

**270-RICR-50-00-2**

**TITLE 270 – DEPARTMENT OF PUBLIC SAFETY**

**CHAPTER 50 – LICENSING AND OVERSIGHT**

**SUBCHAPTER 00 - N/A**

**PART 2 – Rules and Regulations Governing Bingo**

**2.1 Definitions Applicable to Rules and Regulations:**

- A. "Bingo" means a game of chance played for prizes with cards bearing numbers or other designations, five or more in one line, the holder covering numbers as objects similarly numbered are drawn from a receptacle, and the game being won by the person who first covers a previously designated arrangement of numbers on such a card.
- B. "Charitable Organization" means any benevolent, educational, philanthropic, humane, patriotic, social service, civic, fraternal, police, labor, religious, eleemosynary person and/or persons purporting themselves to be a charitable organization.
- C. "Charitable Purpose" means any benevolent, educational, humane, patriotic, social service, civic, fraternal, police, labor, religious, eleemosynary purpose provided that no part of the net earnings inures to the benefit of any private shareholder or individual.
- D. "Department" means the Division of State Police of Rhode Island unless otherwise described.
- E. "Director" means the Superintendent of the Rhode Island State Police or his/her designee.
- F. "Equipment" means the receptacle and numbered objects to be drawn from it; the master board upon which such objects are placed as drawn; the cards or sheets bearing the numbers or other designations to be covered and the objects used to cover them; the boards or signs, however operated, used to announce or display the numbers or designations as they are drawn; public address systems, tables, chairs, and other articles essential to the operation, conduct and playing of Bingo.
- G. "Extra Regular Cards" means such cards as afford additional opportunities to play in all regular games.
- H. "Game" means the game commonly called "bingo" or "Beano" or substantially the same game under any other name.

- I. "General Fund Account" means in public sector accounting, the primary account or fund of an agency or nonprofit entity. It is similar to a firm's general ledger account, and records all assets and liabilities of the entity that are not assigned to a special purpose account or fund.
- J. "Gift Certificate" means a writing identified as a gift certificate, purchased by a licensed organization or donated by a donor, for use by a person other than the licensed organization not redeemable in cash and usable in its face amount in lieu of cash in exchange for goods or services supplied by the seller or donor thereof.
- K. "Gross Receipts" means receipts from the sale of any right to participate in any Bingo game in any manner as well as from the sale of supplies and all other miscellaneous receipts.
- L. "Licensed Organization" means the organization and its auxiliaries qualified under the Bingo law to conduct Bingo and named on the certificate of approval and the license issued.
- M. "Net Proceeds" means gross receipts less taxes, prizes and reasonable and necessary expenses ordinarily incidental to the conduct of bingo games.
- N. "Occasion" means a single session within the same calendar day during which a series of no more than 45 bingo games, whether regular or special, is played, excluding one (1) Winner-Take-All game.
- O. "Regular Bingo Game" means a game played on a hard card or cards issued to a player for a set fee.
- P. "Special Bingo Game" means any game other than as defined above.
- Q. "Superintendent" means the Superintendent of the Rhode Island State Police or his/her designee.
- R. "The Bingo Law" means R.I. Gen. Laws §§ 11-19-30 through 45, as amended.

## **2.2 Authority**

- A. In January 1983, the Rhode Island General Assembly enacted changes in the law, which states that the Rhode Island State Police must authorize all games of bingo. Specifically, R.I. Gen. Laws § 11-19-41 provides that the Superintendent of State Police shall have ". . . the power and authority to license, regulate, supervise and exercise control over the operation of bingo. . .". The new statute also permits the licensing of such games by the police or licensing bureau of the city or town wherein the game is to take place, so long as the Superintendent, or his/her designee, has authorized the game.

- B. In accordance with his/her lawful authority as stated above, the Superintendent of the Rhode Island State Police established the following rules and regulations governing the conduct of the game of bingo, Beano or substantially the same game as played under any other name in this state. This Part adopted by the Superintendent has been promulgated in accordance with R.I. Gen. Laws § 42-35. The provisions of this act are cited generally in said Rules and Regulations, as well as in § 2.15 of this Part entitled "Information and Public Records."

## **2.3 Organizations Permitted to Promote, Carry On or Conduct the Game of Bingo**

- A. The only organizations eligible to promote, carry on, or conduct the game of bingo are any benevolent, educational, philanthropic, humane, patriotic, social service, civic, fraternal, police, labor, religious, eleemosynary person and/or persons purporting to be a charitable organization. No other type of organization or any individual is permitted to promote, carry on or conduct the game of bingo.
1. Necessary Criteria for Organizations to be Deemed Eligible to Conduct the Game of Bingo
    - a. Those organizations enumerated in § 2.3 of this Part may conduct the game of Bingo provided that:
      - (1) The total net proceeds or profits arising from the conduct or operation of such bingo games are used solely for the promotion or achievement of the purposes of such organization;
      - (2) No part of the net proceeds or profits arising from the conduct of the game inures to the benefit of any private shareholder or individual;
      - (3) The applicant organization is able to show an established pattern of fundraising activity for bona fide charitable purposes, with a corresponding established pattern of expending funds raised for charitable purposes;
      - (4) That the charitable organization was not established primarily for the purpose of conducting bingo games;
      - (5) That the charitable organization was not established primarily for the purpose of conducting the game to generate expenses associated with the conduct of the bingo game;
      - (6) That no charitable organization allows or permits any individual partnership corporation or other entity to utilize the

name of the charitable organization for the purpose of conducting or promoting the bingo game;

- (7) That the organization holds a charter from the State of Rhode Island as a non-profit organization in existence for a period of at least two years prior to its request to conduct the game of bingo. The charter of the non-profit organization must be in full force and effect and be in full compliance with all requirements of the corporate laws of the State of Rhode Island.

