it is a very important entity and should be left to work for the associations; FABBA should realize it is a representative for the associations when dealing with AGLC; its role is good but it seems FABBA is not effective at present; it should possess greater disciplinary authority; FABBA should increase its rapport with AGLC and be a conduit for change.



# Recommendations

Before arriving at each of the following 74 recommendations, committee members were asked to consider a number of matters.

These included all the written and verbal submissions of stakeholders; the relevant legislation, regulations and policies of gaming; the objective of the review; the intent and background of existing bingo policies; the research into bingo conducted by committee members; and, the personal experience of committee members.

Most importantly, in their deliberations, members were asked to set aside their own subjective interests and those of any particular stakeholder. They were asked to consider the best interests of the bingo industry as a whole, and its continued viability and integrity. In some cases, this meant “assuming” the role of the regulator, which oversees and regulates bingo across the province.

## General Headings

Recommendations appear by subject, and in sequence according to the process by which a charitable organization first obtains a bingo licence, then conducts its bingo event, and eventually uses the earned proceeds for its charitable services or programs.

The general headings under which the recommendations appear are as follows:

- A. General (page 58)
- B. Licensing Charitable and Non-Profit Groups (page 59)
- C. Access to Association Bingo (page 66)
- D. Conducting and Managing Bingo Games/Events (page 72)
- E. Use of Proceeds (Prize Payout, Expenses, Net Proceeds) (page 82)
- F. Reporting Requirements (page 90)
- G. Enforcement and Prevention Measures (page 92)
- H. Policy Development and Industry Relations/Communications (page 96)

This order - rather than that in the terms of reference document - should help readers to appreciate how an earlier step in the sequence may affect the subsequent steps.



## **A. GENERAL**

- 1. *The AGLC should appoint a provincial bingo manager to oversee licensed bingo in the province and act as the primary liaison between the AGLC and the bingo industry.***
  - This recommendation recognizes the need for a senior manager in the Alberta Gaming and Liquor Commission (AGLC) dedicated solely to bingo, an important, distinct and sizable industry in the province generating annual gross revenue exceeding \$330 million.
  - The appointment of a bingo manager also recognizes the complexity of regulating the bingo industry. It will help to bring about greater uniformity in the regulation of bingo and in the integrity of the game, and thereby help to strengthen the AGLC's credibility as regulator. The appointment will help to establish clear lines of communication between the AGLC and the bingo industry, an area that requires attention. It will send a signal to the bingo industry that the AGLC takes its concerns and issues seriously.
  - The manager's duties should include the following, among other duties: oversee bingo regulatory activities, including enforcement and policy development; oversee implementing of adopted recommendations made by the Bingo Review Committee; oversee and/or conduct comprehensive bingo training for AGLC gaming inspectors; review from time to time the approved bingo licences to ensure the eligibility criteria are being met reasonably and satisfactorily; prepare and hold education seminars for bingo industry members; keep open the lines of communication with industry members, for example, meet regularly with bingo industry associations and community bingo groups to discuss issues or concerns; and, administer a central bingo registry, as recommended later in this report.
  - Positions reporting to the bingo manager should include at least one dedicated bingo inspector, a forensic auditor, and an administrative staff member.

Response to Terms of Reference:  
General Recommendation

## **B. Licensing Charitable and Non-Profit Groups**

***1. New bingo licences, and the renewal of existing ones, should be granted by the AGLC based on the applicant's proven delivery of charitable services or programs, its budget, and its need for funds, in addition to the existing eligibility criteria.***

- There are in place various criteria used by the AGLC to determine the eligibility of not-for-profit organizations for a bingo licence. They must meet the requirements related to structure (as an eligible not-for-profit or charitable organization) *and* in the proposed use of bingo proceeds (for charitable or religious purpose).
- To the extent possible, the AGLC should continue to be guided by common law in determining whether an organization's purpose is or is not charitable in nature, and therefore whether the organization is eligible for a bingo licence.
- However, there is currently no rationale in the licensing of an organization - or the number of events a charitable group may ultimately hold - when viewed against its proven delivery of services in the community, annual budget, and need for funds.
- This recommendation is aimed at addressing a fundamental issue about obtaining a bingo licence. It goes to the heart of the matter by recognizing the needs of the organization.
- The current process to grant bingo licences appears inconsistent as explained under "Examples of Issues Created," that follows. This inconsistency may in turn be heightened in association bingo.
- For example, a bingo association is not obligated to grant membership by any common provincial criteria or standard, other than the requirement that its members, or non-member groups invited to hold bingo at its association hall, be licensed by the AGLC. As such, the perception of inconsistency in the licensing process may be evident in the membership of one bingo association, or in one association as compared to another.

### **Examples of Issues Created**

- Some licensed organizations may benefit primarily a small number of their own members, yet generate substantial revenue from bingo, beyond their need. Meanwhile, other organizations struggling to provide services to a larger number of Albertans may have trouble accessing bingo.
- Furthermore, some organizations hold more than one bingo licence, despite having access to various other sources of revenue, including cash donations for which it may issue tax receipts. There is no process in place to determine the extent of the need of such multi-licence holders to raise funds through bingo events.
- There are also organizations that spend a high percentage of their bingo proceeds to cover administrative costs rather than the delivery of charitable services or programs.
- Following are examples of licensed groups, and their use of bingo proceeds over a two year period. In each case the grounds on which the licence was granted and/or the use of proceeds is questionable.
  - modified race car club spent \$16,000, all its bingo revenue, for "special program development";

- one bike-riding group spent \$24 thousand, or close to 65% of its bingo revenue, on travel in the province, and less than \$5,000, or 13% of the revenue, on training or development;
- a multicultural group made donations of close to \$19,000, more than 75% of its bingo proceeds, to groups in Canada;
- a card-playing club spent \$20,000 in bingo proceeds on building or capital repairs and operations;
- a college alumni association spent \$20,000 on in-province travel and \$2,000 on scholarships;
- a hot air balloon organization which promotes tourism to the province spent all reported bingo proceeds on administrative costs (office rent/ utilities/ supplies);
- a fund raising association spent \$15,500 or 75% of its bingo proceeds on travel in the province;
- an agricultural club involved with horses in parades and musical rides, spent \$49,000, or 70% of its bingo proceeds, on building capital or repair, or facility rental; more than \$10,000 for travel in Alberta; and \$2,100 on costumes and uniforms.
- By applying the criteria recommended, there will be a higher level of consistency in the granting of bingo licences.

### **Proven Delivery of Services**

- Groups which apply for a bingo licence to access association bingo should have provided charitable services or programs to the community for at least one year prior to making application (that is, before either completing part one or part two of the new recommended application; see recommendations 1. and 2. below under the subject "Access To Association Bingo"). Otherwise, the bingo licence should be denied.
- An exception to this requirement may be made in the case of a new chapter or branch of a recognized national charitable organization, for example, which may be considered for a bingo licence despite operating for less than one year.
- This requirement would give the AGLC an opportunity to objectively assess the applicant's budget and need, as well as proven ability to provide a service to the community.

### **Budget**

- Gaming proceeds should be used to deliver charitable services or programs to the community; licensed groups should *not* rely solely upon gaming proceeds to cover their administrative costs.
- The types of charitable services or programs delivered will vary according to the mandate and aims of the organization.
- It is recognized that for some organizations the administrative costs are essential to delivering their charitable services, whereas for others they may not be so. For example, a computer may be essential to a volunteer centre that recruits community members to perform community services; however, it may be considered an administrative expense for a dance group that wishes to produce a newsletter for its members.

- The budget must therefore be assessed against the objectives, aims and services of the organization, and its proposed use of gaming proceeds. Consideration should also be given to other sources of funding, such as other gaming revenue, lottery fund grants, and donations that may or may not be tax deductible.

### Need

- To prioritize charitable organizations in categories, and grant licences on that basis, is difficult.
  - It is beyond the scope of the committee to recommend such priorities (see recommendation 4. in this section).
  - The matter of need may be practically determined for each applicant. That is, while the general merits of the service or program of the applicant to the province as a whole may be difficult to assess or measure, it is clearly possible to determine what the need of the organization applying for a bingo licence is in a particular community.
  - Applicants should indicate their need by providing the AGLC with information such as the following: (a) community or communities benefiting from their services or programs; (b) the number of people who *actually* benefit from the services in the community; (c) a realistic calculation of how many people in the community could *potentially* benefit from the services provided by the applicant organization; (d) an actual measure of the benefit (for example, in costs otherwise saved by the community, or the cost in not providing the service); (e) the full cost of providing such service to the community (addressed in the budget); and (f) how the charitable service is distinct or unique from any other similar or identical service that may already be provided in the community.
  - A licence should not be granted without this assessment of need. Most of this type of information is collected by charitable organizations, or used in making application for other funds, such as grants.
- By adopting the new criteria, the AGLC would establish an approximate maximum dollar amount that may be earned through bingo by newly licensed groups or those “renewing” their licences. In turn, bingo associations would be provided a guideline to operate within when allocating bingo event slots to such groups.

#### Response to Terms of Reference:

3. Eligibility of Groups for Licensing
2. a) Is the present system of allocating bingo events fair and equitable?
4. a), c) Should there be a limit on the number of bingo events per charitable group? Should there be a limit on the number of bingo associations one group may belong to considering: programs/services delivered? number of members? urban/rural groups? availability of bingo events in the bingo market?
8. d), f) What portion of proceeds should be directed to administrative costs of charities? What portion of proceeds should be directed to services and programs benefiting the community at large?

**2. All existing bingo licences should be assessed by the AGLC against the suggested three new criteria to determine future eligibility for a licence.**

- A thorough review of existing licences will help guide the AGLC in ensuring more consistency in the granting of licences.
- It is the committee's view that the obtaining of a bingo licence is not a right to which any group is automatically entitled, rather it is a privilege to obtain a bingo licence, which should only be granted on the basis of merit.
- Scrutinizing applications by using the recommended additional criteria of "proven delivery of charitable services or programs, budget, and need" would help to ensure only deserving charitable organizations continue to obtain bingo licences.
- The AGLC should inform all existing bingo licensees of these three new criteria before they may apply to renew their bingo licences.

Response to Terms of Reference:

- 3.b) Is the current definition of a charitable organization being applied appropriately and consistently in the granting of bingo licences?

**3. "Spin-off groups" and "related groups" should be restricted in their ability to obtain bingo licences.**

- "Spin-off groups" are those formed from a "parent" organization. Members of the parent organization are also members of the spin-off groups, and provide identical or similar services or programs.
- Spin-off groups are in most cases formed to obtain more gaming licences than the parent organization might otherwise be permitted to obtain. They are thus a way to "get around" the eligibility rules for bingo, or even accessing association bingo which in its rules may restrict the number of events per group.
- Such groups, despite raising more revenue from bingo, generally add to the overall administrative costs of delivering services or programs. They compete with groups which operate within the spirit and intent of bingo policies.
- The AGLC should restrict such groups from obtaining bingo licences unless it can be shown that they provide services or programs that benefit the community and are distinct in nature and scope from those provided by their affiliated group(s).
- "Related groups" are those which typically include a provincial or regional governing body and its affiliated organizations, all with a "specific common objective." Such affiliates may include chapters, branches, or auxiliaries. For example, various athletic groups operate under such a structure, as do service clubs, among other organizations.
- While it is appropriate for individual member groups to obtain licences, as they provide services to the community, the governing body is often supported through the contributions of individual members. It would be appropriate to determine in each case whether either the governing body or its affiliated member groups should obtain a bingo licence. The aim is to give other charitable organizations a better opportunity to obtain a bingo licence.

Response to Terms of Reference:

4. b) iii) Should there be a limit on the number of bingo events for groups that are considered related to one another, that is, which have: spin-off groups?

- 3 . a) ii) Is the current definition of charitable organization satisfactory, as it applies to special groups (that is, related ... etc.)

**4. The definition of a charitable organization, or of “charitable purpose or object,” should be examined by a committee of the appropriate provincial agencies, in keeping with the review of such matters now occurring at the national level.**

- What is a charitable purpose in today’s context? This is a difficult question.
- The Criminal Code establishes the fundamental basis for granting a gaming licence to charitable or religious organizations if the use of gaming proceeds is for a charitable or religious purpose or object.
- However, the Criminal Code contains no guidelines as to the meaning of “charitable purpose.”
- While centuries-old common law has been useful in guiding this discussion, it has fallen short in providing a satisfactory contemporary legal definition of charitable purpose.
- The difficulty in this matter poses a special challenge to the AGLC, which grants bingo licences to charitable organizations that must use the funds earned for charitable purposes. Therefore, the AGLC is constantly confronted by the issue of what constitutes charitable purpose.

**“Pemsel Test” and Qualifications**

- The “Pemsel (common law) test,” used to determine what constitutes a charitable purpose or object, identifies four categories.
- These four categories are: (1) relief of poverty; (2) advancement of education; (3) advancement of religion; and, (4) “other purposes beneficial to the community.” These are eligibility criteria used by the AGLC.
- The last or fourth category of the Pemsel test has posed the most difficulty, even with the following legal qualifications as to what constitutes a “charitable activity”:
  - it must be intended to benefit the public at large, not a private group (Williams’ Trustees V. Inland Revenue Commissioners, [1947] A.C. 447 (H.L.), at p. 457
  - the absence of benefit to oneself is crucial to the concept of charity (ibid, at p. 456)
  - it seeks the welfare of the public; it is not concerned with the conferment of private advantage (Waters, Law of Trusts in Canada (2<sup>nd</sup> ed., 1989), at p. 550.)
- Purposes beneficial to the community may change with social priorities and shifting, shrinking roles of government. Measuring such benefits is difficult because the definition itself is found wanting.
- In a recent decision, a justice of the Supreme Court of Canada wrote:
  - The courts have on several occasions emphasized that the categories of charity are not closed, and that the purposes considered to be charitable at law evolve with social developments. ... This innate flexibility has enabled the courts to illustrate purposes seen as proper objects of charity, having regard to the social needs of the time.  
*Per Gonthier, J. (dissenting on other grounds), in Vancouver Society of Immigrant Minority Women v. Canada.*

### **Growth of the Voluntary Sector**

- Complicating matters is the fact that the “voluntary sector,” a term used in the Broadbent report addressing matters of this sector’s accountability and transparency, has mushroomed over the past 30 years to become one of the nation’s largest industries. The report notes that in Canada the non-profit sector:
  - ...consists of approximately 175,000 organizations; slightly over 78,000 of these are registered charities [for income tax purpose].
  - This is 20,000 more charities than existed in the 1980s and three times as many as in the 1960s
  - 36 percent of registered charities are places of worship or other religious organizations
  - 5 percent are hospitals or teaching institutions (*page 13*)
- The growth of the voluntary sector, and issues surrounding accountability and transparency, have evoked debate and discussion nationally on topics such as what constitutes “charitable purpose” under the Income Tax Act.
- A general view among those who have examined this subject is that more work needs to be done in the area of defining charitable purpose.
- In order to maintain the confidence of the public contributing to or involved with the voluntary sector, it is important that the voluntary sector be transparent and accountable in its activities. However, it appears the capacity within the sector to be transparent and accountable has not kept up to its growth over the years (this view is expressed in the Broadbent report).
- A recent Supreme Court of Canada decision involving the Vancouver Society of Immigrant and Visible Minority Women affirms the difficulties in establishing a satisfactory, contemporary definition of charitable purpose under the Income Tax Act. The court recommended that, if a new definition of charity is to be developed, it should be done at the federal level, through Parliament.
- An examination of issues related to the voluntary sector, and approaches in addressing them, is occurring through the Privy Council Office in Ottawa.

### **Practical Issues in Granting Bingo Licences**

- The AGLC directly faces issues surrounding this entire subject when it grants charitable gaming licences to organizations.
- The apparent inconsistency in granting licences, when considering the broad definition of “charity,” is a symptom of the sort of problem the AGLC faces in its work. For example, it has refused to grant bingo licences to non-profit day care societies, arguing that day care services are for the convenience of working parents who pay for the services provided. Yet day care societies may be registered charities under the Income Tax Act. Moreover, they may provide educational or learning services to children, and “advancement of education” is one of the criteria of the Pemsel test for what constitutes a charitable purpose.
- It is reasonable to place the onus for showing “charitable purpose” on charitable organizations applying for a gaming licence. They should show how they meet the requirements for a licence.

- However, the decision to grant a licence ultimately rests with the AGLC which must follow reasonable, practical, and consistent guidelines in this area.

#### **Addressing Issues of Definition and Priority**

- It is beyond the scope of the Bingo Review Committee to pronounce a satisfactory definition of charitable purpose beyond current guidelines and direction. Nor can it competently suggest a priority list of charitable organizations for gaming licences.
- Determining the priority of charitable programs and services in a provincial context should rest at the political level and involve the charitable sector itself.
- Therefore, as it relates to provincial issues and matters, including gaming, the province should participate in discussions on this subject through a committee of the appropriate provincial authorities and the charitable sector, keeping in mind the broader discussions occurring at the federal level.
- It may be difficult for the AGLC to say whether an amateur athletic program, for example, is more or less deserving of a bingo licence than a medical, cultural or arts program. However, it is possible for the AGLC to determine the eligibility of each individual organization by examining new, practical criteria, such as proven delivery of services or programs in community, its budget, and need, as recommended in this report.

Response to Terms of Reference:

3. a),c), e) Is the current definition of charitable organization satisfactory? Should eligibility be based on the scope of program/service delivery? Should there be classes or categories of organizations/licences, depending upon the nature or type of charitable services or programs provided to the community?



## **C. Access to Association Bingo**

### **1. *The AGLC should establish a central registry of charitable organizations wishing to access association bingo.***

- There is currently no convenient or reliable method of determining the names or numbers of all the unlicensed charitable organizations wishing to access association bingo across Alberta.
- At the present time, charitable organizations must approach bingo associations directly to become association members, or to access bingo association events as non-members. Bingo associations may accept or reject new groups, or place them on the association waiting list, using their own discretion. If accepted, the charitable group must then obtain a bingo licence from the AGLC. Thus gaining access to association bingo is an awkward process (see also the next recommendation).
- Among other benefits, a central registry of such groups would help to accurately determine the extent of the “waiting list,” and assist both the AGLC and the Federation of Alberta Bingo Associations (FABA) in directing charitable organizations to bingo associations within their area that they may wish to access.

Response to Terms of Reference:

- 1.a) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to:  
i) access by all eligible groups?
2. a),b) Is the present system of allocating bingo events fair and equitable? Is there access to bingo association events by outside (non-member) groups?