## 2. Membership Requirements for Persons Conducting the Game:

- a. It is mandatory that all persons conducting the game of bingo for organizations which have been duly registered and licensed be bona fide members of the organization for at least two years prior to their participation in the game.
- b. However, the members shall be permitted to engage one or more persons to carry on or conduct the game who are not members of the organization; and, further, that any person who is a member or a worker of the organization which promotes, carries on or conducts the game shall be permitted to be a member or worker of another organization that promotes, carries on or conducts the game of bingo.
- c. The membership records of the organization seeking to conduct the game of bingo must be filed with the Superintendent prior to the game, and all records pertaining to membership must be made available to the Department upon request.

## 2.4 Special Bingo Games

- A. R.I. Gen. Laws § 11-19-40 provide for the Superintendent to promulgate less stringent regulations for those charitable organizations who do not intend to run bingo games more than once in any consecutive six (6) month period (ex: an annual or semi-annual bingo game at a church carnival or feast), and also for those charitable organizations where the prizes for any permitted game will not exceed three hundred dollars (\$300).
- B. Less stringent rules and regulations for the conduct of the above-mentioned games are detailed in § 2.12 of this Part and must be strictly complied with.

## 2.5 Registration Procedure

- A. Registration Application and Certificate of Approval

1. Any charitable organization intending to conduct the game within the State of Rhode Island must file an annual registration application with the Rhode Island State Police on prescribed forms (SP-1) in order to receive a certificate of approval. To obtain a renewal of the certificate of approval each charitable organization must file the registration application required by this chapter prior to September 1st of each year, the date of renewal. Every charitable organization denied approval or whose certificate of approval has been suspended or revoked by the department shall submit a new application to the Department.
2. Any organization intending to conduct the game can obtain the registration application from the Rhode Island State Police Charitable Gaming Unit, the State Police Barracks, or on the State Police website.
3. It shall be the duty of the president, chairperson, or principal officer of any such charitable organization to file the required registration application. Such application must be signed and notarized.
4. The registration application must be complete in all details and must furnish such information as is considered necessary to satisfy the Department that the applicant organization is fully qualified and eligible for a bingo license.

B. Annual Financial Statement

1. Every charitable organization operating the game must file an annual Financial Report (CPA Review) with the Department prior to September 1st. This Financial Report must be certified by an independent certified public accountant.
2. The scope of the annual Financial Report will be determined by the manner in which the charitable organization disposes of its net proceeds raised by the conduct of the game.
  - a. If the charitable organization expends all of the net proceeds for charitable purposes directly from the special "Games of Chance Account," then only a limited consolidated review is needed. In such an event, the limited review must give detailed information about all of the preceding years' game fundraising, showing the kind and amount of funds raised, the costs and expenses incidental to the game and the allocation or disbursements of funds raised.
  - b. If the charitable organization expends the net proceeds raised by the game by depositing those monies into the organization's general fund, then the annual Financial Report (CPA Review) must show all funds raised and expended by that organization during the preceding fiscal year.

- c. The annual Financial Report (CPA Review) must be notarized.

C. Issuance of the Certificate of Approval

1. After receiving the registration application and financial statement, and before issuing, renewing or rejecting the application for certificate of approval, the Department shall make or cause to be made such investigation of any applicant, as it shall deem necessary.
2. The certificate of approval shall be valid for a one-year period.
3. No applicant shall be approved if one or more of the following facts is found to exist:
  - a. That one or more of the statements in the application are not true.
  - b. That the applicant is or has engaged in a fraudulent transaction or enterprise.
  - c. That the game would be a fraud upon the public.
  - d. That the game expenses during any of the three (3) years immediately preceding the date of application have exceeded twenty-five percent (25%) of the total gross money or gross receipts raised or received by reason of the game.
  - e. That the expected cost of conducting the game for the specific year for which the application is sought will exceed twenty-five percent (25%) of the total gross money or receipts to be raised or received by reason of the game.
  - f. Such activities to be financed are incompatible with the health, safety or welfare of the State of Rhode Island.
  - g. Or for any other valid reason as determined by the Department.
4. Change of Information
  - a. If, subsequent to approval of the Department, there is a change in the organization's charter or by-laws or in any information furnished by the organization to the Department, the organization shall so inform the Department within seven (7) days of the change. Failure to so notify will result in an automatic suspension of approval for a period of three (3) months.

## **2.6 Issuance of Licenses**

- A. Any charitable organization covered by the provisions of § 2.3 of this Part may be granted a license to conduct the game of bingo authorized by the Department as follows:
1. Upon receipt of the certificate of approval from the Department, the charitable organization shall apply to the local licensing authority upon forms furnished by the local authority and pay the local licensing fee, if any.
  2. The local licensing authority shall issue the license. A copy of the license shall be forwarded to the Department by the local licensing authority.
  3. The local licensing authority shall issue the license for a specific date or dates or a specific day or days during each calendar week, not to exceed two (2) occasions per calendar week.

## **2.7 Operation of Bingo Games**

- A. Any charitable organization approved by the Department may promote, carry on, or conduct the game provided that:
1. Members of the applicant organization shall conduct the game.
    - a. However, the members shall be permitted to engage one or more persons to carry on or conduct the game who are not members of the organization; and, further, that any person who is a member or a worker of the organization which promotes, carries on or conducts the game shall be permitted to be a member or worker of another organization that promotes, carries on or conducts the game of bingo.
  2. No person in the actual or constructive management and control of the game receives any compensation for services connected to the game, or receives any compensation from the gross receipts of the game, except runners who may receive reasonable compensation for services as determined by the Department. Runners shall not participate or assist in any other capacity at the game other than in those duties normally performed by a runner, such as selling specials, card exchange, food and beverage deliveries and calling off bingo winners. R.I. Gen. Laws § 11-19-32(15) provides that game workers may be compensated with a non-monetary gift valued at not more than twenty-five dollars (\$25) per quarter or a total of one hundred dollars (\$100) per year in total. Beverages and food provided without charge to volunteer workers is not considered compensation.

3. Every licensed organization shall designate a bona fide, active member of the licensee to be in charge of and primarily responsible for each occasion. The member in charge shall have been a member in good standing of the licensed organization for at least two years. The member in charge shall supervise all activities and be responsible for the conduct of all bingo games on the occasion of which he/she is in charge, including the preparation of the required Financial Report. The member in charge, or his qualified designee, shall be present on the premises continually during the occasion and shall be familiar with the provisions of the Bingo Law, applicable local ordinances, these Rules and Regulations and the terms of the license.
4. List of Bingo Workers. Each licensee must post conspicuously at the location where bingo is conducted a list of those members and non-members authorized to conduct or assist in the conduct of the game. No person whose name does not appear on the posted list shall assist in the conduct of the game in any manner.
5. Participation as Worker. No person shall assist in promoting, carrying out or conducting the game of bingo except those individuals whose names appear on the list required and as authorized by the Department.
6. Officer Responsible for Gross Receipts. The licensed organization shall duly designate an officer of said organization to be in full charge of and primarily responsible for the proper use and disposition of all gross receipts. Such officer's name shall appear on the membership list and registration application required by the Department.
7. Participating as a Player. No person whose name appears on the list of workers required and as authorized by the Department may participate as a player in the game conducted by the licensee, except as authorized by the Superintendent in writing.
8. Qualifications of Workers. No person shall participate in any bingo game as a worker unless he is of good moral character and has not been convicted of a crime, other than a traffic violation, during the preceding five years.

B. Certain Persons Prohibited from Participation in the Conduct of Bingo

1. Except as specifically authorized by the Superintendent in writing, no person directly or indirectly connected with the manufacture, sale, rental or distribution of bingo equipment or supplies or facilities, or the agents, servants or employees of such person, corporation, association, firm, partnership, limited partnership or entity shall conduct, participate, advise or assist in the conduct of bingo or render any service to anyone conducting, participating or assisting in the conduct of bingo, including the

preparation of any form relating to bingo. Licensed organizations receiving such assistance shall be in violation of this chapter.

C. Facilities

1. The game shall be conducted only on the premises affiliated with the charitable organization, meaning facilities owned by the charitable organization, or which a lessor undertakes to provide by the terms of a written lease, which lease shall be approved by the Superintendent. If the applicant organization desires to conduct the game on premises specifically leased for the occasion, a separate written request (together with the supporting reasons) shall accompany the registration application. In approving or disapproving the lease, the Superintendent will consider some of the following criteria, but not be limited to the following:
  - a. The special needs of the charitable organization running the game at a location not owned by them, for example, where the charitable organization has no other suitable place
  - b. The location of the rental site in relation to the membership of the charitable organization
  - c. The past uses of the rental site by the charitable organization for bingo and other charitable functions.
  - d. The cost of the rental site (commercially reasonable).
    - (1) These and other reasonable considerations will be considered by the Superintendent for approval or disapproval of a lease site. If a lease site is approved, then the rental fee contained in such lease shall be a certain sum and shall be commercially reasonable as determined by the Department.
2. In any building in which the game is played or conducted, it shall be used no more than three (3) times in any calendar week for conducting the game, and provided further that no annex or subdivision of any building shall be permitted to be used to conduct a game in an attempt to increase the number of times said building may be used for bingo purposes.
3. Premises Required to be Open for Inspection. The premises where any game of bingo is conducted or where it is intended that any game of bingo be conducted or any bingo equipment is to be used shall be at reasonable times open to inspection by the Department and the local licensing authority or its duly appointed representatives.