### **2. *Establish a new bingo application process for association bingo, to complement the recommended central registry of charitable organizations.***

- To accommodate a central registry, the current bingo licence application must be changed.
- Currently, the bingo applicant must provide details about its organization and proposed use of bingo proceeds, *as well as the hall in which it will hold bingo*. In other words, the applicant must first gain entry into a bingo association hall either as a member or as non-member to access bingo events, and then apply for the bingo licence, which the AGLC would grant or deny based on the eligibility criteria.
- A new bingo application process would help address the awkwardness of this process, and should consist of at least two parts.
- The first part of a new bingo application would simply establish whether the applicant organization is eligible to hold bingo and the intended use of proceeds. If the group is eligible, and its intended use of bingo proceeds acceptable, its name would be entered by the AGLC into the central registry.
- The second part of the application would be completed when the applicant is accepted either as a member of a bingo association or as a non-member which may hold bingo events in a bingo association hall. The AGLC would then issue a bingo licence to the applicant (assuming the first part of the application is still current).

- A group that refuses, for one reason or another, to join one or more of the possible bingo associations to which it has been invited should be placed at the bottom of the central registry “waiting list.” This is aimed at preventing the “picking and choosing” of bingo associations in which to belong, often on the basis of the average net proceeds earned by association members.

Response to Terms of Reference:

- 1.a) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to:
  - i) access by all eligible groups?
2. a),b) Is the present system of allocating bingo events fair and equitable? Is there access to bingo association events by outside (non-member) groups?

**3. The AGLC and association bingo stakeholders should together consider ways to further reduce inconsistencies after the granting of bingo licences. For example, bingo association bylaws could include various specific clauses that directly affect questions of access and allocation of bingo slots.**

- Stakeholders have expressed concerns about the inconsistency in the granting of gaming licences. Licences may be approved or rejected without taking into account the applicant’s proven delivery of service, budget and need. A recommendation has been made to consider these as criteria in the future.
- Inconsistencies may also arise at the bingo association level in determining which bingo events and how many events should be given to a new member and to existing members.
- While matters such as member qualifications, which slots to allocate and the number of slots, etc., should rest at the association level, there still may exist inconsistencies in these matters from month to month or year to year within an association, and among associations.
- One possible consideration is for bingo associations to include in their bylaws clauses that address issues such as access and allocation of bingo slots. FABA, bingo association stakeholders, and the AGLC should consider this option to help address the issue of inconsistency.

Response to Terms of Reference:

3. a) Is the current definition of a charitable organization being applied appropriately and consistently in the granting of bingo licences?
2. a) Is the present system of allocating bingo events fair and equitable?

**4. Charitable organizations that are members of bingo associations should voluntarily examine whether they need the number of bingo slots they have, and whether they can give up slots to other organizations conducting charitable work in their own communities.**

- This voluntary approach may help to address some of the issues of access to association bingo events. It may also help to bring about closer cooperation among charitable organizations, with the greater benefit to the community in mind.

Response to Terms of Reference:

2. a), b) Is the present system of allocating bingo events fair and equitable? Is there access to bingo association events by outside (non-member) groups?

**5. *The response by stakeholders to the matter dealing with access to bingo by First Nations and Metis organizations was relatively low and data is lacking or insufficient to make a recommendation on this matter.***

- According to AGLC information, 79 First Nations or Metis organizations conducted 1,861 bingo events in both association and community halls in Alberta in 1997/98, and generated net proceeds of \$2.4 million from those events. The average net proceeds per event was close to \$1,300.
- The overall provincial average of net proceeds earned per event in 1997/98, when accounting for all bingo licensees, was about \$1,150. Thus the average return to First Nations or Metis organizations per bingo event was slightly higher than the provincial average.
- There was no evidence provided during the review to suggest there is unfair access to bingo by First Nations or Metis organizations. Most stakeholders were unable to provide responses to various matters raised. Most believe access should be the same for all groups.
- Given the low response to this matter by stakeholders, and insufficient data, it was suggested by a committee member that the AGLC could pursue the matter further if it requires more information.

Response to Terms of Reference:

6.a),b),c),d) Is current access [to bingo by First Nations/Metis Organizations] satisfactory? What is the First Nations/Metis perception of their accessibility to bingo events? What is the First Nations/Metis participation rate in licensed bingo activity as compared to the population ratio of First Nations/Metis to the general public? How does membership of First/Nations/Metis in association bingo compared with their membership or participation in community run bingo?

**6. *The AGLC should continue to exercise its discretion in assessing whether to grant new bingo facility licences or, where appropriate, refuse to grant such licences. The AGLC's assessment in this matter should be based on practical and reasonable considerations, such as demographics, shifting trends, population base, and other market realities.***

- Before a bingo hall or facility may open its doors for business, it must first obtain a bingo facility licence from the AGLC.
- In the past the AGLC has granted bingo facility licences to new bingo associations while at the same time realizing that, by doing so, it might have negative effects on the entire local bingo market.
- The current Bingo Terms & Conditions and Operating Guidelines indicate the board of the AGLC may restrict the number of bingo facility licences based on whether they will have a negative impact on existing bingo facility licences or bingo licences “where charities would be placed in high financial risk situations”.
- When a new bingo association hall opens in a community where others already exist, and in which the bingo market is shrinking or stagnant, the competition for the same

bingo dollar will increase. At the same time, the total expenses to operate bingo in the community as a whole will also increase, and in effect will reduce the total net proceeds for charitable services and programs in that community. There is also the possibility that one of the bingo halls will eventually have to close.

- There should be practical and reasonable policies in place giving the AGLC discretion to grant or deny bingo facility licences. These policies should prevent the granting of licenses that would likely result in financial failure in one or more bingo associations and create animosities among competing bingo associations and their charitable groups.
- While charitable groups should have the freedom to form bingo associations, the primary objective of the regulatory authority in granting bingo licences is for the licensed groups to generate proceeds for their charitable purposes.
- Other recommendations made in this report, aimed at addressing issues of access to bingo by deserving charitable organizations, help address general concerns in this area.
- An AGLC mandate is to help charities maximize their return from gaming activities. There is a duty to properly regulate bingo to meet its objectives. The AGLC possesses the expertise and knowledge to make sound decisions in this regard. Its expertise, within practical and reasonable policy guidelines, should be applied in making decisions on whether or not to grant bingo facility licences.

Response to Terms of Reference:

5. a) Should there be a limit on the number of bingo facility licences issued in a geographic region (for example, within a city, town or specific region in the province)?

**7. Any new bingo associations wishing to operate at least seven events per week should have at least 20 member charitable organizations. At least two new additional member charitable groups should be required for each additional event beyond the seven per week. Existing bingo associations operating at least seven events per week and with fewer than 20 members should meet this requirement by April 1, 2000.**

- Currently, association membership rosters range from 5 to 77 charitable organizations.
- Establishing a minimum number of 20 members for bingo associations operating at least seven events per week will help achieve at least three results: ensure membership is not a “closed shop” to benefit the fewest possible organizations and prevent fair access; help ensure the association is able to garner an adequate number of volunteers to hold bingo each day of the week in the association facility; and, in combination with the previous benefits, reduce the possibility of a new association’s failure, due to inadequate financial backing by its member organizations.

Response to Terms of Reference:

5. c), d) Should there be a minimum number of groups to start a bingo association? minimum or maximum membership established for existing bingo associations? Should eligibility for days of operation and number of events be linked to the number of members the association has?

**8. Bingo associations should be encouraged to give special consideration to community bingo groups that are willing to end their community bingo events and join an association.**

- The committee heard from at least one group that is struggling to meet its expenses in running community bingo. At some point, it may end up losing money, and therefore stop running its bingo events. Meanwhile, an association bingo is successfully operating in the same community.
- It is reasonable for community bingo groups in this situation to consider joining their local bingo association. This has at least two benefits: ensure a better return by being a member of the bingo association, and attract at least some of the former community bingo players to the association bingo events, thereby further benefiting existing members of the bingo association.
- To the extent possible, a bingo association should offer former community bingo licensees the appropriate number of events in their association hall that would generate approximately the same net proceeds as earned in their community bingo events.

Response to Terms of Reference:

- 2.b) Is there access to bingo association events by outside (non-member) groups?
- 5.b) In the licensing of bingo events, should consideration be given to the proximity of bingo associations to community bingo, and vice-versa.

**9. Charitable organizations that operate community bingo should not at the same time be a member of a bingo association.**

- As access to association bingo has been raised as a concern in communities in the province, it is inappropriate that community bingo licensees also be permitted to join bingo associations to raise funds for their community service or program.
- Community bingo and association bingo may, in cases, compete directly with one another, particularly if they operate in the same community, or within the same general vicinity or area.
- It is therefore inappropriate for a charitable organization to operate community bingo events and also be an association member at the same time. The charitable organization must decide in which type of bingo it wishes to participate.

Response to Terms of Reference:

- 13. b) What restrictions should there be on access to bingo events by those outside the geographic location?
- 2. a) Is the present system of allocating bingo events fair and equitable?

**10. Charitable organizations unable to access bingo in their local community (for example, town or city) should be able to access bingo in other communities, as provided under existing bingo policy. This access should be provided only if there are “slots” available in the other community and after local organizations have received first consideration for such slots.**

- There are times when all available bingo slots in a community, such as a town or city, are filled, and no further ones are available to other charitable organizations.
- In such cases, the charitable organizations unable to access association bingo in their own community should be able to access association bingo in other communities.
- To prevent a problem that this access is intended to resolve, the access in another community should depend upon whether a slot is available and, if so, whether local eligible organizations have received first consideration to obtain it.
- Currently, bingo halls in Edmonton and Calgary are restricted to charitable organizations from those communities. In all other communities the local bingo hall may accept members from outside their municipal boundaries.

Response to Terms of Reference:

13. b) What restrictions should there be on access to bingo events by those outside the geographic location?
2. a) Is the present system of allocating bingo events fair and equitable?

**11. FABA and the recommended AGLC bingo manager should review and address the complaints of charitable organizations wishing to access bingo associations.**

- Currently there is no process for charitable organizations to formally complain about their inability to access bingo at association halls.
- The central registry - as well as implementing various other recommendations made in this report - would be of benefit in creating better access to bingo by charitable organizations.
- FABA and the AGLC should address the matter of access through an agreed upon, formal process, with the aim of resolving complaints that arise. In such cases, the good will and cooperation of bingo associations is most important.

Response to Terms of Reference:

1. a) i) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: access by all eligible groups?
2. a), b) Is the present system of allocating bingo events fair and equitable? Is there access to bingo association events by outside (non-member) groups?

## **D. Conducting and Managing Bingo Games/Events**

**1. A bingo hall should have the flexibility to introduce any new game that falls within the current policy definition of a bingo game, provided that the AGLC is notified at least 48 hours prior to such game being implemented.**

- There should be no restriction on new games introduced to bingo halls that are based on the current definition of bingo in section 4.4.5 of *Bingo Terms and Conditions & Operating Guidelines* (red book). The definition is as follows:

a) Only bingo games using the following format will be licensed:

- i) A ball is randomly selected from 75 ping-pong type balls. Each ball is printed with a letter from the word BINGO, and a number from “1” to “75” as follows:

<b>B</b>	<b>I</b>	<b>N</b>	<b>G</b>	<b>O</b>
1	16	31	46	61
to	to	to	to	to
15	30	45	60	75

- ii) Players shall use cards, or sheets printed with one or more cards. Each having five vertical columns, with five squares in each column. One letter from the word BINGO appears over each column. All squares shall have a number as above, except the free centre square. Players shall mark each square as the letter/number on it is called.

- The current policy already provides flexibility to bingo halls to introduce new bingo games, however, they must first obtain approval of the AGLC before introducing such games.
- This recommendation would permit bingo halls to proceed with their new bingo game without requesting AGLC approval, even though prior notification of 48 hours is required. This gives them the ability to offer games more quickly, to respond to changing market circumstances.
- If the AGLC has concerns about the type of game about to be introduced, it should immediately after having been advised of the new bingo game, contact the bingo hall to resolve or address those concerns.

Response to Terms of Reference:

- 12. a) Should individual bingo halls be allowed to improve the game of bingo on their own, to give each the latitude to introduce original ideas to their bingo events?

**2. Keno should be made available to bingo halls only if the financial benefits to charitable groups would outweigh the financial costs. However, if keno were to be introduced in casinos in Alberta before such an assessment could be made, it should be made available to individual bingo halls immediately based upon their own assessment of cost/benefit and subject to AGLC authorization.**

- Keno is an electronic game, which, due to a game format similar to bingo, is viewed by the bingo industry as a natural complement to the game of bingo.
- In the game, keno players must choose from a set of numbers from 1 to 90 in respective columns, with the aim of matching those chosen randomly in the game. Prizes will vary depending on the number of numbers played and those that match the numbers randomly chosen.
- The Criminal Code of Canada provides that all electronic games must be conducted and managed by the provincial government authority (in Alberta the AGLC). Thus, it is incumbent upon the AGLC to work with the bingo industry to determine the cost/benefit of introducing keno. There are also the issues of security and integrity of such games.
- During the bingo review, consideration was given by AGLC to introduce keno into casinos. This raised concern in the bingo industry, which for some time has been asking that keno be introduced into bingo halls.
- Bingo industry stakeholders have expressed the concern that keno, if available only in casinos, would likely draw from their customer base and further erode their revenue stream.
- The bingo industry, in cooperation with the AGLC, should first determine whether or not introducing keno into bingo halls would generally benefit charitable organizations financially. Such analysis is presently lacking and should be conducted immediately. This analysis should also consider the experience of other jurisdictions that have introduced keno, for example, the Province of British Columbia.
- In any case, if keno were introduced into casinos, individual bingo halls should also have the opportunity to introduce it into their halls, based on a cost/benefit assessment.

Response to Terms of Reference:

12. b) What type of different games may be introduced that complement bingo and also increase the return to charities holding the bingo events? For example, keno has been suggested.

**3. *The financial cost/benefit of introducing electronic bingo to bingo halls should also be determined in the near future. If the benefits are shown to outweigh the costs electronic bingo should be authorized for individual bingo halls.***

- Electronic bingo refers to the use either of a hand-held device or tabletop unit to play bingo electronically.
- In electronic bingo, the player may buy bingo cards, up to a maximum limit, through the computer. The numbers are called in the standard way. The player enters the bingo numbers called into the computer, and the computer automatically plays all the cards purchased, and alerts the player to a winning card.
- The Criminal Code of Canada provides that all electronic games must be conducted and managed by the provincial government authority (in Alberta the AGLC). Thus it is incumbent upon the AGLC to work with the bingo industry to determine the cost/benefit of introducing electronic bingo. There are also the issues of the security and integrity of such games.



- Stakeholders in the bingo industry believe that in order to sustain interest in bingo, it must appeal to the younger adult player, who is accustomed to playing electronic games.
- Moreover, the computer helps simplify the game for those unaccustomed to the rules and to the various games of bingo.
- An analysis of the cost/benefit under this recommendation should consider the experience of other jurisdictions that have introduced electronic bingo, such as British Columbia and Manitoba.

Response to Terms of Reference:

12. b), c) What type of different games may be introduced that complement bingo and also increase the return to charities holding the bingo events? For example, keno has been suggested. How could allowing greater flexibility for games or other ideas be properly regulated, in keeping with the over-riding requirements of law and regulation?

**4. *The introduction of other new bingo games, or an expansion of games such as linked bingo, should only be considered after the benefits and costs of keno and electronic bingo are determined and the applicable recommendations made in this report are followed and implemented.***

- The first consideration and priority should be to make keno and electronic bingo available to bingo halls, after determining their benefits and costs and receiving AGLC authorization, as recommended. Only then should other forms of bingo, such as additional linked bingo, be considered more seriously.
- Linked bingo refers to a bingo game played simultaneously by bingo halls in a community or region of the province linked together by closed broadcast system. Satellite bingo is a form of linked bingo that has already been approved.
- Possible implications of introducing these games include cannibalization of revenue from existing bingo games, perhaps to their long-term detriment. The implications should be examined and weighed before arriving at a decision in the matter.
- Without a sound knowledge or study of their possible effect, it is difficult to arrive at a definitive recommendation on these types of games.

Response to Terms of Reference:

12. b), c) What type of different games may be introduced that complement bingo and also increase the return to charities holding the bingo events? For example, keno has been suggested. How could allowing greater flexibility for games or other ideas be properly regulated, in keeping with the over-riding requirements of law and regulation?

**5. *One additional progressive bingo game should be permitted per event in association bingo facilities as part of the overall mix of bingo games available to bingo customers. The accumulated prize pool of the game should be excluded from the requirement of a \$15,000 maximum prize payout limit per event, an exclusion that already exists for loonie pot and satellite bingo.***

- Progressive bingo games are ones in which the prizes continue to grow until a player wins the game. There are select criteria to win the prize. If the prize is not won

using those criteria, the prize revenue is accumulated and available at the next and subsequent events, until the game is won.

- Community groups have expressed the concern that one of the few advantages they have over association bingo is their ability to hold more progressive bingo games. However, under these recommendations, community bingo would continue to have advantages by being able to hold two progressive bingo games per event, over and above the loonie pot - while limiting association bingo to one progressive game - and by being able to seed their progressive game pots.
- At the same time, the playing field is made more level in the types of games that may be offered in any bingo hall across the province.
- It is believed that a larger mix of bingo games available to bingo players will help to maintain their interest in bingo.
- See also the recommendations related to community bingo and association bingo, under the section entitled "Policy Development, Industry Relations and Communications."

Response to Terms of Reference:

12. d), e) Has the introduction of progressive-type bingo games/schemes been successful? If so, how? Should there be an increase in the progressive-type bingo games/schemes?

**6. *Maximum seating capacity in a bingo association hall should be dictated by local bylaw, fire regulation, and the maximum prize payout allowed per event under bingo policy.***

- Aside from local bylaw or fire regulations, maximum seating capacity should not exceed the numbers required to reasonably accommodate enough players to operate within the maximum prize payout per event allowed under bingo policy. This amount is currently \$15,000.
- A bingo hall would have to have approximate attendance of about 650 players to provide a prize payout of \$15,000, based on average annual spending by bingo players. Seating capacity at larger halls is about 750 to 800 seats, however, rarely are all these seats filled during all bingo events held in association halls. The most popular are evening events. Afternoon and late night bingo generally draw fewer players who also spend fewer dollars on average than those who attend evening bingo.
- In addition to basing their seating capacity on expected attendance and the number of cards purchased or played, halls must observe local bylaws and fire regulations.
- It should be noted that many bingo association halls pay rent based on total square footage of the hall whether or not this space is used for seating or occupied by players. It is then in the best interest of the hall to match its seating capacity to expected attendance in order to minimize expenses and thus maximize the return to charitable organizations.