4. Visibility of Drawing. The receptacle, the person removing the objects or balls from the receptacle and the caller shall each be visible to the majority of the players at all times.
5. Accommodations to be Furnished to Players. Each player must be furnished at no extra charge, a chair and place with sufficient room to play. The area must be free of hazards to safety with means of egress clearly designated. Under no circumstances can the public be admitted to a building that does not have the required local occupancy permits and, in addition, each charitable organization must have their bingo facility inspected by the Deputy State Fire Marshal or an Assistant Deputy State Fire Marshal each year to comply with the provisions of R.I. Gen. Laws Chapter 23-28, the Rhode Island State Fire Safety Code. Verification of such inspection must be received by the Department prior to the renewal or issuance of the certificate of approval to conduct the game.
6. The licensed organization shall post conspicuously, within that portion of the premises where bingo is played, the rules governing the conduct of bingo at the place where bingo cards are sold.
7. Each licensed organization may retain the services of a police officer of the city or town where the occasion is conducted who shall be in attendance from the time the sale of cards or bingo opportunities commences until net proceeds have been secured by deposit or otherwise. The police officer may be compensated from operating expenses at a rate not to exceed the rate currently prevailing for such services in said city or town. The Department shall certify each police officer seeking to work at the game that he or she has read the bingo laws and the Rules and Regulations relating to them. At no time will any paid police officer participate or assist in any other capacity at the game other than to perform those duties normally associated with a paid police security detail.
8. Reserved seating shall be prohibited except in the case of handicapped persons who may be seated next to a building's entrance or exit for their safety and convenience.
9. In the playing of bingo, no person who is not physically present on the premises where the game is actually conducted shall be allowed to participate as a player in the game.

D. Equipment and Cards

1. Equipment
  - a. Equipment used in the conduct of bingo must be maintained in good repair and sound working condition. Equipment shall be used,

and play operated, so that each player is given an equal opportunity to win.

- b. The objects or balls to be drawn must be essentially the same as to size, color, shape, weight, balance and all other characteristics so as to be at all times during the conduct of bingo equally agitated and circulated within the receptacle before each game is begun.

## 2. Ownership of Equipment

- a. The licensed organization shall conduct bingo games only with equipment owned by it or which a lessor undertakes to provide by the terms of a written lease, which lease shall be a certain sum and shall be commercially reasonable, as determined by the Department.
- b. Use of equipment for which the licensed organization pays consideration directly or indirectly or under the guise of a service charge is prohibited except as allowed by the previous selection.
- c. No licensed organization shall agree to purchase its supplies in consideration of receiving the use of any equipment, goods or supplies without charge.
- d. Licensed organizations renting equipment (i.e., blower, machine, balls, flash boards, tables and chairs, etc.) are not allowed to continue the rental of this equipment over an extended period of time (beyond the actual costs of the original purchase price of the equipment). The Department, pursuant to R.I. Gen. Laws § 11-19-31, may allow licensed organizations to exceed the 25% maximum of the total gross receipts for additional expenses to free the charitable organization from costly rental fees, thereby increasing the net profits for the charitable organization.

## 3. Licensing of Persons, Firms or Corporations Engaged in the Sale or Rental of Bingo Equipment and Supplies.

- a. No charitable organization shall be licensed to sell or rent equipment. If a charitable organization allows another charitable organization to use its equipment, then there shall be no charge for that use.
- b. Bingo equipment not owned by the charitable organization or subject to a lease-purchase agreement shall be removed from the premises where the game shall have been played after every occasion, unless written permission from the Department is obtained.

4. Sale or Rental of Bingo Equipment, Supplies and Facilities
  - a. Every individual, business, corporation or entity engaged in the business of the sale of bingo supplies or equipment shall be in compliance with the requirements of Transportation of Gambling Devices, 15 U.S.C. Chapter 24, which deals with gambling devices and the Gambling Device Act of 1962.
  - b. The Department shall have the power and authority to investigate as to the direct or indirect ownership or control of any individual, business, corporation or entity engaged in the business of the sale of bingo supplies or equipment.
  - c. Any individual, business, corporation or entity engaged in the business of the sale of bingo supplies or equipment must provide to the Department upon demand any business or individual records requested by the Department.
  - d. Transaction of Certain Business Prohibited. No person who is directly or indirectly connected with the manufacture, sale, rental or distribution of bingo equipment, supplies or facilities or his agents, servants or employees may be present during the conduct of bingo games for the transaction of business without written approval of the Superintendent.
5. Registration of Bingo Equipment
  - a. Charitable organizations owning bingo equipment and lessors of bingo equipment must register that equipment with the Federal Government under 15 U.S.C. Chapter 24, which deals with gambling devices and the Gambling Device Act of 1962, if applicable.
  - b. A copy of the registration letter sent to the U.S. Government must be submitted at the time of registration or renewal of registration with the Department.
  - c. Those charitable organizations already registering other gambling devices with the U.S. Government may simply add the bingo equipment on the annual registration with the U.S. Government and the Department.
6. Sale of Cards
  - a. Bingo games or opportunities may be printed only on one side of a card. All cards must be sold with the face or printed side of the card invisible and undisclosed to either the buyer or seller. No player at the time of sale may be given any opportunity to select any

particular bingo card on the basis of the numbers on the card or otherwise.