Response to Terms of Reference:

5. e) Should there be a standard maximum "occupant load" (or maximum seating capacity) per bingo association facility?

**7. The maximum number of events presently allowed per day in association bingo should remain at two with the exception that the AGLC should have the flexibility to license up to three events per day if there is only one association hall in the community (for example, town or city) and the bingo association operating it wishes to accommodate more charitable groups.**

- Under current bingo policy, the number of bingo events per day in association bingo is limited to a maximum of two.
- The AGLC should use its discretion in permitting communities with only one bingo association hall to hold a maximum of three bingo events per day, to accommodate new charities as members of the association.
- This option could limit confrontations with charitable groups unable to access the hall. It may also reduce any pressures for non-members to start their own bingo association in their own facility and, by so doing, dilute the bingo market, introduce more fixed and variable bingo expenses, and harm the overall return to charities in the community (for example, town or city) from bingo.

Response to Terms of Reference:

5. f) Should there be a maximum number of events conducted per day in licensed bingo facilities?

**8. The maximum number of games allowed in association bingo should remain at the current level of 75 per event.**

- There were no concerns expressed with the current policy on this matter.
- An average number of regular games played per event at many halls is 50.

Response to Terms of Reference:

7. c) Should there be a maximum number of games allowed per event in association bingo?

**9. The bingo licensee, operating on a voluntary basis, must continue to be the organization responsible for the bingo event, in keeping with the province's charitable gaming model.**

- While the staff of a bingo association may assist or advise the licensee on how to hold the bingo event, the ultimate responsibility for conducting the event rests with the licensee. This is in keeping with the charitable gaming model, in which charitable gaming may only occur when a charitable organization obtains a licence to hold the event.
- This requirement places an onus upon the charitable organization to understand and follow the rules and requirements of bingo, and to conduct bingo events that provide the best possible return to the organization to carry out its charitable services or programs.

Response to Terms of Reference:

10. b) Should the duties of volunteers and paid staff be re-defined?

**10. Only members of the charitable organization conducting a bingo event should hold key volunteer positions, such as bingo chairperson, paymaster, bonanza controller, or special games controller.**

- Generally, all volunteers who work a bingo must be members of the charitable organization holding the bingo licence. In all cases, only these volunteers should hold key volunteer positions, as already provided in existing bingo policy.
- Some consideration is granted under bingo policy to allow a charitable organization to recruit non-members to volunteer at a bingo event. However, as stated, none of these should hold key volunteer bingo positions.
- As allowed under current bingo policy: "Groups whose members are disabled may accept outside volunteer help for all positions."

Response to Terms of Reference:

10. d) Should there be any restrictions about members versus non-members of charitable groups working the events and holding key positions?

**11. Any bingo volunteer who is not a member of the charitable organization must be made known to the bingo chairperson.**

- Under current policy, a duty of the chairperson is to ensure all volunteer and hired staff sign an attendance form before starting work in the bingo hall.
- It is possible in larger charitable organizations for the bingo chairperson not to know all the members of the organization and thus not know whether bingo volunteers are, or are not, members.
- This recommendation emphasizes the importance of the bingo chairperson knowing which bingo volunteers are members, and which are not. This also helps ensure that only the licensed charitable organization's members, who are responsible to the organization, fill key positions.
- As the bingo chairpersons have ultimate responsibility for the security and integrity of the game and event, this recommendation is intended to assist them in meeting their obligations under their bingo licence.

Response to Terms of Reference:

10. d) Should there be any restrictions about members versus non-members of charitable groups working the events and holding key positions?
1. a) ii) Generally, do AGLC policy, inspection and audit programs currently provide under regulation, adequate regulation, or over regulation of bingo with respect to: prevention of illegal activity (theft, fraud)?

**12. The only paid positions in association bingo should be those explicitly permitted under the existing bingo policy.**

- Bingo policy permits bingo associations to hire various staff to help conduct bingo in the association facility. All other positions must be filled by volunteers, including those of bingo chairperson and bonanza chair.

Response to Terms of Reference:

10. a) In bingo associations what are the positions that should be paid?

**13. *The role of landlords in bingo should continue to remain as stated under the existing bingo policy.***

- Under sections 3.1.9 and 3.1.10 of the current association bingo policy, landlords do not play a role in the actual conduct of bingo events.
- They may, however, be involved in promoting bingo events through joint advertising and providing promotional giveaways to customers, such as free coffee.
- The view in the industry among licensees and associations is that the extent of this role is reasonable and should not be expanded beyond the current limits.

Response to Terms of Reference:

10. e) What should be the role of landlords in the running of bingo operations?

**14. *Bingo facilities generating \$150,000 or less in gross annual revenue should be permitted to schedule one day per week in which minors accompanied by an adult may play regular bingo games for cash prizes. The accompanying adult must buy the regular bingo cards for the minor.***

- Most urban and larger bingo halls have indicated that prohibiting minors from playing bingo has had little or no effect on their attendance or revenue. In some cases, prohibiting minors has avoided issues with younger children distracting adult players in bingo halls.
- However, the greatest concern on the impact of this prohibition, in response to a recommendation of the Lotteries and Gaming Summit '98, has been its effect on rural bingo events. A number of stakeholders, primarily community bingo in rural locations, have indicated that this policy change, which took effect in August 1998, has had a negative impact on their bingo events.
- The AGLC has since established a bingo policy in which minors may play "fun bingo" with a parent or guardian, however, they must play "for free" and may only win smaller, non-cash prizes. They may not play bingo for regular or special game prizes.
- Generally, bingo facilities generating less than \$150,000 in gross annual revenue are smaller, community bingo halls in rural areas. Bingo traditionally has been played in such halls by families, as a form of family social gathering or event. Prizes in such halls have been relatively small, and often include food products, such as ham or turkey, crafts, and small amounts of cash.
- In keeping with this long-standing tradition, minors should be permitted to play regular bingo games in rural community bingo halls if accompanied by a responsible adult who buys the regular bingo cards for the minor. The minor should be permitted to win the regular game cash prizes.
- Minors should be prohibited from playing special games, including bonanzas, early birds, lucky seven, progressive games, or all other bingo games currently prohibited under "fun bingo," such as satellite bingo.
- It is worth noting that in some cases minors are prohibited from entering facilities that allow smoking. The City of Lethbridge has introduced this restriction, which effectively prevents minors from entering the bingo halls in that city.

Response to Terms of Reference:

13. a) What effect has the elimination of minors playing bingo had on bingo association facilities and community bingo facilities?

**15. The use of sealed bingo cards should be required for all special games in which certain numbers are pre-called or pre-determined by other criteria.**

- Sealed bingo cards would prevent players or staff from reviewing such bingo cards before they are purchased by players for bonanza games, odd/even games, or any other special game in which numbers are pre-called, or where “wild numbers” are determined by specific criteria.
- A number of bingo association facilities in the province, particularly in southern Alberta, already use sealed cards which cost nominally more than regular cards.

Response to Terms of Reference:

1. a) iv) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: the integrity of bingo?

**16. All association bingo facilities, and community bingo licensees generating \$150,000 or more per year, should be required to use a video camera in the hall to broadcast and electronically record the selection of balls coming out of the blower.**

- This is aimed at reducing the possibility of the caller tampering with the numbered ball randomly chosen by the blower (for example, by “palming,” or substituting a “preferred” ball for one randomly chosen).
- Realizing this is a bingo expense item, bingo facilities generating \$150,000 or more which currently are not equipped with the video camera and recording system should have until April 1, 2000 to install one.
- There is no evidence that this is an area of concern, however, the recommendation is aimed at ensuring the integrity of gaming.

Response to Terms of Reference:

1. a) iv) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: the integrity of bingo?

**17. Minors under 14 years of age who volunteer at bingo events should be prohibited from handling cash.**

Response to Terms of Reference:

10. b) Should the role of volunteers and paid staff be re-defined?

**18. A policy of zero tolerance for shortages during bingo events should be established and implemented to the extent possible.**

- Under current bingo policy, there is a shortage tolerance of \$10 per event per volunteer. Such a limit, while providing latitude for error, may encourage a volunteer to incur shortages up to this limit - the cumulative amount of shortages over time may be substantial.

- The aim during bingo events should be to minimize, to the extent possible, the incidence of shortages.
- This recommendation, while complementing the recommendations aimed at preventing illegal activity, emphasizes the importance of bingo management (that is, both the bingo chairperson and association executive) to adopt measures that prevent shortages from occurring.
- The problem of shortages may escalate during an event if there are no proper controls in place at the outset (see also the following recommendation).
- It is worth noting the reported incidents of shortages in bingo are greater than the reported incidents of overages.

Response to Terms of Reference:

1. a) iii & iv) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: the prevention of illegal activity (fraud, theft)? the integrity of bingo?
10. b) Should the duties of volunteers and paid staff be re-defined?

**19. Prizes for special bingo games should be based on cards sold or in play rather than on cash received.**

- Currently, bingo halls determine the amount of the prize payout per special game on the amount of cash collected from the sale of special game bingo cards.
- This practice may undermine the integrity of the game if shortages occur. For example, the prize pot should be no more than 60% of card sales. If 100 cards are sold for \$2 each, or a total of \$200, the prize pot should be \$120 based on “cards sold.” However, if there is a shortage of, say, \$10 in card sales, due to no fault of players, then using the “cash received method” the prize pot would be reduced to \$114.
- Players expect that the prize payout is consistently and fairly determined.
- This requirement complements the previous one, and is aimed at having bingo management ensure a proper counting of the number of bingo cards to be sold, realizing that from time to time bundles of cards may contain fewer cards than the amount indicated.
- The problems from shortages may escalate during a bingo event if there are no controls in place at the outset to verify the number of cards issued.

Response to Terms of Reference:

1. a) iv) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: the integrity of bingo?

**20. Only media bingo with a “local” focus should be permitted.**

- Media bingo refers to bingo typically played in one’s home via television, radio or newspaper. Media bingo cards are purchased at local ticket lottery outlets or other venues and played in the community of the licensed charitable organization. The game is thus locally focused. Winners would call an advertised telephone number

to claim the prize. The local charity earns the net proceeds from this bingo game as it would from bingo played in licensed bingo facilities.

- While media bingo with a local focus has been successful and generally raises few concerns, there are issues about media bingo played province-wide in which games would be available province-wide via television broadcast.
- It is unclear how well the market would sustain another, province-wide gaming event such as media bingo.
- Province-wide media bingo would only be available to a small segment of the charitable sector. This creates an issue about the number of charities that would benefit by it. This contrasts with satellite bingo, a form of linked bingo, which benefits many hundreds of charitable organizations.

Response to Terms of Reference:

13. g) What is the impact of media bingo on existing or new bingo initiatives?

**21. The AGLC should establish a policy requiring association bingo halls to have a separate, ventilated non-smoking area for bingo players as soon as possible.**

- A number of bingo association halls have constructed separate, enclosed and well ventilated non-smoking areas to serve customers and volunteers bothered by cigarette smoke.
- These areas are typically enclosed by glass so players may continue to see the activity occurring in the rest of the bingo hall, in which smoking is permitted.
- Such non-smoking areas appeal not only to volunteers who may be bothered by smoke, but also to bingo players who otherwise might be inclined to stop playing bingo. Former bingo players may also return to play bingo as a result.
- Such areas also address general health concerns, and are consistent with the practice in many public facilities in which smoking either is not allowed or is restricted.
- Various lease arrangements exist between bingo associations or community licensees and landlords. In some cases, the leases are short term or about to be re-negotiated. In such circumstances it would be imprudent to invest in the construction of a separate non-smoking room, particularly if the lease is not going to be renewed.
- It would be unreasonable to require smaller, community bingo halls to abide by this recommendation, since the costs would be onerous. However, these halls are strongly encouraged to at least provide a reasonably smoke-free area in their bingo hall for non-smokers.

Response to Terms of Reference:

11a) Should bingo rules be the same, regardless whether they apply to association or community bingo?

General recommendation.



## **E. Use of Proceeds (Prize Payout, Bingo Expenses, Net Proceeds)**

The general thrust of the following recommendations is to ensure the return to charitable organizations from holding bingo events is maximized. This is achieved by providing that the prizes and expenses to conduct bingo, including rent, are reasonable and kept under control.

### **PRIZE PAYOUT**

**1. *Maintain overall prize payout at any bingo hall at the maximum annual average of 65% of gross bingo revenue. Community bingo licensees may apply to the AGLC for an exemption from this requirement.***

- This is a reasonable maximum annual average, based on experience of the industry, which allows charitable organization to realize a fair return. A higher prize payout may reduce the return to charitable organizations.
- It is recognized that, to attract players and compete with larger bingo halls offering larger prizes, some smaller community bingo halls currently provide annual prize payouts totaling more than 65%.
- Smaller community halls may own the hall facility and, unlike the situation in many bingo halls, do not have to pay rent for the facility, allowing them to increase their prize payouts and thus still maintain a reasonable net return consistent with the industry annual average of about 17%.
- However, a group must first be required to obtain written approval from the AGLC before providing a higher prize payout percentage.

Response to Terms of Reference:

7. a) i-iv) Should the maximum prize payout per event increase, decrease, or remain the same for: morning events? Afternoon events? Evening events? Late night events?

**2. *The maximum total prize payout for any “special” bingo game should be maintained at 60% of sales. The regular bingo games should continue to be based on the pre-determined payout schedules and within the overall 65% payout.***

- For consistency and to ensure a level playing field, the prize payout for regular games should continue to be based upon pre-determined prize scales.

Response to Terms of Reference:

7. b) i-iv) Should there be a maximum prize payout per game for: regular games? special games (bonanza, early bird, etc.)? loonie pot schemes (including a mandatory cap on the pot value)? satellite games?

**3. The maximum total prize payout per event should remain at \$15,000 (excluding the satellite game, progressive loonie pot accumulated prize pool, and the additional progressive games recommended in this report) and the annual prize payouts at a bingo hall over a one year period should not exceed 65% of total annual gross revenue.**

- The current maximum payouts - whether for morning, afternoon, evening or late evening bingo events - should remain at current levels. Industry members generally agree these are reasonable maximum amounts.
- Moreover, only a few of the largest bingo halls reach the maximum prize payout per event.

Response to Terms of Reference:

- 7. a) i-iv) Should the maximum prize payout per event increase, decrease, or remain the same for: morning events? afternoon events? evening events? late night events?
- 8. a) What portion of proceeds should be allocated to prizes?

**4. The prize payouts for “loonie pots” and additional progressive games as recommended in this report should be capped at a maximum of \$10,000 (they may be capped at less than this amount). Once this cap is reached, the prize pool must be played off during the next day of bingo. The amount to be awarded during the play off would consist of the cap amount plus the amount accumulated after the cap was reached. Therefore, no reserve loonie pot may be accumulated during the period in which the capped amount is available to be won.**

- Loonie pots are a form of progressive bingo played in a bingo hall. The prize amount builds until it is won.
- As loonie pots grow, the amount of play usually increases. Players may be drawn away from their regular bingo hall to play at another bingo hall with a large loonie pot prize.
- Capping loonie pots helps level the playing field for smaller halls while allowing larger halls, which may reach a \$10,000 cap relatively quickly, to hold more loonie pots, and thus generate more winners.
- The current practice of allowing a reserve pot to accumulate would be disallowed under this recommendation. With the additional progressive game recommended in this report for association bingo, a separate progressive game with an attractive prize balance could be offered at the same time that the first game has reached a cap.
- If the loonie pot amount reaches its cap and is not won on the day it reaches the cap, it should be played off during the next day of bingo (that is, within 24 hours in a hall offering bingo seven days per week). Each association should determine how the play off is to be conducted.

Response to Terms of Reference:

- 7. b) iii) Should there be a maximum prize payout per game for: loonie pot schemes (including a mandatory cap on the pot value)?

**5. *The existing policy effecting the total prize payout for satellite bingo should be continued.***

- The current percentage prize payout for satellite bingo should remain at 50% of gross revenue generated from the game. Most stakeholders are satisfied with this current policy on satellite bingo.

Response to Terms of Reference:

7. b) iv) Should there be a maximum prize payout per game for: satellite games?

## **BINGO EXPENSES**

**6. *Controlled bingo expenses, whether those of an association or community bingo organization, should not exceed 10% of the annual gross bingo revenue.***

- Generally, among bingo stakeholders this maximum limit is viewed as reasonable for holding bingo events, including covering costs for staff, bingo cards, advertising and promotions, related office expenses, etc.
- The AGLC has helped organizations exceeding this limit to operate within it. It has done so by examining their budgets, and then suggesting ways in which to bring the expenses within the allowed limit.
- It should always be kept in mind that higher expenses invariably reduce the charitable organization's share to conduct its community services or programs.

Response to Terms of Reference:

8. b) i) What portion of proceeds should be allocated to ... bingo association administration expenses: controlled expenses?

**7. *A bingo association or community bingo organization should be required to conduct a lease or rental market analysis before entering into any lease or rental agreement for a bingo facility or renewing such an agreement.***

- Currently, AGLC policy for bingo associations suggests that a lease market analysis be conducted by a qualified professional prior to the bingo association entering into a lease or rental agreement for a bingo facility.
- Based on the experience of committee members and through submissions received, such an analysis should be mandatory rather than an option.
- Of concern is the relative inexperience of volunteer organizations or members, including bingo association executives, in arriving at reasonable, short-term or long-term leases with developers or landlords.
- In some cases, as a result of such inexperience or lack of knowledge, lease agreements have benefited the landlord and worked to the clear disadvantage of the charitable groups holding bingo in the premises.
- It is impractical to set any standards for the rental rates, which differ from market to market. But it is entirely appropriate for and incumbent upon organizations to properly assess how a decision made in a rental agreement may affect the returns generated for charitable activity.

Response to Terms of Reference:

8. b) iii) What portion of proceeds should be allocated to ... bingo association administration expenses: rental expense?

**8. The AGLC, through the recommended bingo manager, in consultation with FABA, should establish a range of reasonable pay rates for paid positions within bingo association facilities.**

- The rates of pay for various positions in bingo halls - such as callers, cashiers, satellite controllers, among others - vary widely from bingo hall to bingo hall.
- Factors that may explain variances include size of hall, experience of the worker, difficulty or complexity of the work, and importance of the job to the success of the bingo.
- It is also apparent that various jobs are highly paid, possibly beyond what is reasonable within the bingo industry and when compared to comparable jobs outside of it.
- For example, a bingo caller in one hall may receive up to \$150 to work a four-hour event while others may receive less than half that amount in another hall.
- While it is difficult to dictate pay rates, it is reasonable to establish industry standards that will help keep rates of pay reasonable, so that the return to charitable organizations may be maximized. In turn, the competition among halls for qualified and skilled workers will also be reasonable when industry standards are followed.
- This recommendation also recognizes that association executives may not have available to them a current guide of industry pay ranges to assist them either in assessing the current pay ranges they offer their staff members or in establishing reasonable pay rates.