- b. Bingo cards may be exchanged by choice after purchase at a location set up for card exchange or obtained from runners after the bingo games have commenced.
- c. The licensed organization shall keep an accurate count in separate categories of the number of admissions sold, the number of Regular Cards sold, the number of Extra Regular Cards sold, and the number of Special Game Cards sold. This information must be available during the occasion. Regular Cards and Extra Regular Cards shall be distinctively marked on the admission control card.
- d. Inventory of Supplies. Accurate records revealing the number of bingo cards owned by the licensed organization are required. The licensed organization is required to possess and furnish upon request proof of ownership for all equipment and cards in its possession. All licensed organizations are subject to inventory by representatives of the Department at any reasonable time.

#### E. Charges and Fees

##### 1. Price of Cards or Bingo Opportunities

- a. All opportunities to play -- admission, Regular Cards, Extra Regular Cards and Special Game Cards -- must be assigned specific prices and may be sold only for the specified price.
- b. No less than two dollars and fifty cents (\$2.50) shall be charged for the purchase of six (6) Regular (hard) bingo cards. This requirement establishes a minimum price for Regular Bingo Cards and allows the charitable organization to set its own price structure for additional Regular Bingo Cards, Extra Regular Bingo Cards and Special Game Cards, except the Winner-Take-All Game.

##### 2. Admission Control Cards

- a. No person shall be permitted to play bingo without an admission control card.
- b. The purchase of the admission control card shall provide for admission to the premises where a bingo occasion is to be conducted and entitles a person, after purchasing Regular, Extra Regular or Special Bingo Cards to participate in all games of bingo during that occasion.

- c. The admission control card shall be a pre-printed two-part form, which must indicate the maximum number of Regular Bingo Cards and Extra Regular Cards a player may use at any one time, and both parts shall be date stamped and consecutively numbered.
- d. Bingo players must display the admission control card at all times during the game.
- e. The charitable organization must maintain the second part of the admission control card for audit purposes for each occasion.
- f. The charitable organization shall use the admission control card for a door prize raffle, if the charitable organization requests to have a door prize raffle at the time of registration and the raffle is approved by the Department. In any door prize raffle the total number of prizes awarded may not exceed five (5), and the total dollar amount of cash and/or prizes shall not exceed one hundred dollars (\$100) per occasion.

F. Operation of Bingo Games

- 1. The game may be carried on or conducted by each licensed charitable organization not more than twice in any period of one calendar week.
- 2. Prior to the start of each occasion, the member in charge shall count and inspect the bingo balls and verify their correct number and condition.
- 3. Drawing of Numbers. The caller shall remove the object or ball from the receptacle, observe the number and display the object or ball to the players with the numbers visible and call out the number. The numbers must be called accurately and in such a manner as to be heard by all players. Once removed, no object or ball may be returned to the receptacle until after the conclusion of the game.
- 4. Winning Combinations. Directly before any game has begun, the amount of the prize and the arrangement of numbers required to win must be announced clearly in a manner audible to all players. If a series of games is divided into multiple prizes, the winning arrangements and amount of each prize shall be announced audibly immediately prior to each such game.
- 5. Permissible Winning Combinations. No arrangement of numbers shall be required to be covered in order to win a game, other than the following:
  - a. One unspecified horizontal row.
  - b. One unspecified vertical row.

- c. One unspecified diagonal row.
  - d. One unspecified row (horizontal, vertical or diagonal)
  - e. A specified arrangement consisting of two or more of the foregoing
  - f. The entire card
  - g. Four outside corners designated as top and bottom spaces under the letters "B" and "O".
  - h. Eight spaces surrounding the free space.
  - i. Four inside corners designated as second and fourth spaces from the top under the letters "I" and "N".
  - j. Exactly the same as indicated above on cards bearing five letters other than "BINGO", e.g., "BEANO", "BLITZ", etc.
  - k. No other type of bingo is allowed without written permission of the Superintendent.
6. Verification of Numbers Drawn. Any player may request a verification of the numbers drawn at the time a winner is determined and a verification of the objects or balls remaining in the receptacle and not drawn. Verifications shall take place in the immediate presence of the member in charge, one or more players other than the winner, and the player requesting the verification at his option.
7. Verification of Winning Cards. The numbers appearing on the winning card must be verified at the time the winner is determined in order to ensure that the numbers on the card, in fact, have been drawn from the receptacle. This verification shall be done in the immediate presence of one or more players at a table or location other than the winner's.
8. Multiple Winners. When more than one player is determined to be a winner on the call of the same number, the designated prize shall be divided equally to the nearest dollar. When equal division of a merchandise prize is not possible, substitute prizes of equal value, but not in excess of the designated prize in total value, shall be awarded.
9. Standard of Conduct of Games. Every licensed organization is responsible for the supervision, regulation and conduct of all bingo games conducted under the authority of its license and is required to so supervise, regulate and conduct all games in accordance with the Bingo Law and these Rules and Regulations. All players must be given an equal opportunity to win and the licensed organization is required to eliminate any influence that

has or may have as its effect the predetermination or selection of any winner or winners.

#### G. Restrictions

1. That there is only one (1) sponsor for each date of the proposed game and that such game is conducted only on the premises affiliated with such organization in conformance with rules and regulations set forth in § 2.7(C) of this Part.
2. There shall be a maximum limit of 45 games an organization may conduct on a single occasion, excluding the Winner-Take-All game or multiple games. Every time a prize is awarded shall be considered a game.
3. The game may be conducted on any day in the week; unless the local licensing authority prohibits a particular day or date.

#### H. Prizes

1. The total prizes, in the form of cash and/or retail merchandise, including prizes from winner-take-all games which are offered or awarded, cannot exceed the sum of seven thousand five hundred dollars (\$7,500) in any one night.
  - a. Winner-Take-All Game Player on Special Game Cards
    - (1) One Winner-Take-All game is allowed per occasion and must be completed by three-fourths of the way through the schedule of games.
    - (2) The Winner-Take-All game may be a multiple game or a series of games, meaning that the game may be played in a progressive manner.

Example: If the total Winner-Take-All receipts are \$728, the organization may run any combination of games to award the total \$728 (i.e.-single bingo, double bingo, full card etc.)
    - (3) All proceeds from the sale of Special cards for the Winner-Take-All game must be awarded as prizes for these games, hence the title "Winner-Take-All."
    - (4) When more than one (1) player is determined to be a winner on the call of the same number, the designated prize shall be divided equally to the nearest dollar in a Winner-Take-All game.

- (5) All monies collected and prizes to be awarded for the Winner-Take-All game must be announced over the public address systems to the Bingo players prior to the start of every game.
  - (6) After the Winner-Take-All game or games is complete, the charitable organization shall collect the special bingo strips sold for the Winner-Take-All and deposit them in a box in full view of the players. Any player desiring to verify the total prize payout in the Winner-Take-All game or games may verify the total number of special cards sold. If there is any dispute over the total number of special cards sold or the prize awarded for the Winner-Take-All game, all interested parties shall fill out a Bingo Complaint Form (SP-3) and the member in charge of that occasion shall secure the Winner-Take-All specials and notify the Department by reporting the incident on the Financial Report of that occasion.
- b. R.I. Gen. Laws § 11-19-32(14) allows for the offering of a bonus building prize pool that would start at five hundred dollars (\$500) and increase at one hundred dollar (\$100) increments each week until it reaches a maximum amount of one thousand dollars (\$1,000).
2. Multiple Winners. When more than one player is determined to be a winner on the call of the same number, the designated prize shall be divided equally to the nearest dollar. When equal division of a merchandise prize is not possible, substitute prizes of equal value - but not in excess of the designated prize in total value - shall be awarded.
3. Varying Value of Prizes Offered. Within the limits established in these Rules and Regulations, the prizes offered might be varied depending on the number of persons entitled to play present at the occasion. For example, the one (1) \$500 prize may be given as a single \$400 prize, or a single \$300 prize, etc., but never in excess of the maximum prize value.
4. Gifts Prohibited. No licensed organization may offer, distribute or give any service or thing of value or opportunity to play bingo without charge.
5. Nothing in this section shall allow the awarding of any prize, when the winner is finally determined, in excess of the maximum prize allowed by the Rules and Regulations for a single bingo game. It is the specific intent of this regulation to forbid the carrying-over of un-awarded prizes to the extent that the ultimate prize would be in excess of the maximum prize allowed.

6. Merchandise Prizes. When merchandise is awarded as a prize in a game of bingo, its value shall be its cost to the licensed organization; or if donated, the fair market value. The fair market value of donated merchandise prizes may not be reported as an expenditure in any Financial Report. Serial numbers of merchandise prizes shall be recorded and included in the Financial Report. All cash prizes in excess of two hundred fifty dollars (\$250) per person must be awarded by a check from the Special Games of Chance Account.
7. Bonus or additional prizes are prohibited. (Ex: gold cards).
8. No licensee shall offer, distribute or give any service or thing of value without charge, other than the prizes awarded in the conduct of a game of bingo.

I. Prohibited Acts

1. No other games of chance or gambling of any kind other than bingo, whether lawful or unlawful, shall be conducted or allowed on or before any occasion where bingo is played except the following:
  - a. Licensed charitable organizations may sell pull-tab lottery tickets properly obtained from the Rhode Island Lottery Commission.
  - b. Licensed charitable organizations seeking to have a door prize raffle, using the admission control card may do so after requesting the same at the time of registration with the Department.
  - c. Raffle tickets of charitable organizations holding a valid raffle permit authorized by the Department may sell raffle tickets at any bingo occasion with the permission of the licensed organization.
2. No alcoholic beverage may be sold, dispensed or consumed on that part of the premises used for bingo during an occasion.
3. No person under eighteen years of age shall be permitted to participate in the game.
4. No person under eighteen years of age shall be permitted on that portion of the premises used for bingo during an occasion except members of the charitable organization working at the bingo or concession workers.
5. Prohibition of Certain Sales. Except for the sale or offering for sale by the licensed organization of bingo supplies, raffle or lottery tickets and food or refreshments, no services, goods or merchandise may be sold or offered for sale on that portion of the premises used for bingo during an occasion.