Response to Terms of Reference:

8. b) iv) What portion of proceeds should be allocated to ... bingo association administration expenses: salaries of paid staff (minimum and maximum limits)?

**9. A licensee of community bingo should have the option of hiring a part-time bingo hall manager to oversee the conduct of its bingo events. Expenses for this position would have to be covered within the 10% maximum of gross bingo revenue allowed for controlled bingo expenses and be in line with the previous recommendation regarding pay rates.**

- Just as an association bingo executive may hire a bingo manager to oversee the conduct of association bingo events in its facility, a community bingo organization should be able to hire a bingo manager to conduct bingo in its facility.
- This would give community bingo the same opportunity as bingo associations to hire staff to help run bingo events. Running bingo, particularly in large community halls - which in some cases generate more revenue than association bingo halls - can be a demanding task more suited to a paid manager than to a volunteer.
- As with bingo associations, the bingo manager for community bingo must *not* be a member of the licensee (charitable organization). The executive and members of the licensee must continue to be involved in conducting bingo, and provide their services voluntarily.

- The individual hired to this paid position must be registered with the AGLC prior to commencing work in the community bingo facility, and must meet all the necessary requirements to become registered and to hold this position, including that of bonding.

Response to Terms of Reference:

10. b) Should the duties of volunteers and paid staff be re-defined?

**10. The AGLC must review its policy regarding bingo association expenditure in the area of conferences, seminars, and training sessions.**

- Current bingo policy allows various members of bingo associations - paid staff, executive officers and members of the board of directors - to use bingo proceeds to attend conferences, seminars, training sessions, etc. Written approval of the AGLC is required to authorize such expenditures of bingo proceeds.
- While such events may be beneficial to associations, the AGLC should exercise its discretion in ensuring controlled use of funds for such purposes. The value of such events to an association must be assessed against their cost.
- Where possible, alternatives should be considered that will keep costs as low as possible while benefiting as many association members as possible. For example, by purchasing videotaped sessions of worthwhile speakers, and making them available to all association members. This option is preferable to sending a number of members from one association to such events, which may be costly in terms of registration, accommodation and other expenses, particularly if travel out of province is involved.
- FABAs can play a role in sharing worthwhile industry information from such events with associations.
- This recommendation, as with others, is aimed at keeping expenses controlled, so that the return to charities may be maximized for their community services or programs.

Response to Terms of Reference:

General Recommendation.

**NET PROCEEDS**

“Net proceeds” is the amount earned by bingo licensees for their charitable services or programs, after prize payouts and expenses are deducted from bingo gross revenue.

**11. All net proceeds from bingo events should be directed to the licensees’ services and programs.**

- All bingo net proceeds should be directed to a charitable or religious purpose, as provided under the Criminal Code.

Response to Terms of Reference:

8. e), f) What portion of proceeds should be directed to the membership and family members of the licensees (that is, use of profits)? What portion of proceeds should be directed to services and programs benefiting the community at large?

**12. Bingo licensees should endeavour to limit their administrative expenses to no more than 10% of net proceeds. In any event, all administrative expenses must be approved by the AGLC.**

- Administrative costs that are necessary to the delivery of a charitable or religious program or service should be approved by the AGLC. Those costs related to the “internal administrative activities” of the group should not be covered by the net proceeds.
- The types of expenses that may be approved include telephone, stationary, postage, bulletins, newsletters, and space rental for regular membership meetings and storage.
- Rental of a facility is not considered an administrative expense.

Response to Terms of Reference:

8. d) What portion of proceeds should be allocated to administration costs of charities (that is, those of bingo licensees)?

**13. The benefits and disadvantages of pooling should be clearly communicated to bingo associations across Alberta, and should include the experience of those bingo associations that have established pooling.**

- Pooling of bingo revenue refers to pooling of net bingo proceeds, as determined by the association, on a monthly basis. The association determines how the proceeds are distributed among the bingo groups that held bingo during the month.
- Pooling does not apply to community bingo, as each community bingo event generally is conducted by one licensee in its own hall.
- Currently, pooling is mandatory for all *new* bingo associations, effective July 1, 1998.
- About 20 of the 62 bingo associations in Alberta pool each month and distribute the revenue they generate from bingo. Generally, their experiences have been positive.
- The main benefits of pooling, as indicated by stakeholders, are as follows:
  - protects charitable groups from incurring losses from holding bingo events by a process of “averaging” earnings or proceeds per event
  - eliminates the notion of an “unfavourable” bingo event (due to an association’s drawing of bingo slots, weather, or other factors)
  - creates greater cooperation among association members (everyone pitches in) toward their goals
  - rewards of holding bingo are shared, just as costs are shared
- Disadvantages of pooling, as indicated by stakeholders:
  - perception that pooling only benefits clubs that lack motivation to work hard, and provide high quality service to bingo players
  - returns are delayed (groups must wait until the month period has ended)
  - costs are incurred to administer the pool and manage the trust
  - unnecessary to pool if current event distribution is fair and equitable
  - process is too complicated

Response to Terms of Reference:

9. a), b) What are the benefits of pooling? What are the perceived negative issues regarding pooling?

**14. Pooling should be made mandatory for all bingo associations by April 1, 2001. Pooling of revenue on a monthly basis, by experience, has proven to provide more benefits than the perceived disadvantages. It addresses industry wide issues.**

- This recommendation will bring all bingo associations in line with the requirement that new bingo associations pool net proceeds, effective July 1, 1998.
- The committee's over-riding consideration in making this recommendation rests on the notable positive experience with pooling by the bingo associations which have adopted it.
- The committee was impressed by the submission of the Wetaskiwin Bingo Association, which noted: "We believe [pooling] is the fairest way to ensure all clubs benefit equally from their volunteer efforts to work bingos." It argues that, if volunteers did not work the lower profit bingo events, the "good ones would not be there." The association also included in its submission a copy of its pooling agreement, which is "simple - straightforward and easily understood."
- While the committee feels bingo associations should be given as much latitude as possible in operating bingo events, pooling addresses a number of thorny issues of access and slotting or scheduling bingo events that otherwise could remain unresolved.
- The perceived concerns raised by those opposing pooling have not been borne out by experience. On the contrary, pooling of revenue has eliminated issues in the bingo associations which have adopted it, as they relate to scheduling of events by member groups, loss of revenue by working at an event with poor attendance (due to weather, time of day, etc.), and equity and fairness among members.
- The view that costs are incurred to administer the pool and manage the trust is unsubstantiated, since the only related cost is typically the bank service charge applied to the account.
- By allowing about 18 months to introduce pooling, associations which currently do not pool will have the opportunity to learn more about the process; ensure any process they adopt is smooth or trouble-free; and, allow adequate time for member groups to prepare their future annual budgets under a pooling scheme.

Response to Terms of Reference:

9. Pooling of Bingo Revenue

**15. Each bingo association should determine the formula for distributing pooled revenue in a fair and equitable manner, and within some general standards.**

- Each bingo association should determine in a fair and equitable manner whether all bingo events held in a month be part of one pool, or separate pools established for each type of event (that is, morning, afternoon, evening or late night).
- Each bingo association should determine how revenue should be distributed fairly and equitably based on the bingo event (for example, if all events were pooled together, whether or not to distribute a "full share" for working afternoon and evening

bingo, and “half share” for morning and late night bingo, since the two former bingo events require heavier time and volunteer commitments).

- To be consistent with the recommendation made for a standardized accounting system for bingo proceeds, the AGLC, with FABA, should determine the most suitable method of calculating “net proceeds” to be pooled for each event.

Response to Terms of Reference:

9. c), d) Should all events be part of one pool or should separate pools be established for each type of event (i.e., morning, afternoon, evening or late night)? Should revenue vary depending on the type of bingo event?

**16. The use of credits should be allowed, but only to offset the cost of registration or competition fees in an acceptable charitable activity, such as amateur athletics.**

- The use of “credits” in bingo has been widespread in the province for a number of years. If at any time credits had been considered to be prohibited, or contrary to bingo policy, the lack of enforcement has resulted in their becoming widespread and in effect legitimizing them through a now common practice.
- Credits take different forms but essentially allow a parent or guardian, by working at bingo, to offset a portion of their child’s registration or competition fees in activities such as amateur athletics or dance. The amount offset by working bingo is often in direct proportion to the number of bingo events worked.
- Such credits should be permitted only to offset reasonable and legitimate costs of participation in an acceptable amateur or non-professional activity determined to be charitable in nature. That is, they should not be used to accumulate compensation or “earnings” to the volunteer beyond such costs.
- Moreover, credits must be viewed as belonging to the organization, not to its individual members. They are the property of the organization, are not transferable, and possess no cash value.
- Current policy prohibits paying cash to volunteers for working at bingo events. This prohibition must continue to be enforced.
- The practice of requiring volunteers to work at bingo as a condition of membership should be strongly discouraged.

Response to Terms of Reference:

10. c) Should volunteers be entitled to reimbursement for working at bingo? If so, under what circumstances, in what amount, and in what form?



## **F. Reporting Requirements**

### **1. *The AGLC should introduce and enforce a standardized, bingo-event financial and inventory control system for bingo events conducted by all bingo associations and by community bingo licensees generating \$150,000 or more in annual gross revenue from bingo.***

- Bingo associations currently may use their own accounting systems for bingo events. As a result there are many different procedures and systems being used by bingo associations, which makes enforcement difficult.
- Forensic auditors or inspectors spend time learning new accounting systems and procedures in each audit or review they conduct. This is an unnecessary expense, and a poor use of AGLC staff time.
- This recommendation favours standardizing bingo event financial and inventory control forms (unrelated to the reporting through RIBS).
- It is reasonable to require all community bingo licensees generating more than \$150,000 in annual gross revenue to adopt the common standardized system.

Response to Terms of Reference:

- 1. a) iii & iv) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: the prevention of illegal activity (fraud, theft)? the integrity of bingo?
- 13. d) Should AGLC licensing and reporting requirements be made simpler? If so, how?

### **2. *The AGLC should introduce and enforce a standard, provincial bingo accounting system for the use of net proceeds by licensees and in the annual bingo financial reports of licensees.***

- Bingo licensees (charitable organizations) currently may use their own accounting systems for bingo revenue. As with reporting of bingo events at bingo associations, this practice leads to many different procedures and systems which makes enforcement difficult (see previous recommendation).
- A common accounting system at the “licensee level” would also make the work easier and simpler for those volunteers who are called upon to prepare the bingo financial reports of two or more licensees.

Response to Terms of Reference:

- 1.a) iii & iv) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: the prevention of illegal activity (fraud, theft)? the integrity of bingo?
- 13. d) Should AGLC licensing and reporting requirements be made simpler? If so, how?

### **3. *The AGLC should continue to simplify bingo-reporting requirements.***

- The AGLC is currently planning to eliminate the need for charitable organizations to make copies of cheques written to cover association bingo expenses (those related to use of proceeds for charitable or religious purposes must continue to be reported). Such changes are positive and help reduce volunteer time and effort.

- Invoices must also continue to be reported.
- For the sake of reducing cost and effort, the AGLC should continue to simplify reporting requirements where possible, as long as proper financial controls and accountability are not jeopardized as a result.

Response to Terms of Reference:

13. d) Should AGLC licensing and reporting requirements be made simpler? If so , how?

## **G. Enforcement and Prevention Measures**

**1. *Establish a variety of new procedures in bingo, to help prevent illegal activity such as theft, fraud, etc. from occurring and to ensure the integrity of bingo games.***

- It is estimated that about \$750,000 in bingo revenue is “diverted” each year due to bingo event shortages, theft, fraud, or other illegal activity. These are dollars that otherwise would help fund the services and programs of charitable organizations.
- Even though this total represents a fraction of total proceeds earned by charities, it is a substantial amount considering the purposes for which these funds are raised.
- Checks and balances should be put in place which do not onerously burden voluntary charitable groups, but which prevent or reduce incidents of activities which conflict with their objectives in fundraising (various recommendations are made in this report for this purpose).
- Proper checks and balances will be of assistance to voluntary organizations whose membership generally changes regularly, particularly at the executive level. Such changes may prevent new members from appreciating the general background of bingo in their organization, as well as related issues and concerns.

Response to Terms of Reference:

1. a) iii & iv) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: the prevention of illegal activity (fraud, theft)? the integrity of bingo?

**2. *The following practices should be adopted in the signing of bingo account cheques: only executive members of licensed organizations should be signers or co-signers of bingo account cheques; only executive members of bingo associations should sign bingo association operating account cheques; the practice among charitable organizations of pre-signing cheques should be strongly discouraged; and, family members should not be co-signers of gaming account cheques.***

- Charitable organizations typically have two or more co-signers for their gaming account cheques, used to cover expenses at bingo. The experience has been that, at times, one co-signer may pre-sign cheques. This allows the other co-signer, in effect, to authorize payments.
- This process weakens the purpose of imposing cheque-signing financial controls.
- Similar practices occur in bingo associations involving executive members.
- To remove the perception or possibility of conflict or abuse, having family members as co-signers of gaming account cheques should be strongly discouraged.
- Paid staff members should not sign operating account cheques. However, the bingo association representative, or bingo hall manager, should be allowed to continue signing “clearing account” cheques, in which funds never accumulate.

Response to Terms of Reference:

1. a) iii & iv) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: the prevention of illegal activity (fraud, theft)?

**3. *Members of the same family should not hold paid positions that involve the handling of cash or bingo revenues in a bingo association.***

- In keeping with the previous recommendation - strongly discouraging family members belonging to the same bingo licensee from co-signing bingo account cheques - this recommendation is aimed at removing the perception or possibility of conflict of interest or abuse.

Response to Terms of Reference:

1. a) iii & iv) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: the prevention of illegal activity (fraud, theft)?

**4. *An appointed provincial bingo manager, as recommended, should oversee and/or conduct a training program for all volunteers of charitable organizations which hold bingo, and make the program available to them upon request.***

- Training of volunteers at all levels would help ensure a higher level of service to players in bingo halls, and also increase the level of accountability in the organization for the revenues that are earned through bingo.
- Training would cover bingo policies, as well as the conducting of an efficient bingo event.
- The course should be extended to all bingo industry stakeholders, including FABA members, executive members of charitable organizations, and rank and file members who participate in bingo events.

Response to Terms of Reference:

1. a) iii & iv) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: the prevention of illegal activity (fraud, theft)? the integrity of bingo?

**5. *A system of "spot" audits by the AGLC should continue, and occur more frequently.***

- Random audits help detect incidents of abuse, help charitable organizations better understand what they should watch out for, and serve as a deterrent to the relatively few members of charitable organizations who may contemplate abusing their position or role.

Response to Terms of Reference:

1. a) ii), iii), iv) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: programs, games and prizes? prevention of illegal activity (theft, fraud)? the integrity of bingo?

**6. *Volunteers or bingo staff engaging in theft or other illegal activity associated with bingo should be prosecuted.***

- It is not enough to simply dismiss a staff or volunteer caught engaging in illegal activity in bingo.
- The bingo industry may circulate information about convicted parties who have abused their roles, and thus help prevent the possibility of those same individuals working in other bingo organizations or facilities.

Response to Terms of Reference:

1. a) iii) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: prevention of illegal activity (theft, fraud)?

**7. *A three-member board should direct and administer a bingo crime prevention program, to be funded by the AGLC.***

- The AGLC in consultation with FABA and a representative of community bingo should establish a crime prevention program.
- It is suggested the board comprise the recommended provincial bingo manager, one member representing FABA, and one member representing community bingo groups. This board would establish and be responsible for carrying out the mandate, objectives and goals of the program, subject to change over time based on agreement among the members.
- Board members should possess a sound knowledge of the bingo industry, preferably with experience either in the voluntary sector or in operating a bingo hall. Such qualities would help the board build a strong relationship with, and among, members of the bingo industry.

Response to Terms of Reference:

1. a) iii), iv) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: prevention of illegal activity (theft, fraud)? the integrity of bingo?

**8. *Bingo chairpersons, treasurers, and persons in charge of “loonie pots” should all be bonded for \$10,000.***

- The amount of cash handled through bingo events is substantial, particularly over a number of events. There is a certain amount of trust and responsibility placed in key volunteer members of the charitable organization who run bingo as a method of fundraising. They should therefore be bonded, to reflect the nature of their position and responsibilities.
- Currently, all hired staff of association bingo excluding the caller(s) need to be bonded for a minimum of \$10,000. A separate recommendation is made to increase this minimum for hired staff to \$25,000.

Response to Terms of Reference:

1. a) iii & iv) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: the prevention of illegal activity (fraud, theft)?
- 10.b) Should the duties of volunteers and paid staff be re-defined?

**9. *The bonding of hired bingo staff in association facilities should be increased to \$25,000 from \$10,000.***

- This recommendation complements the recommendation that key bingo volunteers of licensed organizations be bonded.
- Currently, bingo staff excluding callers must be bonded for a minimum of \$10,000.
- This amount should be increased to a minimum of \$25,000 to reflect the nature of their work and the amount of cash they handle.

Response to Terms of Reference:

1. a) v) Generally, do AGLC policy, inspection and audit programs currently provided under regulation, adequate regulation, or over regulation of bingo with respect to: registered/paid staff?

## **H. Policy Development & Industry Relations, Communications**

**1. All bingo policies should be contained in one document, the “red book,” and generally apply to both association and community bingo, except where distinctions should be made.**

- The Bingo Terms and Conditions & Operating Guidelines (“red book”) applies to bingo associations. Another briefer set of policies (“blue sheets”) applies to community bingo.
- As the need arises, the AGLC may refer to the more comprehensive “red book” as a guide to address community bingo policies that may not be explicitly addressed in its policies, or the “blue sheets.”
- Consolidating all bingo policy in one policy book (“red book”) would help clarify the distinctions and stipulate the common policies, and, as a result, reduce the confusion in the industry on this matter.
- Key distinguishing features of community bingo should be preserved, and reflected in bingo policy.
- In keeping with this recommendation, the AGLC should provide a copy of the “red book” to all bingo licensees.

Response to Terms of Reference:

11. a),b),c) ii) Should bingo rules be the same, regardless whether they apply to association or community bingo? Should bingo rules for association bingo be different, based on location, size of hall? Should bingo rules for community bingo be different, based on: gross revenue obtained per event and per year?