6. Advertisement of Bingo Games. As provided in R.I. Gen. Laws § 11-19-32(13), charitable organizations may advertise bingo occasions in print media provided that no information other than the name of the organization sponsoring and or benefiting from a game and the date and time and place of the games are provided in the advertisement.
7. No charitable organization making sales at retail of food, beverages and bingo supplies will be authorized to conduct the game unless that organization complies with all applicable requirements of R.I. Gen. Laws §§ 44-18 and 19 (Sales and Use Tax Law). Complete information may be obtained by contacting the Division of Taxation.

## **2.8 Records**

- A. Each organization shall keep and monitor financial records relating to the game in accordance with the following procedures and said records shall be available for inspection upon demand.
- B. Record Keeping. Accurate records and books shall be kept by each licensed organization in a manner prescribed by the Superintendent, showing in detail the amount and source of gross receipts, the expenses incurred and the name and address of each person receiving a prize of over two hundred fifty dollars (\$250) and the value of such prize.
  1. Access to Records. The Department or local licensing authority or their duly authorized agents or representatives shall at all times have access to all books and records of any licensed organization for the purpose of examining and checking them.
  2. Period of Retention of Records. All records, books of account, bank statements and all other papers incidental to the operation of bingo games by the licensed organization shall be retained and available for inspection by the Department or its duly authorized representatives for a period of four years from the close of the calendar year to which the records apply.
- C. Bank Accounts
  1. Proceeds from bingo shall be kept in a separate special "Games of Chance Account" which shall be in the form of a checking account with preprinted, consecutively numbered checks. All receipts from each bingo occasion, less the amount awarded as cash prizes for that occasion, shall be deposited in this special bingo account no later than the next business day following the date of the bingo occasion. Money shall be withdrawn from this special "Games of Chance Account" only for the following purposes:
    - a. Payment of expenses in accordance with Rules and Regulations.

- b. Disbursement of Net Proceeds for a bona fide charitable purpose.
- c. Transfer to one or more interest-bearing accounts pending disbursement. Any transfer from any interest-bearing account can only be by this subsection. Except as authorized by the Superintendent in writing, the total of funds held in interest-bearing accounts, plus the total of unexpended Net Proceeds in the "Games of Chance Account" shall not exceed fifty thousand dollars (\$50,000) at any one time without the written permission of the Superintendent. Funds raised for charitable purposes must be expended for those purposes.
- d. Withdrawal of cash funds for bingo bank to start each occasion.
- e. Transfer to the Organization's "General Fund Account." If a charitable organization is required by Federal Regulations to expend their net proceeds from the game by the organization's General Fund Account, then the General Fund Account must be reviewed by a certified public accountant (CPA Review) each fiscal year, and a copy of that audit report shall be filed with the Department at the time of registration or renewal. The Department, at any time, may request any and all records of any licensed organization for audit purposes.

2. Commingling of Funds Prohibited.

- a. No receipts deposited into the special "Games of Chance Account" shall be commingled with any other funds of the charitable organization. Only funds derived from the operation of bingo and other "Games of Chance" shall be deposited in the special "Games of Chance Account" except:
  - (1) Charitable organizations selling food, beverages and bingo supplies incidental to the game may deposit those funds into the special "Games of Chance Account," provided that all gross receipts from the sale of the aforementioned are deposited into the special "Games of Chance Account" and all expenses are paid by a check made out to a specific person or persons, and at no time shall any check be made out to cash.
  - (2) Funds raised through the sale of pull-tab lottery tickets obtained from the Rhode Island Lottery Commission may be deposited into the special "Games of Chance Account" and expenses for the purchase of pull-tab lottery tickets may be withdrawn from the special "Games of Chance Account."

- (3) Charitable organizations who derive funds from the conduct of other authorized Games of Chance may deposit these receipts into the special "Games of Chance Account" and must pay all expenses by check to a specific person or persons, and at no time shall any check be made payable to cash.

D. Reports Required

1. Bingo Financial Report (Form SP-2)
  - a. A financial report form as specified by the Department must be filed for each day for which the licensed organization is authorized to conduct bingo games, regardless of whether or not the licensed organization actually conducts the game on that day.
  - b. This form must be completed in all respects when filed. Failure to adequately complete and file this form within seven (7) calendar days from the completion of the bingo occasion may result in suspension or revocation of approval to conduct the game.
  - c. The bingo Financial Report shall consist of three copies. One copy will be maintained by the charitable organization, one copy will be filed with the Department and the third copy will be filed with the local licensing authority, if required.
2. Bingo Cash Control Sheet and Prize Schedule
  - a. Each organization conducting the game shall adopt a cash control sheet and prize schedule which shall be maintained progressively throughout the occasion to detail the gross receipts as they are collected and the prizes as they are awarded.
  - b. Organizations selling special bingo cards (paper strips) will develop and maintain a system of cash controls to ensure that all gross receipts are accounted for.
  - c. Cash control sheets, admission/control cards, schedule of games and prizes and other such records or forms used by the licensed organization to gather and support the information required on the Financial Report must be retained by the licensed organization and be kept available for inspection at reasonable times by the Department.
3. Quarterly Bingo Financial Report (Form SP-5)
  - a. Quarterly Financial Reports, as specified by the Department, must be filed each quarter by the organization authorized to conduct

bingo games. The quarterly reports shall include a summary of bingo occasion reports, additional quarterly expenses not already listed on the per occasion bingo reports (Form SP-2) and quarterly disbursements of bingo proceeds.