**2. The primary role of the Federation of Alberta Bingo Associations (FABA) should be to provide bingo education and resource information to its members.**

- Fifty-seven bingo associations across the province, comprising about 1,995 charitable organizations, belong to FABA. The executive members of FABA are volunteers chosen from among existing bingo associations in the province.
- FABA could provide a valuable service to industry members by focusing on educating member associations and their respective charitable groups about bingo.
- Specific areas of focus would include bingo policy, running a successful bingo, anticipated changes to policy and its impact on bingo, issues and areas of concern, trends in the bingo industry, and reports on discussions with AGLC on bingo regulation and policy.

Response to Terms of Reference:

13. e) Given the changes occurring to the bingo industry, should the role of ... FABA be re-defined and examined as to its full effectiveness within the industry?

**3. FABA’s secondary role should be as an advisory body to the AGLC on matters of legislation, regulation and policy related to bingo.**

- FABA is in an ideal position to serve in an advisory capacity, presenting the views or areas of concern and issues of its members to the AGLC, whether those views represent the majority or minority of their members.
- This practical role would better serve its members than would a “single voice” representing member interests on key issues and in which reaching consensus or majority agreement is difficult.
- During the bingo review, AGLC and FABA have entered into a consultation protocol. Both have agreed to full and open consultations on bingo issues, concerns, and future directions.

Response to Terms of Reference:

13. e) Given the changes occurring to the bingo industry, should the role of ... FABA be re-defined and examined as to its full effectiveness within the industry?

**4. To improve the overall effectiveness of FABA to the bingo industry as a whole, all bingo associations should be required to belong to FABA. In addition, FABA should further accept as members those community bingo groups interested in joining its organization.**

- From the view of policymaking, and representing the interests of bingo as a whole, the bingo industry is fragmented. The diverse interests, regional differences, and competitiveness among bingo halls within and among different communities has made it enormously difficult for FABA to serve as a single voice for bingo in Alberta.
- It is apparent that there is a void in the bingo industry that could be filled by an organization representing the interests of the bingo industry as whole. Such an organization would assist bingo associations and community bingo across Alberta in providing input into developing bingo policy, and setting general directions for the future.
- Without such an organization, the bingo industry will continue to lack the opportunity of working toward setting a course for the future in its best interest.

Response to Terms of Reference:

13. e) Given the changes occurring to the bingo industry, should the role of ... FABA be re-defined and examined as to its full effectiveness within the industry?

**5. FABA should determine an adequate budget to fulfill its recommended role and re-assess its fees accordingly.**

- By agreement with AGLC, FABA assesses a fee of \$2 per bingo event held by members to cover its operating and administration costs.
- This fee generates about \$60,000 for FABA each year. This provides a relatively small operating and administrative budget considering that its members generate gross annual bingo revenue of about \$300 million and net approximately \$51 million in proceeds.
- The new roles for FABA recommended in this report may well justify additional funding through an increase in its fee or otherwise.

Response to Terms of Reference:



13. e) Given the changes occurring to the bingo industry, should the role of ... FABA be re-defined and examined as to its full effectiveness within the industry?

**6. FABA should develop a job description(s) for the position of bingo association representative/bingo hall manager. Bingo associations should be required to evaluate annually the performance of their association representatives against performance criteria.**

- The bingo association representative/bingo hall manager, plays an important role in association bingo, and assumes a high degree of trust. Thus, it is appropriate that the performance of bingo hall manager be evaluated annually. Performance evaluations are a common practice in many private and public sector organizations.
- This recommendation also takes into account that association representatives typically hold their positions for a period longer than the term of association executive members. Without an annual performance evaluation, new executive members have little objective performance information about the hall manager and whether the operational objectives of the association are being met.
- FABA should play a role in developing the expectations for the position, as well as objective performance evaluation criteria that may be adopted by individual bingo associations.

Response to Terms of Reference:

13. e) Given the changes occurring to the bingo industry, should the role of ... FABA be re-defined and examined as to its full effectiveness within the industry?

General Recommendation

**7. The main distinctions of community bingo from association bingo should be as follows:**

- **community bingo may hold up to two progressive bingo games per bingo event, in addition to the loonie pot provisions;**
  - **it may continue to seed its progressive bingo games, but must do so within the maximum prize payout limit of 65% of annual gross revenue;**
  - **with the prior approval of the AGLC, community bingo may exceed the 65% prize payout amount;**
  - **community bingo may continue to hold the successful marathon bingo events, typically once per year, and to exceed the prize payout limit for these events with the prior approval of the AGLC; and**
  - **community bingo may operate up to three days per week.**
- This recommendation provides a more level playing field for all bingo, while continuing to give community bingo advantages in the bingo games offered and in the opportunity to offer larger prize payouts.
  - Community bingo will be subject to the same requirements of association bingo in the maximum number of bingo games it may hold per event (75), the number of events per day (two), and maximum prize payout per event (\$15,000). The current bingo policy does not place limits for community bingo in the first two areas.
  - Even under the limits outlined, community bingo may continue to operate as it has in the past, without reducing either the number of games played per event, events per

day, or maximum prize payout (for example, the licensee may request an exemption to exceed the 65% annual gross revenue limit).

- Most other distinctions are administrative in nature, and may not apply to both community and association bingo (for example, “pooling” revenue does not apply to community bingo).

Response to Terms of Reference:

11. a) Should bingo rules be the same, regardless whether they apply to association or community bingo?

**8. *The main distinguishing feature for any bingo hall should be whether or not it generates more than \$150,000 in annual gross bingo revenue.***

- The greatest distinctions between community and association bingo are factors of size and market.
- One key distinction in the licensing process is whether or not the group generates, or expects to generate, more than \$150,000 in annual gross revenue. No bingo association generates less than \$750,000 in gross revenue per year, while the vast majority of community bingo licensees generate less than \$150,000 in gross bingo revenue per year.
- Halls grossing more than \$150,000 must be incorporated and pay a licence fee per bingo event.

Response to Terms of Reference:

11. a),b),c) ii) Should bingo rules be the same, regardless whether they apply to association or community bingo? Should bingo rules for association bingo be different, based on location, size of hall? Should bingo rules for community bingo be different, based on: gross revenue obtained per event and per year?

**9. *The “red book” must be reviewed by a committee comprising the AGLC and the bingo industry to ensure that it reflects adopted bingo review committee recommendations, eliminates ambiguities and inconsistencies that may exist, and simplifies interpretation of the bingo policies and guidelines.***

Response to Terms of Reference:

General Recommendation



# Concluding Comments

This is the first comprehensive review of bingo in the province after more than 20 years, during which time bingo has grown into a sizable gaming industry and its regulation has become much more complex.

The objective of the bingo review is "...to determine whether the bingo industry is fulfilling the intent of the legislation, policies and objectives of charitable gaming."

In response, and following its review, the Bingo Review Committee believes the bingo industry, for the most part, is fulfilling this general intent. However, the regulatory foundation for bingo is developing problems due to the demands and expectations placed upon it.

## Thrust of Recommendations

The committee is recommending that the basic structure of bingo remains but with needed improvements and refinements. Among these, the recommendations call for more cooperation and better communication among the stakeholders and the AGLC. They offer new criteria to the granting of bingo licences by the AGLC that would help bring about more consistency in that process. Approaches are recommended to improve access to bingo by charitable organizations. A number of recommendations reflect committee concerns about the integrity of gaming, the importance of proper checks and balances and enforcement of policy requirements; where the rules should be tightened, recommendations have been made.

The committee recognizes that the elimination of "credits" would negatively effect the charitable programs of many organizations which have benefited from them. Therefore, it recommends that credits be permitted.

Recommendations have been made to help licensees maximize their return from bingo, for example, by limiting and controlling expenses to the extent reasonable and possible.

The recommendations attempt to bring a more level playing field to association and community bingo. They attempt to give more latitude to bingo halls in choosing the types of games they may wish to offer their customers. The bingo halls should also have the option of offering forms of bingo using new technology with the required authorization of the AGLC and if the returns in doing so outweigh the costs.

## Addressing Short Term Issues

The committee's recommendations, if implemented, will help the bingo industry remain viable, at least in the short term in a constantly evolving gaming market. It is also important that the recommendations be enforced consistently and equitably by the AGLC. Thus, a strong message may be sent to all licensees that they not only have an obligation to understand the requirements, but also an obligation to carry them out. That

however cannot be achieved by the AGLC alone, but requires the cooperation of the bingo industry as a whole.

Certain long-term issues, with larger implications, must be examined separately. An example is the privatization of the bingo industry - to reduce or eliminate the need of volunteers - suggested by one presenter. Would such privatization generate higher returns to charitable groups, while reducing the volunteer burden? As stated in the introduction, questions such as this are for another day, to be addressed by the appropriate authority.

One matter discussed informally among committee members related to the social issue or cost of bingo as a form of gaming. As this matter is outside the committee's terms of reference, it is not explicitly dealt with in the recommendations. The committee also understands problem gambling is being addressed by government through various approaches, including better research through the establishment of a gambling research institute, education, and ongoing programs to help those experiencing problems with gambling. In addition, an association of gaming stakeholders, the Alberta Gaming Industry Association, was established within the past 10 months to address the issue of problem gambling within the industry as a whole.

On a final note, the committee is particularly gratified by the comments of one person during a verbal presentation to a committee panel. The presenter said the bingo review process itself has been invaluable by raising issues of concern within the industry. It has caused many bingo stakeholders to rethink earlier, perhaps entrenched, positions, and to consider ways of working more cooperatively with each other and for the good of the industry as a whole.

The committee trusts that these recommendations will be viewed by the bingo industry in the same light.

# Acknowledgments

The Bingo Review Committee extends thanks to the following for their participation or assistance during the review:

- *Bingo Industry Stakeholders*: Special thanks go to the many bingo volunteers who took time from their busy schedules to participate in this review.
- *Alberta Gaming and Liquor Commission*: For providing assistance to the committee as it was requested. A special debt of gratitude goes to Penny Kleinmeyer, Bingo Gaming Analyst, AGLC, for her patience and diligence in helping the committee to better understand the policies and regulations of bingo in the province.
- *Cathy Scott*, secretary to the chair who, in her calm and efficient manner, was of tremendous assistance to the committee members in conducting the review.



# Glossary

This glossary defines various terms used in the report. *Italicized* words within a definition are also entries in this glossary.

- **Association Bingo** Distinguished from *community bingo*. Bingo that is played in a licensed bingo facility up to seven days per week. This form of *bingo* is conducted and managed by member charitable organizations which belong to a *bingo association*, or non-members which have been permitted by the association to hold bingo events in its facility.
- **Bingo** In Alberta, a regulated form of *charitable gaming*. It is played in one of two types of bingo halls: *association* or *community (non-association)*. The format for bingo and rules for conducting bingo are contained in bingo policies administered by the AGLC.
- **Bingo Association** An incorporated, not-for-profit entity which represents its members. The bingo association is the “facility licensee” and coordinates bingo and pull ticket sales (if applicable) on behalf of its member groups, all of which are licensed charitable organizations, or non-members permitted to hold bingo events in its facility. As stated in bingo policy, “The association, through its elected volunteer executive officers and board of directors, is responsible for the overall control and management of the association affairs. This responsibility may not be delegated to paid staff or any other entity.” Among other activities, the association negotiates lease hall agreements, provides bingo supplies, schedules and allocates bingo events, establishes a common bingo program, hires and monitors staff performance, provides annual audited financial statements to its members, and develops and maintains an approved financial/inventory control system, etc. An association is required when a number of unrelated charities conduct bingo four or more days per week in a facility requiring a bingo facility licence.
- **Bingo Terms & Conditions and Operating Guidelines** Often referred to as the “red book,” this is the name of the policy handbook which pertains to association bingo. It is inclusive of all activities that are permitted in association bingo.
- **Blower** A device that facilitates the random picking of bingo balls in the game of bingo. A rush of air blows the ball into a chute, from which the letter/number combination is called by the bingo caller.
- **Bonanza** A *special bingo game* (usually, a full card pattern) with separate card sales, which typically has a pre-call of a certain amount of numbers, most often 48. After the pre-call, patrons may continue to purchase bonanza cards up until a determined cut-off point, after which the game is finished.
- **Broadbent Report** Refers to the report entitled *Building on Strength: Improving Governance and Accountability in Canada’s Voluntary Sector (Final Report)*, issued in February 1999. It was produced by the Voluntary Sector Roundtable Panel on Accountability and Governance in the Voluntary Sector, formed in 1997 and chaired by Ed Broadbent. The roundtable panel consisted of an unincorporated group of national voluntary organizations that undertook to review issues around governance and accountability of the voluntary sector, estimated to comprise 175,000 organizations across Canada. Recommendations are offered to promote governance and accountability in the voluntary sector, and encourage government to arrive at democratic ways of assessing charitable status for tax purposes.



- **Charitable Gaming** A form of legalized gaming (gambling) in Alberta. Includes *bingo*, casino table games, raffles and *pull tickets*. These games may only be conducted and managed by charitable or religious organizations under a license issued by the provincial gaming authority (AGLC). Net proceeds (after prizes and expenses) from this activity are earned by the charitable or religious organizations holding the event, and must be used for an acceptable *charitable or religious purpose*. None of the proceeds, apart from licence fees, go to the gaming authority or government.
- **Charitable or Religious Organization** See *charity*.
- **Charitable or Religious Purpose** In gaming, a purpose determined by the provincial authority to be charitable or religious in nature, as required under section 207 (1)(b) of the Criminal Code. The Criminal Code contains no guidelines as to what charitable or religious purposes are. Centuries-old common law has provided guidance in this area, which in Alberta the AGLC applies in establishing policies as to eligibility for gaming licences.
- **Charity** For purposes of gaming, a general term used to mean an organization determined by the gaming authority (AGLC) to meet licensing eligibility requirements, both in the organization's structure (as a non-profit organization ) and in serving a *charitable or religious object or purpose*. As defined here, a charity does not necessarily include an organization which possesses charitable tax status under the Income Tax Act or which is incorporated as a non-profit society. For example, non-profit day care societies, which may obtain such charitable tax status, are ineligible for gaming licences. Also called *charitable organization* or *licensee*.
- **Community Bingo** Distinguished from *association bingo*. Conducted by a charitable organization up to three days a week in an acceptable community venue, for example, church hall, community league hall, Legion hall, etc. Unlike association bingo, the event is generally held by one licensed charity operating from its own hall or rented facility.
- **Credits** A value placed by a charitable organization on the contribution of a member to volunteer at a bingo event(s). It may be used, for example, to offset the cost of registration fee or competition fee in an acceptable charitable activity, such as amateur youth athletics or dance.
- **Criminal Code of Canada** The federal legislation which, under Section 207(1)(b), authorizes a province to licence a *charitable or religious organization* to operate and manage a lottery scheme (such as *bingo*), but only if the proceeds are used for a *charitable or religious purpose*.
- **Expenses** The costs incurred by the charitable organization to hold a bingo event. In association halls, this includes paid staff, rent, supplies, advertising, services such as satellite bingo, meal costs incurred by volunteers to work at the bingo event, etc. In community halls, expenses typically include staff pay, supplies such as bingo cards or paper, rent (if the hall is not owned by the bingo licensee), satellite bingo for those subscribing to it, among other costs .
- **Event (Morning, Afternoon, Evening, Late Night)** Refers to all the bingo *games* played during a given period of time, usually about four hours. No more than 75 games are permitted per bingo association event. The average number of regular games played in bingo halls across Alberta is about 50. Events are permitted at any time of day or night. However, bingo is typically held in the morning, afternoon, evening and late night. Those

who play bingo normally do so for an entire event. Association bingo is restricted to a maximum of two events per day. There are no restrictions on the number of events held per day in community bingo, although none hold more than two.

- **FABA (Federation of Alberta Bingo Associations)** A registered non-profit society made up of member bingo associations in Alberta, whose purpose is to act as a liaison between its member associations and the AGLC.
- **Family Bingo** Bingo that, prior to August 1998, was offered in bingo halls which permitted minors to play with adult members of their family. Occurred mainly in rural community bingo halls and some association halls. Minors could buy bingo cards and be eligible for all prizes. In August 1998 minors were prohibited from playing bingo, the result of a Lotteries and Gaming Summit '98 recommendation that gambling be restricted to persons 18 years of age or older. This policy eliminated family bingo. See also *fun bingo*.
- **Fun Bingo** The bingo played on free bingo cards provided to minors accompanied by an adult to a bingo event. Minors may be awarded a small merchandise prize, or ham or turkey during a "ham and turkey" bingo event (for example, prior to Thanksgiving, Christmas or Easter). The minor may not win cash prizes.
- **Game** Refers to a game of bingo: "a letter/number combination for which a prize is awarded." Different types of games are typically distinguished from one another by the relative size of the prize and separate card sales. For example, the prizes of regular bingo games are generally smaller than those of *special games* (games with separate card sales), *satellite bingo*, and *loonie pot* or *additional progressive* games currently permitted only in community bingo.
- **Gaming and Liquor Act** The provincial statute which governs all forms of legal gaming in the province.
- **Internet Bingo** Bingo that is played on a computer accessing the Internet. Internet bingo is not licensed in Alberta. Given the global nature of the Internet and ease of access, and ability of a bingo game provider to be located virtually anywhere in the world, the issue of regulating Internet bingo poses serious enforcement challenges.
- **Keno** Refers to an electronic game which, in format, is similar to bingo. Players choose a few numbers from 1 to 90 appearing in columns, indicate these on an appropriate card, which is inserted into a computer reader, and the game computer generates a ticket indicating the numbers chosen. The prize amount depends upon the number of numbers chosen by the player, and how many of these selections match those randomly chosen by the computer.
- **Landlord** The person who owns a facility and leases it directly to a bingo association or community bingo licensee. The landlord may also be a person who leases a facility and sublets it to the bingo association or bingo licensee.
- **Licence** The official document issued by the AGLC which authorizes a charitable organization to conduct bingo at a specified hall at a particular bingo event(s) in the province.
- **Licensee** The *charitable organization* which holds a bingo licence granted by the AGLC.

- **Linked Bingo** Bingo played simultaneously in bingo facilities via a communications system. *Satellite bingo* is an approved form of linked bingo played in bingo halls that subscribe to this service.
- **Loonie Pot (Scheme)** A progressive prize scheme played with regular bingo games in a bingo program. Technically, it is not a bingo game as it is not a separate game, but a prize pool offered with a regular bingo game. The ability to win is tied to the winning of a regular bingo game on a specific number.
- **Media Bingo** Bingo offered through television, radio or newspaper and typically played in one's home. Cards are purchased through authorized sellers, for example, ticket lottery outlets. The charitable organization(s) hosting the event must be licensed through the AGLC.
- **Minors** People under 18 years of age. Minors are prohibited from playing bingo except for "fun bingo" at halls that offer it.
- **Multi-licence Holders** A charitable organization which holds more than one bingo licence at a time.
- **Non-association Bingo** See *community bingo*.
- **Net Proceeds** The portion of gross revenue, after prize payouts and expenses, that is earned by licensed bingo organizations for *charitable or religious purposes*. Sometimes referred to as "profit" or "net revenue" earned by charities.
- **Odd/Even Games** A *special bingo game* with separate card sales, generally played to a full card pattern, in which players pre-daub either the odd or even numbers of the bingo cards prior to the game being played.
- **Pemsel Test** Refers to a legal (common law) test to determine what constitutes "charitable or religious object or purpose." Categories of charity were set out by Lord Mcnaghten in the English legal case *Commissioners for Special Purposes of the Income Tax v Pemsel*, [189] A.C. 531 (H.L.).
- **Pooling** Refers to the collection of all net bingo proceeds on a monthly basis for events held in an association bingo facility. The association determines how the proceeds are distributed among the bingo groups that conducted bingo events during the month. Pooling is mandatory for all new bingo associations, effective July 1, 1998.
- **Prize Payout** The amount generated through bingo card sales that is returned to players in the way of prizes. Overall annual prize payout for bingo halls shall not exceed 65% of gross revenue earned in the year. The maximum prize payout per event is \$15,000, excluding satellite bingo and loonie pot accumulated amount.
- **Progressive Bingo** Bingo games in which the prizes continue to grow until the game is won by a player. There are select criteria to win the prize. If the prize is not won using that criteria, the prize revenue is accumulated and available at the next and subsequent events, until the game is won according to the rules of the game.
- **Pull Tickets** A type of instant-win ticket, sold separately from bingo cards in the hall. It is also one of the four forms of *charitable gaming*. Most prizes are less than \$10. The

maximum prize allowed per ticket is \$1,000. A charitable organization that wishes to sell pull tickets in a bingo hall must obtain a pull ticket licence from the AGLC before beginning sales.

- **Regular Bingo Game** The games in the bingo program which patrons must play before they are eligible to play any of the other games in the bingo program. On entry, patrons purchase at the till a regular game booklet containing a specific number of pages. In most cases, more than one game is played on each page of the booklet. A pre-determined regular game payout scale is in place for the regular games; the payout scale is common among bingo association facilities within specific regions or communities of the province.
- **“Red Book”** Informal name for the policy handbook that pertains to association bingo. Its proper title is *Bingo Terms & Conditions and Operating Guidelines*. It is distributed by the AGLC in a red binder.
- **RIBS (Remote Information Bingo System)** An electronic reporting system, which enables bingo associations to submit required financial data electronically to the AGLC.
- **Satellite Bingo** A linked bingo game played simultaneously in participating bingo halls across Alberta. Fifty percent of card sales is allocated to prizes. The game, provided by a registered private supplier, is fed to bingo halls via satellite. As the game is played province-wide, the prizes are generally much larger than those of individual halls. Both association and community bingo halls may participate in the game.
- **Seeding “a pot”** A practice in progressive bingo games in which the amount of the prize begins with a certain amount, for example \$1000, rather than at zero dollars or as a percentage of game card sales. Community bingo may seed their loonie pots or other progressive games.
- **Special Bingo Game** The bingo games in the bingo program which players have the option to play. Players pay extra to play such games, for example, bonanza, odd/even, lucky 7, mini bonanza, and early bird. These games have a fixed percentage prize payout, and requirements stipulate the prize payout may not exceed 60% of gross revenue paid to play the games.
- **Supplier** Any private sector supplier of bingo services, facilities or materials. All bingo suppliers must be registered with the AGLC.
- **Terms & Conditions and Operating Guidelines** Also referred to as the “red book” (its contents are in a red binder), this is the set of detailed policy requirements and operating guidelines applying to association bingo.
- **Verification Unit** Electronic device which helps verify declared bingo. The verifier compares the numbers appearing on the bingo card face to the numbers that have been called by the caller, to determine whether the player has the correct pattern for the game being played.
- **Voluntary Sector** A term used in the *Broadbent report*, looking into the status and requirements of groups that, on a non-profit basis, provide voluntary services to the community. Includes registered charities, recreational associations, service clubs, local community associations, advocacy groups, and community development organizations, among others. As the Broadbent report stated, such organizations “...are often the lifeblood of the community, and are part of the voluntary sector, but may be largely unknown beyond the borders of a particular neighbourhood.”

- **Volunteer** A member of a charitable or religious organization who works at a bingo event to raise funds for his or her organization. A licensed organization may under certain circumstances recruit non-members to work at its bingo events, however, only member volunteers may hold key positions, such as bingo chairperson, bonanza controller, satellite bingo controllers, etc.

# Sources

## **Alberta Alcohol and Drug Abuse Commission (AADAC)**

- *Adult Gambling and Problem Gambling in Alberta, 1998*, prepared by Wynne Resources Ltd. for AADAC, Edmonton, June 1998.

## **Alberta Attorney General**

- *Lotteries in Alberta* (brochure), Edmonton, 1975.

## **Alberta Gaming and Liquor Commission (AGLC)**

- *Review of the Bingo Industry*, terms of reference for the review of the bingo industry in Alberta, January, 1999
- *Bingo Terms & Conditions and Operating Guidelines*, as amended to December 15, 1998 (excluding amendments suspended as of January 20, 1999)
- *Charitable Gaming in Alberta: 1997-98 in Review*
- *Gaming in Alberta: 1996-97 in Review, and reviews for fiscal years 1995-96 and 1994-95*
- Historical review of gaming, prepared by Licensing Division, AGLC
- Licensing Division, for the following: breakdown by general "charitable group" category of number of licensees, and licences held by them, 1997/98; "population attendance occurrences" in 1998; examples of groups deemed ineligible for a bingo licence; number of multi-licence holders in Alberta in 1997/98.
- Interviews with AGLC managers and staff, including Roy Bricker - Chief Operating Officer, Norm Peterson - Deputy Chairman, Hardy McGill - Director of Special Operations, Licensing Division, and Penny Kleinmeyer - Bingo Gaming Analyst.

## **Alberta Gaming Commission and Gaming Control Branch**

- *Gaming in Alberta: 1993-94 & 1991-92 issues*
- *Licensed Gaming in Alberta: Annual Review 1990*

## **Alberta Gaming Commission**

- *Annual Reviews (of charitable gaming)*, issued for the following years: 1983, 1984, 1985, 1986, 1987, 1988, and 1989
- *Background Paper: Bingo Associations*, June 7, 1995.

## **Alberta Lotteries Review Committee**

- *New Directions for Lotteries and Gaming: Report and Recommendations of the Lotteries Review Committee*, Alberta Lotteries Review Committee, Edmonton, August 31, 1995.

## **Alberta Satellite Bingo (ASB)**

- ASB commissioned Criterion Research Corp. to conduct research among bingo players in the province in June 1998. ASB shared the results of the market survey titled *Alberta Bingo* with the Bingo Review Committee.

### **British Columbia Gaming Policy Secretariat**

- *Bingo Review: Options for a Revitalized Bingo Gaming Sector*, January 1999.

### **Judicial Decisions**

- Supreme Court of Canada, File No.: 25359, preliminary version: *Vancouver Society of Immigrant and Visible Minority Women v. Canada (Minister of National Revenue - M.N.R.)*, [1999] S.C.J. No. 5, on appeal from the Federal Court of Appeal., 1998: February 23; 1999: January 28.
  - Citing, among other legal cases and judicial decisions, categories of charity as set out by Lord Mcnaghten in *Commissioners for Special Purposes of the Income Tax v. Pemsel*, [189] A.C. 531 (H.L.).
- Supreme Court of British Columbia, *In the Matter of the Judicial Review Procedure Act, R.S.B.C. 1996, c. 241: Between Nanaimo Community Bingo Association (petitioner) and Attorney General of British Columbia (respondent)*, *Reasons for Judgment of the Hon. Mr. Justice Owen-Flood*, Victoria, B.C., January 8 & 9, 1998.
- Court of Queen's Bench, Judicial Centre of Saskatoon, *Between Saskatoon Berries Oldtimers Hockey Club (applicant) and Saskatchewan Gaming Commission (respondent)*, Fiat April 30, 1991. Q.B. No. 483, A.D. 1991, J.C.S.

### **Legislation and Regulation**

- *Criminal Code of Canada*, specifically sections 207(1)(b) and 207(4).
- *Gaming and Liquor Act*, July 1996, statute of the Province of Alberta, as amended.
- *Gaming and Liquor Regulation*, under *Gaming and Liquor Act* (Alberta).

### **Lotteries and Gaming Summit '98**

- *Alberta Lotteries and Gaming Summit 1998 Report: "A Public Input Process"*, Mr. Harley Johnson (Chair), Edmonton, July 1998.

### **News Releases**

- Government of Alberta, "*Commitment to Communities and Charities Reaffirmed in Response to Summit Report*," issued July 21, 1999.

### **Saskatchewan Gaming Commission**

- *Brief of Law Submitted by the Saskatchewan Gaming Commission: In the Court of Queen's Bench, Judicial Centre of Saskatoon, Part 52 of the Queen's Bench Rules, Between Saskatoon Berries Oldtimers Hockey Club (applicant) and Saskatchewan Gaming Commission (respondent)*, Q.B. No. 483 of 1991.
  - Citing legal qualifications as to what constitutes "charitable purpose."

### **Voluntary Sector Roundtable Panel on Accountability and Governance in the Voluntary Sector**

- *Building on Strength: Improving Governance and Accountability in Canada's Voluntary Sector (Final Report)*, (the "Broadbent report"), Ottawa, February 1999.

# Appendix 1





# REVIEW OF THE BINGO INDUSTRY

## SUBJECT

Bingo is one of the most popular forms of gaming in the province. In fiscal year 1997/98 almost 50,000 bingo events were held across Alberta. These events grossed approximately \$334 million in sales. Charities earned more than \$57 million for their community projects through these events.

The bingo industry in Alberta has grown in size and complexity over the past decade. It now faces a number of issues. Many of these issues have been identified from within the bingo industry itself. Other concerns have been expressed from charitable groups wishing to hold bingo events.

These issues are identified in the Terms of Reference, which form part of this document. They include the manner in which bingo proceeds are distributed and whether bingo, as a major charitable gaming activity in Alberta, should primarily benefit those Albertans with greatest needs.

## OBJECTIVE

To determine if the bingo industry is fulfilling the intent of the legislation, policies and objectives of charitable gaming.

The pertinent legislation and policy guidelines include the *Criminal Code of Canada*, *Gaming and Liquor Act*, *Gaming and Liquor Regulation*, and *Bingo Terms & Conditions and Operating Guidelines*. A key objective of charitable gaming is to maximize the return to charities so they may do their community work.

## PROCESS

A copy of a draft terms of reference for a provincial bingo review was circulated for input and comment to:

- *Sixty-two (62) bingo associations representing various charitable not-for-profit organizations.* This segment represents the greatest number of participants in the bingo industry and receives the majority of revenue generated from this gaming activity. A number of these associations distributed copies of the draft terms of reference to their member charities for comment.
  - *Approximately 390 community bingo organizations.*
  - *All Chiefs of First Nations in Alberta.*

The revised terms of reference in this document reflect the input and comments received.

## **STEERING COMMITTEE**

A steering committee, led by an impartial chair, has been established to conduct a review of the bingo industry in Alberta. Committee members represent both urban and rural locations and the different facets of the bingo industry. The Committee is expected to prepare a report on the findings of the review and to make recommendations to address the issues identified. The report will be presented to the Alberta Gaming and Liquor Commission (AGLC) for its consideration.

Members of the Steering Committee are as follows:

Chair:                   The Honourable Samuel Lieberman, Q.C., L.L.D. (Court of Appeal, retired)

Members:

- Richard Magnus, MLA, Calgary - North Hill
- Bill Diachuk, President, Federation of Alberta Bingo Associations (FABA)
- Yvonne Armstrong, Past President, Thorncliffe-Greenview Community Association, Calgary
- Pam Lancaster, Manager Representative, Grande Prairie Bingo Association
- Suzanne Thompson, President, Leefield Community League, Edmonton
- Elizabeth O'Neill, "future for ALL families", Edmonton
- Donna Carter, Red Deer Regional Hospital Voluntary Association
- Warren Kootenay, Kipohtakow Recreation Society, Alexander First Nation
- Dana Russell, North Calgary Community Association, West Hillhurst Community
- Association, Past President Best Bingo Association; member, Federation of Calgary Communities
- Carol Robinson, Director - Fund-raising South Side Hockey Association, Past Bingo Coordinator - Bow Valley Hockey Society, Calgary
- Shelley Burr, President, SALTA Gymnastics Club; President, Cypress Bingo Association, Medicine Hat
- Peter Lewko, Board of Trustees, Al Azhar, Treasurer, Lethbridge Shrine Club, Lethbridge
- Roy Bricker, Chief Operating Officer, AGLC

Resource Staff:

- Penny Kleinmeyer, Bingo Gaming Analyst, AGLC
- Dermot Millar, Senior Inspector, AGLC
- Christine Zinchuk, Research Officer, AGLC
- Stan Franklin, Department of Justice:

# **TERMS OF REFERENCE**

The matters which will be addressed in the bingo review are:

## **1. REGULATION OF THE BINGO INDUSTRY IN GENERAL**

*Comment: The bingo industry in the province has undergone significant change and growth over the previous decades. It has also become more complex. There are laws which regulate charitable gaming. Policies have been developed according to these laws to manage bingo activities.*

- a) Generally, do AGLC policy, inspection and audit programs currently provide under regulation, adequate regulation, or over regulation of bingo with respect to:
  - i) access by all eligible groups?
  - ii) programs, games and prizes?
  - iii) prevention of illegal activity (fraud, theft)?
  - iv) the integrity of bingo?
  - v) registered/paid staff?

## **2. ALLOCATION OF BINGO ASSOCIATION EVENTS**

*Comment: Over the years, bingo associations have been allowed to adopt various methods of allocating bingo events among their members.*

- a) Is the present system of allocating bingo events fair and equitable?
- b) Is there access to bingo association events by outside (non-member) groups?
- c) Is arms-length allocation required to ensure equitable slotting of bingo events?
- d) Should there be a generic method of slotting groups for bingo events, rather than the existing practice, in which slotting may differ from association to association?
- e) Should the AGLC set common criteria for slotting groups and provide guidelines to all associations?
- 1) Should RIBS (computerized bingo reporting system of the AGLC) be used to include slotting capability?

### 3. ELIGIBILITY OF GROUPS FOR LICENSING

*Comment: The size of the charitable sector in Alberta and across Canada has grown tremendously. There are 8,000 charitable and non-profit groups in the province which actively hold charitable gaming events to raise funds for their community activities.*

- a) Is the current definition of charitable organization satisfactory?  
(see attachment - eligibility for bingo licence)
  - i) Is the definition satisfactory in terms of basic eligibility?
  - ii) Is the definition satisfactory as it applies to special groups (that is, related, seniors, agricultural fairs/exhibitions, umbrella groups, athletic groups etc.)?
- b) Is the current definition of a charitable organization being applied appropriately and consistently in the granting of bingo licences?
- c) Should eligibility be based on the scope of program/service delivery?
  - i) Should the priority or focus be on member activities (sports, educational, specific cultural groups)?
  - ii) Should the priority or focus be on the community-at-large (service clubs, community leagues, health/medical/aid-relief)?
- d) Use of bingo profits
  - i) Is the current definition of "charitable uses of bingo profits" satisfactory? Is it too broad? Too narrow?
  - ii) Is this definition applied consistently and appropriately?
  - iii) To what extent should charitable groups be financially dependent on gaming revenue for their operations?
- e) Should there be classes or categories of organizations/licences, depending upon the nature or type of charitable services or programs provided to the community?

### 4. BINGO EVENT LICENCE RESTRICTIONS

*Comment: An objective of charitable gaming is to maximize the return to charities. Licensing legislation and policy guidelines are aimed, in part, at helping to meet this objective. It is also recognized that the demand for bingo events exceeds the availability of bingo in Alberta.*

- a) Should there be a limit on the number of bingo events per charitable group?  
Consider:
  - i) structure of group (i.e., consider governing bodies, affiliations, etc.).
  - ii) scope of services/programs delivered (number of people in community benefiting).
  - iii) number of members in the group.
  - iv) budget requirements (for program delivery versus administration or other similar costs).

- v) demonstrated delivery of a charitable program to the community within the preceding 12 month period.
- b) Should there be a limit on the number of bingo events for groups that are considered related to one another, that is, which have:
    - i) duplication in their membership (i.e., executive or volunteer base)?
    - ii) duplication in the programs they offer?
    - iii) spin off groups?
    - iv) control over administrative functions between the groups?
    - v) the front-line responsibility for program delivery?
  - c) Should there be a limit on the number of bingo associations one group may belong to considering:
    - i) program/services delivered?
    - ii) number of members?
    - iii) urban/rural groups?
    - iv) availability of bingo events in the bingo market?
  - d) Should there be a limit on the number of:
    - i) community bingo licences issued in the same location?
    - ii) community groups operating on the same day in the same location?
  - e) Should there be a maximum number of days per week allowed for community bingo events?

## 5. BINGO FACILITY LICENCES (BINGO ASSOCIATIONS)

*Comment: Currently, there are 62 bingo associations in the province. At some point, licensing additional facilities may be counter productive to charitable groups or to the return they generate in a limited market.*

- a) Should there be a limit on the number of bingo facility licences issued in a geographic region (for example, within a city, town or specific region in the province)?
- b) In the licensing of bingo events, should consideration be given to the proximity of bingo associations to community bingo licensees and vice versa?
- c) Should there be:
  - i) a minimum number of groups needed to start a bingo association?
  - ii) a minimum or maximum membership established for existing bingo associations?
- d) Should eligibility for days of operation and number of events be linked to the number of members the association has?

- e) Should there be a standard maximum "occupant load" (or maximum seating capacity) per bingo association facility?
- f) Should there be a maximum number of events conducted per day in licensed bingo facilities?

## 6. ACCESS BY FIRST NATIONS/METIS ORGANIZATIONS

*Comment: First Nations/Metis communities in the province hold bingo events either as members of associations or through community bingo events. Concerns have been raised about the access First Nations and Metis groups have to bingo in the province.*

- a) Is current access satisfactory?
- b) What is the First Nations/Metis perception of their accessibility to bingo events?
- c) What is the First Nations/Metis participation rate in licensed bingo activity as compared to the population ratio of First Nations/Metis to the general public?
- d) How does membership of First Nations/Metis as association bingo compare with their membership or participation in community run bingo?

## 7. PRIZE PAYOUTS

*Comment: Prize payouts affect sales, customer participation and the return to charitable groups. It also affects competition for players among bingo in a given geographic area or location.*

- a) Should the maximum prize payout per event increase, decrease, or remain the same for
  - i) morning events?
  - ii) afternoon events?
  - iii) evening events?
  - iv) late night events?
- b) Should there be a maximum prize payout per game for:
  - i) regular games?
  - ii) special games (bonanza, early bird, etc.)?
  - m) loonie pot schemes (including a mandatory cap on the pot value)?
  - iv) satellite games?
- c) Should there be a maximum number of games allowed per event in association bingo?
  - i) Is the current number too low?
  - ii) Is the current number too high?

## 8. DISTRIBUTION OF BINGO EVENT PROCEEDS

*Comment: A key objective of charitable gaming is to maximize the return to charities to deliver their programs to the community. There are costs to operate bingo, which affect the return of net proceeds to charities. If costs to operate bingo are uncontrolled, the returns may not be maximized.*

- a) What portion of proceeds should be allocated to prizes?
- b) What portion of proceeds should be allocated to the following bingo association administration expenses:
  - i) controlled expenses?
  - ii) non-controlled expenses?
  - iii) rental expense?
  - iv) salaries of paid staff (minimum and maximum limits)?
- c) Should there be common rates of pay for certain jobs:
  - i) within a bingo association?
  - ii) between or among bingo associations?
- d) What portion of proceeds should be allocated to administrative costs of charities (that is, those of bingo licensees)?
- e) What portion of proceeds should be directed to the membership and family members of the licensees (that is, use of profits)?
- f) What portion of proceeds should be directed to services and programs benefiting the community at large?

## 9. POOLING OF BINGO REVENUE

*Comment: Pooling revenue on a monthly basis is a way to equitably distribute bingo proceeds among all participating members. This method allows charities to earn a fair return for their volunteer efforts despite poor weather (and resulting poor attendance) or being allocated a day of the week in which returns or attendance may traditionally be smaller.*

- a) What are the benefits of pooling?
- b) What are the perceived negative issues regarding pooling?
- c) Should all events be part of one pool or should separate pools be established for each type of event (i.e., morning, afternoon, evening or late night)?



- d) Should revenue vary depending on the type of bingo event? (For example, a charitable group would receive a “full share” for afternoon and evening bingo, and a “half share” for morning and late night bingo. This would be based on a heavier time and volunteer commitment for afternoon and evening bingo when compared to morning and late night bingo.)

## 10. ROLE OF VOLUNTEERS, PAID STAFF, AND LANDLORD

*Comment: The main partners in holding bingo events are the volunteers of the licensed charitable group, paid staff of the facility hall, and the landlord of the facility*

- a) In bingo associations what are the positions that should be paid?
- b) Should the duties of volunteers and paid staff be re-defined?
- c) Should volunteers be entitled to reimbursement for working at bingo? If so, under what circumstances, in what amount, and in what form?
- d) Should there be any restrictions about members versus non-members of charitable groups working the events and holding key positions?
- e) What should be the role of landlords in the running of bingo operations?

## 11. BINGO POLICIES

*Comment: Generally the terms and conditions for association bingo and community bingo are similar. Opinions vary on whether the terms and conditions for community and association bingo should be similar or not.*

- a) Should bingo rules be the same, regardless whether they apply to association or community bingo?
- b) Should bingo rules for association bingo be different, based on:
  - i) location (e.g., urban hall, rural hall)?
  - ii) size of hall (e.g., large, medium, small)?
- c) Should bingo rules for community bingo be different, based on:
  - i) size of group and nature of its community work?
  - ii) gross revenue obtained per event and per year?
  - iii) participation in satellite bingo game?
  - iv) number of events conducted in a month or year?
  - v) location?

## 12. NEW GAMES/IDEAS

*Comment: Some interest has been expressed about allowing individual community or association bingo organizations to introduce new ideas or concepts to their bingo events or facilities. Those who have expressed interest argue that by allowing for new ideas the organizations may bring a distinct character to their events, which in turn may help them to better market their events.*

- a) Should individual bingo halls be allowed to improve the game of bingo on their own, to give each the latitude to introduce original ideas to their bingo events?
- b) What type of different games may be introduced that complement bingo and also increase the return to charities holding the bingo events? For example, keno has been suggested.
- c) How could allowing greater flexibility for games or other ideas be properly regulated, in keeping with the over-riding requirements of law and regulation?
- d) Has the introduction of progressive-type bingo games/schemes been successful? If so, how?
- e) Should there be an increase in the progressive-type bingo games/schemes?

## 13. ADDITIONAL ISSUES IDENTIFIED

*Comment: Members of the bingo industry have raised various other issues.*

- a) What effect has the elimination of minors playing bingo had on bingo association facilities and community bingo facilities?
- b) What restrictions should there be on access to bingo events by those outside the geographic location? For example, only groups within Edmonton and Calgary may hold bingo events in these respective communities. Outside these centers a group may access bingo in an adjacent community only if there is no access to bingo within their own community. Should these sorts of requirements be maintained?
- c) Should administrative functions within bingo halls be made simpler? If so, how?
- d) Should AGLC licensing and reporting requirements be made simpler? If so, how?
- e) Given the changes occurring to the bingo industry, should the role of the Federation of Alberta Bingo Associations (FABA) be re-defined and examined as to its full effectiveness within the industry?

- f) Should a market study of bingo in the province be conducted to obtain better information on the demographics of bingo players, and on what bingo players want?
- g) What is the impact of media bingo on existing or new bingo initiatives?

## WORK PLANS AND TIME FRAMES

### **PHASE ONE**

1. Circulate draft Terms of Reference to:
  - All Bingo Associations and Community Bingo Groups - on August 28, 1998
  - All Community Bingo Groups - on September 8, 1998
  - All Chiefs of First Nations in Alberta - on October 8, 1998
2. Gather input to the draft Terms of Reference
  - a) Receive and record feedback.
  - b) Maintain a record of responses - ongoing
3. Review suggestions that identify new or additional issues, beyond those identified in the draft Terms of Reference - December 8, 1998

### **PHASE TWO**

1. Prepare revised Terms of Reference, including feedback from bingo industry - by December 18, 1998
2. Finalize membership of Steering Committee - by December 22, 1998
3. Circulate revised Terms of Reference to bingo industry and request written submissions from stakeholders - by January 29, 1999
4. Steering Committee meeting(s) - to be determined by the Steering Committee

### **PHASE THREE**

1. Steering committee review of existing AGLC policies governing the regulation of charitable bingo activities in Alberta - by February 12, 1999
2. Receive written submissions from bingo industry stakeholders on the revised Terms of Reference -  
by March 22, 1999
3. Gather and record written submissions - by April 15, 1999
4. Stakeholder group meetings - April/May 1999
  - a) Bingo associations, North and South
  - b) Representative sample of community bingo groups
  - c) Representative sample of charitable groups holding bingo in association facilities, North and South
  - d) First Nations and Metis groups
  - e) Representative sample of charitable groups trying to access bingo events

### **PHASE FOUR**

1. Prepare and present final report - to be determined.

## ELIGIBILITY FOR BINGO LICENCE

Each application is reviewed on its own merit. The following guidelines are used to assist in the review.

1. **NATURE OF THE GROUP.** Only charities and religious groups are licensed. A "charity" provides a public service or community benefit. Its programs must provide one of the following:

- **Relief of the aged and disadvantaged.** This includes providing: relief to the poor, programs for the elderly so they stay active in society; or social service and educational programs for the emotionally or physically distressed.
- **Advancing education and learning.** This includes providing: student scholarships; aid to schools, libraries, museums and the arts; or preservation of cultural heritage.  
**Note:** Student groups must submit written approval from:
  - Board of Governors of a university;
  - President of post-secondary schools;
  - School Board for high schools; or
  - Principal for junior high or elementary schools.
- **Other programs to help the community.** This includes: making improvements to the quality of health; supporting medical research; aiding medical treatment programs; providing a facility for the community's use; supporting competitive amateur athletics; or providing places for public worship and other religious programs.

2. **MEMBERSHIP, PROGRAMS & STRUCTURE.**

- Membership in the group must be voluntary. The executive must be democratically chosen from its volunteer base.
- Members, directors, and officers must not be paid.
- Programs must benefit the community, not the members' self-interest.
- The group must be not-for-profit, and have a broad based volunteer membership that establishes, maintains and delivers the group's programs.
- Groups applying for a licence for which licence fees are charged must be incorporated. (This includes raffle, bingo, casino and pull-ticket licences). Acceptable forms include:
  - Societies Act,
  - Part 9, Companies Act,
  - Part 11, Canada Corporations Act,
  - other Alberta Statutes, or
  - charter from a recognized international governing body, e.g., service club charter.

**Reference: Bingo Licence Application, Form LIC/GAM 5421 (96/10)**

# Appendix 2





Office of the Chairman

11th Floor Commerce Place  
10155 – 102 Street  
Edmonton, Alberta  
Canada T5J 4L6

Telephone 780/422-8047  
Fax 780/415-2182

January 25, 1999

TO: **ALL BINGO ASSOCIATIONS**  
**ALL COMMUNITY BINGO ORGANIZATIONS**  
**ALL CHIEFS OF FIRST NATIONS IN ALBERTA**  
**ALBERTA METIS ORGANIZATIONS**

### **Alberta Bingo Review**

As you may be aware a review of the Alberta bingo industry has begun. The review is being led by a Bingo Review Committee comprised mainly of members of the bingo industry, Richard Magnus, MLA - Calgary North Hill, and myself.

The Committee met for the first time on January 19, 1999. We are now prepared to begin our work.

The objective of the review, the membership of the Bingo Review Committee, and the various matters to be addressed are described in the enclosed terms of reference entitled *Review of the Bingo Industry*. These terms of reference reflect the input of bingo associations, community bingo organizations and First Nations across Alberta to the first draft terms of reference circulated by the Alberta Gaming and Liquor Commission.

### **Committee's Task**

Our Committee's task is to examine the matters in the terms of reference, and gather input from the bingo industry. A report will be prepared on the findings and recommendations made in the best interests of the bingo industry and within the legislative parameters of gaming.

You may choose to comment only on the issues of greatest importance to your group or comment on all the matters in the terms of reference. All input will be considered in the review. It will form the basis for a report to the government on the Committee's findings.

It should be noted that any other policy matter related to bingo, outside those in the terms of reference, may also be identified and commented upon.

### **All Bingo Industry Input Is Welcome**

We are encouraging all of you to provide written submissions. It is important that all members of the bingo industry, First Nations, and Metis organizations have an opportunity to respond.

Bingo associations are encouraged to distribute copies of the terms of reference to their members for comment or input.

To help the Review Committee do its work in a timely fashion, we ask for your written comments to be sent to the address below by March 22, 1999.



## **Comments on First Draft**

The first draft of the terms of reference was circulated in the fall of 1998 to bingo industry members to establish the general parameters for the review.

However, some organizations went further and made detailed comments in response to the questions. If this applies to your group, please confirm that your comments or positions stand as presented, referring to your previous submission. We will use your previous comments as your whole submission, or part of it, as the case may be.

## **Bingo Stakeholder Meetings**

It is also the Committee's intention to have meetings with bingo industry stakeholders. These would take place in various key locations across Alberta. The specific locations, dates and times have yet to be determined.

When these are established we will notify you in writing about them, and the process to schedule times. We expect to hold the meetings in April and/or May of this year.

We would prefer that those groups wishing to make verbal presentations also make a written submission to the Committee, for its prior information. However, a written submission is not necessary to make a verbal presentation.

## **Submission Details**

Please send your written submission by March 22, 1999 to:

Bingo Review Committee  
11<sup>th</sup> Floor, Commerce Place  
10155-102 Street  
Edmonton, Alberta  
T5J 4G8

If you have any questions in the meanwhile, or would like additional copies of the terms of reference, please contact the Bingo Review Committee office at telephone (780) 422-8047 or fax (780) 415-2182.

We look forward to receiving your comments.

Sincerely,

Samuel Lieberman, Q.C. LL.D.  
Chairman

xc: Members, Bingo Review Committee

# Appendix 3



# REVIEW OF THE BINGO INDUSTRY

Written submissions are now being accepted as part of a review of the bingo industry in the province.

The review is being led by the Bingo Review Committee, which is made up of an impartial chairman, an MLA, and members of the bingo industry and charitable sector.

Details of the review are contained in the terms of reference document *Review of the Bingo Industry*, available from the office below. **The deadline for written submissions, and to express interest in making a verbal presentation to the committee, is March 22, 1999.**

The following groups are highly encouraged to participate:

- Bingo associations and their member groups
- Community (non-association) bingo groups
- First Nations and Metis organizations
- Interested organizations which presently do not have access to bingo

Input is also invited from bingo facility landlords and gaming suppliers.

Meetings to hear verbal presentations will be held in April and/or May in Grande Prairie, Fort McMurray, St. Paul, Edmonton, Red Deer, Calgary, Lethbridge and Medicine Hat. Times, dates and locations will be announced in April.

For further details, or a copy of *Review of the Bingo Industry*, please contact:

Bingo Review Committee  
11<sup>th</sup> Floor, Commerce Place  
10155-102 Street  
Edmonton, Alberta T5J 4G8

Telephone: (780) 422-8047 Fax: (780) 415-2182  
To call toll free, dial 310-0000 and then dial 422-8047.

Bingo is a form of charitable gaming licensed and regulated in the province by the Alberta Gaming and Liquor Commission.



# Appendix 4





Office of the Chairman

11th Floor Commerce Place  
10155 – 102 Street  
Edmonton, Alberta  
Canada T5J 4L6

Telephone 780/422-8047  
Fax 780/415-2182

February 25, 1999

To: President, Bingo Association Member Organization

**Alberta Bingo Review**

As you may know, a comprehensive review of the bingo industry in Alberta has begun. The Bingo Review Committee invites and encourages your participation in this review.

Details of the review are contained in the terms of reference document entitled *Review of the Bingo Industry*. A copy of this document has been sent to all bingo associations in Alberta.

Your bingo association may have already sent you a copy of the terms of reference. If not, I encourage you to either contact your association office for a copy, or contact the Bingo Review Committee for one.

**Written submissions from bingo stakeholder groups will be accepted up to March 22, 1999 at the address given below. We also would appreciate knowing by this date whether your organization may be interested in making a verbal presentation to the committee.**

The Committee will hear verbal presentations from stakeholder groups in April and/or May in the following locations: Grande Prairie, Fort McMurray, St. Paul, Edmonton, Red Deer, Calgary, Lethbridge and Medicine Hat. Specific dates, times and locations for these meetings will be announced in April.

For further details, or a copy of *Review of the Bingo Industry*, please contact:

Bingo Review Committee  
11<sup>th</sup> Floor, Commerce Place  
10155 - 102 Street  
Edmonton, Alberta, T5J 4G8

Telephone (780) 422-8047. Fax (780) 415-2182.  
(To call toll-free, dial 310-0000 and then dial 422-8047.)

We look forward to receiving your comments during this important review.

Sincerely,

Samuel Lieberman, Q.C., LL.D.  
Chairman

xc: Members, Bingo Review Committee





# Appendix 5



April 19, 1999

**TO: BINGO ASSOCIATIONS  
BINGO ASSOCIATION MEMBER GROUPS  
COMMUNITY BINGO ORGANIZATIONS  
CHIEFS OF FIRST NATIONS  
METIS ORGANIZATIONS**

**Provincial Bingo Review**

It is my pleasure to provide this update on the provincial bingo review.

We have received more than 500 written submissions in response to the various matters and questions in the terms of reference document sent out this past January and in the weeks following. We thank each and every group which took the time to put their comments in writing to us by the deadline of March 22nd. All submissions will be considered in the Bingo Review Committee's deliberations.

As well, more than 50 bingo groups have expressed interest in making verbal presentations to the committee. These groups have been scheduled to make presentations at meetings to be held in the following locations: Edmonton, May 10 and 11; Calgary, May 17; Lethbridge, May 18; Red Deer, May 20; and Grande Prairie, May 26.

Presenters from Medicine Hat will be heard in Lethbridge. Bingo groups from St. Paul and Fort McMurray, and surrounding areas have provided written submissions, however, none has expressed interest in making verbal presentations by the deadline of March 22; therefore meetings are not being scheduled in these two communities.

The committee will work in earnest to prepare its final report following the verbal presentations in May.

If you have any questions about the bingo review please feel free to contact this office at telephone (780) 422-8047 (to call toll free dial 310-0000 and then dial 422-8047).

Sincerely

Samuel Lieberman  
Chair

xc: Members, Bingo Review Committee



# Appendix 6



## Notice to News Media

**April 30, 1999**

More than 500 written submissions from bingo organizations across Alberta have been received by the Bingo Review Committee in response to the provincial bingo review.

In addition, more than 50 bingo groups have expressed an interest in making verbal submissions (the deadline to express interest was March 22). Meetings have been scheduled to hear verbal submissions from these groups in the following locations:

- Edmonton, Holiday Inn (The Palace), May 10 & 11
- Calgary, Carriage House Inn, May 17
- Lethbridge, Sandman Hotel, May 18
- Red Deer, The Holiday Inn, May 20
- Grande Prairie, Grande Prairie Inn, May 26.

All submissions will be considered by the Committee in its report, to be prepared this summer.

Bingo is a form of charitable gaming licensed and regulated by the Alberta Gaming and Liquor Commission (AGLC). The Bingo Review Committee was appointed by the AGLC in January 1999 to review various matters in a terms of reference document entitled *Review of the Bingo Industry*.

More information: George Rodziewicz, Bingo Review Committee Office, Edmonton, telephone 422-8047, or fax 415-2182.

end





# Appendix 7



## Written Submissions Received (528)

Some organizations have provided more than one submission, but are listed here only once. Apologies if any names were inadvertently missed or misspelled.

### 1. Bingo Associations (31 submissions)

- 33rd Street NE Community Bingo Association
- 61st Avenue Community Bingo Association
- All Seasons Bingo Association
- Allendale Bingo Association
- Badlands Bingo Association
- Blackfoot Bingo Association
- Campbell Park Bingo Association
- Cougar Country Bingo Association
- Double B Bingo Association
- Edmonton North East Bingo Association
- Edmonton North East Bingo Association & WEM Bingo Association
- Five Star Bingo Association
- Fort Road Bingo Association
- Gate 81 Bingo Association
- Grande Prairie Bingo Association
- Leduc Rapid Bingo Association
- Northwest Edmonton Bingo Association
- Parkway Village Bingo Association
- Peace Hills Bingo Association
- Peace River and District Bingo Association
- Peace River Bingo Association
- Ponoka Community Bingo Association
- Red Deer Bingo Association (1989)
- Riviera Bingo Association
- South East Calgary Bingo Association
- Superwin Bingo Association
- Swan City Bingo Association
- Vegreville Alclub Bingo Association
- West End Bingo Association
- Wetaskiwin Bingo Association

### 2. Community (Non-Association) Bingo (24 submissions)

- Barrhead & District Senior Citizen's Society
- Botha Seniors' Activities Club
- Bowness Community Association
- Breton Elks Lodge #402
- Caslan Recreation & Culture Society
- Dormation of the BVM Ukrainian Catholic Church Soc
- Edgerton Royal Purple
- Fort Vermilion Recreation Board
- Galahad Senior Citizens Friendship Club

- Golden Spike Community League
- Northgate Lions Club
- Royal Canadian Legion Branch 197
- Royal Canadian Legion, The (Branch 189)
- Senior Social Centre Club of Eaglesham
- St Joseph's CWL
- Strome & District Agricultural Society
- Swan Hills Community Club Ladies Club
- Thorncliffe-Greenview Community Association
- Two Hills Senior Citizens Centre
- Ukrainian Orthodox Society of St. Vladimir Parish Bingo
- Vegreville Lions Club
- West Country Community Assoc.
- West Hillhurst Community Association
- Wildwood Ladies Aid Society

### **3. Groups Licensed in Bingo Associations (382 submissions)**

- 189th Parent-Youth Group
- 1st Bon Accord Scouts
- 24th Red Deer Parents Association
- AAA Fencing Club
- Abbeydale Community Association
- Acadia Community Association
- Alberta Association for Disabled Skiers - Calgary Zone
- Alberta Marlin Aquatic Club
- All Saints' Ukrainian Orthodox Church and Cultural Center
- Allegiance Elite, A Marching Brass Ensemble Association
- Alzheimer Society of Calgary
- American Legion Baseball
- Army, Navy & Air Force Veterans Association Unit 34
- Artistique Dance Academy Parents Association
- Association of United Ukrainian Canadians, Edmonton Branch No. 2
- Baturyn Community League
- Beaumont and District Lions Club
- Beth Tzedec Congregation
- Bishop Grandin Band Parent Association
- Blueberry Community League
- Blufton Community Society
- Bon Accord & District Community League
- Boy Scouts of Canada First Wetaskiwin Scouting Association
- Boys and Girls Club of Lethbridge
- Breton and District Agriculture Society
- Bridge 55 Seniors Club
- Building Block Pre-School Association of Wetaskiwin
- Caledonia Park Home & School Association
- Calgary Academy Parents Association
- Calgary Boys Choir
- Calgary Community Living Society

- Calgary District Lacrosse Association
- Calgary Irish Music & Dance Association
- Calgary Italian Club
- Calgary Military Museums Society
- Calgary Native Friendship Centre
- Calgary Naval Veterans Association
- Calgary Round-Up Band Association
- Calgary Rugby Union
- Calgary Youth Orchestra Society
- CALTAF Athletic Association
- Camrose Columbus Club
- Canadian Diabetes Association
- Canadian Figure Skating Association - Alberta/NWT Section
- Canadian Girls Rodeo Association
- Canadian Red Cross - Edmonton LAC
- Cantonese Chinese School of Calgary
- Canyon Meadows Community Association
- Capilano Community League
- Cascade Swim Club
- Catalina Swim Club
- Central Alberta Friends of Alpine Skiing
- Central Alberta Sexual Assault Centre
- Central Alberta Women's Emergency Shelter
- Centre for Positive Living
- Chinook Winds Chorus
- Clearwater Valley Pony Club
- Cold Lake Legion
- Corinthia Park School Parent Association
- Croatian Heritage Society
- Dawe School & Community Support Society
- Decidedly Jazz Danceworks
- Delburne Community Playground Association
- Derrick Figure Skating School
- Double Diamond Softball Association
- Drumheller Royal Purple Lodge #109
- East Elementary Parents' Association
- Eastview Community School Advisory Council
- Edmonton Carpathian Club
- Edmonton Precision Skating Club
- Edmonton Rowing Club
- Edmonton Sabers Marching Band
- Edmonton Wrestling Club
- Elk Point Jack & Jill Playschool
- Elks Lodge 285
- Family Leisure Centre
- Fort McMurray Recreational Facilities & Youth Soccer (2 groups)
- Friends of 570 Squadron Society
- Friends of First Leduc Parents' Association
- Grand Trunk Recreation Area Council One Society
- Grande Prairie Friendship Centre

- Grande Prairie Lions Club
- Grande Prairie Ski Club
- Ground Zero Theatre
- High Prairie Dolphins Swim Club
- Hinton Ballet School
- Hinton Figure Skating Club
- Hinton Water Devils
- Holy Rosary Mens Club
- Inglewood Community Association IOF Foresters #562
- Irvine & District Lions Club
- J. P. DeCosse Residents' Council Association
- Jousard Scholl Altruistic Society
- Kenilworth Community League
- Kin Club of Fort Edmonton
- Kiwanis Club of Lethbridge
- Knights of Columbus Archbishop MacDonald Council No. 6083
- Knights of Columbus Council #5520
- Knights of Columbus Council #1490
- Knights of Columbus Council #5726
- Knights of Columbus Council #9280
- Knights of Columbus Hannas Council #10519
- Knottwood Community League
- L A Crude Sports Club
- Lac La Biche Parish Committee of the Ukrainian Orthodox Church of Canada
- Ladies Auxiliary to Fraternal Order of Eagles #2098
- Ladies Auxiliary to Fraternal Order of Eagles #2112 Leduc and District Senior Citizens Club
- Leduc Band-Aid Association
- Leduc Breakfast Lions Club
- Leduc Curling Club
- Leduc Elks Lodge #156
- Leduc Figure Skating Club
- Leduc Fish & Game Association
- Leduc Junior Athletic Club
- Leduc Junior High School Parents' Association
- Leduc Kanata Gymnastics Club
- Leduc Lions Breakfast Club
- Leduc Minor Hockey Association
- Leduc Otters Swim Club (
- Leduc Riggers Junior Hockey Club
- Leduc Track Club
- Lethbridge Academy of Diving Association
- Lethbridge Athletic Association
- Lethbridge Senior Citizens Organization
- Lions Club of Hinton
- Lions Club of Leduc
- Lo Se Ca Foundation
- Londonderry Community League
- Lorelei Beaumaris Community League
- Loyal Order of Moose & Women of the Moose
- Malaysian Singaporean Bruneian Community Association

- Mallaig Legion #260
- Ma-Me-O Senior Sunsetters Association
- Marigold Enterprises Rehabilitation Services Society
- Marlborough Park Community Association
- Mayfield Community Association
- Meadowlark Community League
- Medicine Hat 5 Pin Bowlers Association
- Medicine Hat Bicycle Moto Cross Association
- Medicine Hat Choir Parents Association
- Medicine Hat Multicultural Folk Arts Council
- Member - 33rd Street NE Community Bingo Association
- Member - Hat Community Bingo Association
- Member - St. Paul & District Club Bingo Association
- Member - Westmount Bingo Association
- Midnapore Irish Dance Association
- Mid-Sun Community Association
- Millennium Branch of the Ukrainian Women's Association
- Millet and District Minor Soft Ball Association
- Morinville Minor Hockey Association
- Mountainview Sports & Handicapped Society
- Multiple Sclerosis Society of Canada
- North East Athletic Association
- North Eastern Music Association
- North Glenmore Park Community Association
- Northern Alberta Athletic Association
- Northern Light Theatre
- Old Sturgeonians Rugby Football Club
- Order of the Royal Purple
- Ottewell Parent Advisory Council
- Our House Addiction Recovery
- P.A.C.E.
- Parent's Committee of Expressions
- Parkland Humane SPCA
- Peace River Air Cadets 124 Squadron
- Peace River Ladies Hockey Club
- Peace River Ringette Association
- Peace River Skating Club
- Peace River SPCA
- Peace River SPCA
- Peace River Stampeders Hockey Club
- Peavine Minor Hockey
- Penbrooke Meadows Community Association
- Picture Butte Elks Lodge No. 268
- Pigeon Lake Lions Club
- Ponoka Elks #561
- Ponoka Skating Club
- Red Deer Central Lions Speed Skating Club
- Red Deer Figure Skating Club
- Red Deer Optimist Titans Track and Field Club
- Rimbey Minor Hockey Association



- Ringette Calgary Association
- Riverside Bow YBC Parents Society
- Roy Saito Therapeutic Riding Association
- Royal Canadian Legion - Branch #28
- Royal Canadian Legion Branch #247
- Royal Canadian Legion Branch No. 37
- Royal Canadian Legion Norwood Branch #178
- Royal Order of Moose #792
- Royal Purple #21
- Saddle Lake Sacred Heart Church Fundraising Committee
- Seniors Club 55
- Sexsmith and District Agricultural Society
- Sherwood Park Minor Football Association
- Sherwood Park Royal Purple #287
- Simon House Fellowship Society
- Sir George Simpson Parents Music Society
- Societe du Centre de l'education permanente Region du Nord-Est
- Society for the Prevention of Cruelty to Animals
- South East Amateur Football Parents Association
- South Jasper Place Minor Baseball Association
- South West Athletic Association
- Southern Alberta Epilepsy Association
- Southern Alcare Society & Industries
- Southwest United Sports Club
- Spruce Grove Aerials Gymnastics Club
- Spruce Grove Golden Age Club
- Spruce Grove Minor Ball
- Spruce Grove Ringette
- St. Albert Figure Skating Club
- St. Albert Ringette Association
- St. Albert BMX Association
- St. Albert Canoe & Kayak Club
- St. Albert Curling
- St. Albert High Schools Football Associations
- St. Albert Host Lions
- St. Albert Rams Lacrosse
- St. Albert Rugby Football Club
- St. Basils Mens
- St. Paul Lions Quarterback Club
- St. Paul Visual Arts Committee
- Stageworks Academy of the Performing Arts
- Stephan J Stephansson Icelandic Society
- Stoney Lake Stampede Association
- Stony Plain Memorial Composite High School - Green and Gold Society
- Sturgeon Composite Area Music Promoters
- Sucker Creek Intervention, Band Foundation, Cultural Society and Elders Society (4 groups)
- Sucker Creek School Parent Association
- Swan City Hockey
- Sylvan Lake Figure Skating Club
- Teen Ed

- The Calgary Waldorf School
- The Canadian National Institute for the Blind
- The Canadian Paraplegic Association
- The Fort McMurray Big Sisters Society
- The Ladies Auxiliary to the Royal Canadian Legion Branch #108
- The Millet and District Historical Society
- The Navy League of Canada - Bow Valley Branch
- The Rotary Club of Calgary Centennial
- The Rotary Club of Grande Prairie
- The Society for the Ecole Frere Antoine Parents Advisory Committee
- The Society for the Retired and Semi-Retired
- The Wetaskiwin Ski Club
- Theatre Network
- Tigers Baseball Association
- Tiny Tots Nursery School
- Tsuu T'ina Nation Post Secondary Students Society
- Ukrainian Catholic Parish of Holy Eucharist of Elk Point
- Unity Centre of NE Edmonton
- University of Calgary Swim Club (Foothills Swimming Association)
- University of Calgary Underwater Sports Club
- Unknown
- Victorian Order of Nurses Alberta South
- West End Swimming Pool Society
- Wetaskiwin and District Gymnastics Club
- Wetaskiwin Figure Skating Club
- Wetaskiwin Olympic Swim Club
- Wetaskiwin Stock Car Club
- Willow Park School Parent's Association
- Winfield and District Agricultural Society
- Winfield Lions Club
- Woodbridge Farms Community Association
- Woods' Homes
- Work Shop West
- Youth Singers of Calgary
- YWCA of Lethbridge & District

#### **4. Groups Licensed in both Bingo Associations and Non-Associations (6 submissions)**

- Albert Park Radisson Hgts Community Association
- Golden Age Club
- Muir Lake Community League
- Nord-Bridge Senior Citizens Association
- Slave Lake Native Friendship Centre
- Triwood Community Association

## **5. Other Groups (30 submissions)**

- Alberta Postal Employee Curling
- Alberta Satellite Bingo
- Big Brothers of Fort McMurray & Area
- Bingo Hall Managers Association of Alberta
- Bingo News & Gaming Hi-Lites
- Calalta Community Figure Skating Club Parents
- Centre Culture[ Marie-Anne-Gaboury
- City of Edmonton
- Edmonton Federation of Community Leagues
- Edmonton Funders' Forum
- Edmonton Soccer Facilities
- Elnora Ice Spectations Synchronized Skating Club
- Gold Dust Casino
- Heritage Society
- Kingman-Round Hill Child Development Centre
- Knights of Columbus - Father Leduc Council No 7061
- Leduc Community Living Association
- Leisure Tech Bingo Inc.
- Leprechaun-Tiger Rugby Football Club
- Lethbridge Lakeview Lions Club
- Multi Licence Holders Steering Group
- North American Novelty Corporation
- Redcliff Action Society For Youth
- Sport for Life
- St. Albert Fire Fighters Association
- Stepping Stones Daycare Centre
- The Tevie Miller Heritage School Society
- Winners Gaming Corporation
- Youth and Volunteer Centre of Red Deer

## **6. Individuals (18 submissions)**

## **7. Unidentified groups or individuals (37 submissions)**

# Appendix 8



## Verbal Presentations

Apologies if any of the names listed here were inadvertently misspelled.

Edmonton  
The Palace (Holiday Inn)  
May 10, 1999

<b>Organization</b>	<b>Presenter</b>	<b>Location</b>
1. Allendale Bingo Association	Mr. Harold Singer	Edmonton
2. Campbell Park Bingo Association	Ms. Janice Burroughs	St. Albert
3. Alberta Satellite Bingo	Mr. Ian Taylor	Edmonton
4. Edmonton Federation of Community Leagues	Mr. Eric Mahabir	Edmonton
5. La societe educative de l'Alberta	Mr. Andre Boudreau	Edmonton
6. Leduc Otters Swim Club	Mr. Bob Thompson	Leduc
7. Multi Licence Holders	Mr. Aart Looye	Edmonton
8. Canadian Red Cross	Mr. Dennis Gane	Edmonton
9. Cougar Country Bingo Association	Mr. Neil Anderson	Hinton
10. Ermineskin Community League	Dr. Richard Field	Edmonton
11. Swim Alberta – Northern Region	Mr. Keith Duggan	Edmonton
12. West End Bingo Association	Mr. Thomas Maters	Edmonton

Edmonton  
The Palace (Holiday Inn)  
May 11, 1999

<b>Organization</b>	<b>Presenter</b>	<b>Location</b>
1. The Canadian National Institute for the Blind	Mr. Harold Grace	Edmonton
2. The Tevie Miller Heritage School Society	Ms. Carolyn Reilly	Edmonton
3. Alberta Lung Association	Ms. Diane Thomas	Edmonton
4. Swim Alberta	Mr. James Hood	Edmonton
5. Wetaskiwin Bingo Association	Mr. Greg Myles	Wetaskiwin
6. Edmonton Blind Curling Club	Ms. Laverne Dirk	Edmonton
7. Saxony Bingo Association	Mr. Al Park	Edmonton
8. Edmonton Keyano Swim Club	Ms. Wendy Kinsella	Edmonton
9. Edson Friendship Centre	Ms. Kristie Gomuwka	Edson
10. North American Novelty Corporation	Mr. Jeff Paches	Edmonton
11. Winfield & District Agricultural Society	Ms. Shirley Cripps	Winfield
12. Westmount Bingo Association	Ms. Ginette Davidson	Edmonton
13. Parkland County Community Association	Mr. Tim Townsend	Parkland County

Calgary  
Carriage House Inn  
May 17, 1999

**Organization**

1. University of Calgary Swim Club
2. Swim Alberta – Southern Region
3. Individual – Volunteer
  
4. Bowness Community Association
5. The Canadian National Institute for the Blind
6. The Rotary Club of Calgary Centennial
7. Leisure Tech Bingo Inc.
8. Bingo Barn
9. Double B Bingo Association
10. Cascade Swim Club

**Presenter**

Mr. William Simpson  
Mr. Don Buchingnani  
Ms. Polly Knowlton  
Cockett  
Ms. Barb Degarne  
Mr. Harold Grace  
Mr. Clarke Barnes  
Mr. David Walker  
Mr. Bill Douglas  
Ms. Lois Cameron  
Mr. Greg Yuzwa

**Location**

Calgary  
Calgary  
Calgary  
  
Calgary  
Calgary  
Calgary  
Calgary  
Calgary  
Calgary

Lethbridge  
Sandman Hotel  
May 18, 1999

**Organization**

1. Knights of Columbus Council 5276
2. Southern Alcare Societies & Industries
3. Canadian National Institute for the Blind
4. Southern Alberta Bingo Association
5. Lethbridge Minor Hockey

**Presenter**

Mr. Pat Johnston  
Ms. Nancy Rivers  
Mr. Harold Grace  
Mr. Larry Spiess  
Ms. Charmaine  
Proudfoot

**Location**

Lethbridge  
Lethbridge  
Lethbridge  
Lethbridge  
Lethbridge

Red Deer  
Holiday Inn  
May 20, 1999

**Organization**

1. Youth & Volunteer Centre of Red Deer
2. John Howard Society
3. Camrose Columbus Club
4. Ponoka Community Bingo Association
5. Camrose Senior Centre
6. Red Deer Track & Field Association
7. All Seasons Bingo Association
8. Mulhurst Bay Community League

**Presenter**

Mr. John Johnston  
Mr. George Atkey  
Mr. Don Stachniak  
Mr. Irvine Snider  
Ms. Gladys Mowat  
Ms. Wendy Silvernagle  
Ms. Diana Somer  
Mr. Phillip Gibeau

**Location**

Red Deer  
Red Deer  
Camrose  
Ponoka  
Camrose  
Red Deer  
Red Deer  
Mulhurst Bay

Grande Prairie  
Grande Prairie Inn  
May 26, 1999

**Organization**

1. Swan City Bingo Association
2. Grande Prairie Bingo Association
3. Grande Prairie Lions Club
4. Region 13 Alliance of Professional Child Care Agencies

**Presenter**

Ms. Leslie Jacobson  
Mr. Stan Wall  
Ms. Donna Coulter  
Marilyn Boisvert

**Location**

Grande Prairie  
Grande Prairie  
Grande Prairie  
Grande Prairie