b. This form must be completed in all respects when filed. Failure to adequately complete and file this form within seven (7) days of the end of the quarter may result in suspension or revocation of approval to conduct the game. This quarterly schedule is as follows:

(1) July - September

(2) October - December

(3) January - March

(4) April - June

c. The original and two copies of the bingo Quarterly Financial Report will be maintained as follows: The original will be filed with the Department; one copy will be maintained by the charitable organization; and one copy will be filed with the local licensing authority, if required.

4. Annual Financial Report (See § 2.5(B) of this Part)

#### E. Expenses

1. Payment of Expenses. Money for reasonable and necessary expenses ordinarily incidental to the conduct of the game may be paid from the Gross Receipts only by checks having preprinted, consecutive numbers drawn on the special "Games of Chance Account." Said checks must be made payable to the specific person or corporation providing the goods or rendering the service which gave rise to the expense item, and at no time may checks be payable to cash.
2. Nature of Expenses. Only those expenses that are reasonable and necessary and ordinary incidental to the conduct of the game may be paid from the Gross Receipts, as determined by the Department.
3. Total expenses except for prizes shall not exceed 25% of the Gross Receipts or receipts to be raised by conducting the game.
4. A charitable organization may exceed the 25% maximum of gross receipts in the event of special facts or circumstances with written permission of the Department.

F. Complaint Report (SP-3)

1. Every charitable organization shall make available to any player or person a complaint report form (SP-3) provided by the Department for the purpose of making a complaint or reporting any violation of the Bingo Law or this Part. In any dispute involving prizes or the awarding of prizes, the Department shall, at a later date, make the determination. Each party involved, including the member in charge, shall file a complaint report noting the dispute.

## 2.9 Appeals from Determination

A. Any organization whose registration application is denied or any organization whose certificate of approval is suspended, canceled or revoked may contest such determination by the Superintendent or his/her designee.

B. Hearing Procedure

1. Any charitable organization denied registration or whose registration is suspended or canceled may, within fifteen (15) days from the date of written notification of such denial, suspension or cancellation, request in writing a hearing before the Department, which hearing shall be held within thirty (30) days from the date of the request.
2. Upon receipt of request for a hearing, a notice of the hearing shall be sent by the Superintendent by registered mail to the licensed organization at the address shown on the license not less than five (5) days prior to the date set forth on said notice for the holding of said hearing unless the Superintendent, in his/her discretion, shall shorten the time fixed herein.
3. Any person aggrieved by or interested in the action of the Department may appear and be heard in person or by duly appointed representative and may produce under oath evidence relevant and material to the issue in question. A duly authorized representative of the licensed organization must appear in person on the date set forth in the notice of hearing and on all adjourned dates. The failure of a qualified representative of the licensed organization to appear will result in a forfeiture of the right to further proceedings. A recording of the hearing will be maintained. The recorded oral proceedings will be transcribed per the request of any involved party.

C. Duties of Hearing Officers

1. The persons conducting the hearing shall rule on matters of procedure and the introduction of evidence and shall otherwise conduct the hearing in such manner as to preserve fundamental concepts of fairness and to

effectuate the purposes and provisions of the Bingo Law and the Rules and Regulations.

2. At the conclusion of the hearings conducted by a hearing officer, he/she shall make written findings in support of the decision.
3. The licensed organization shall be notified immediately in writing of the decision.
4. The rules of evidence governing proceedings in courts of the State of Rhode Island shall not be rigidly enforced in hearings held under this chapter.
5. Nothing shall prevent the denial, suspension or revocation of any certificate of approval at any time by the Superintendent prior to a hearing.

D. Appeal

1. If the licensed organization is aggrieved by the decision rendered, it may appeal pursuant to R.I. Gen. Laws Chapter 42-35.

## **2.10 Enforcement**

A. Compliance

1. If any charitable organization fails to file any registration application or statement, report, or other information required to be filed by the department, or otherwise violates the provisions of R.I. Gen. Laws Chapter 11-19, the department shall notify the delinquent charitable organization, by mailing a notice, certified mail, return receipt requested, to its last known address. If the required registration application or statement, annual report or other information is not filed, or if the existing violation is not discontinued within ten (10) days after formal notification or receipt of such notice, the department may cancel or suspend the registration of such or refuse to accept delinquent reports from the charitable organization.

B. Investigation by the Department

1. The Department, upon its own motion or upon complaint of any person may, if it has reasonable grounds to suspect a violation, investigate any charitable organization to determine whether such charitable organization has violated the provisions of R.I. Gen. Laws Chapter 11-19 or has filed any application or other information required under this chapter which contains false or misleading statements. If the Department finds that any application or other information contains false or misleading statement or that a registrant under R.I. Gen. Laws Chapter 11-19 has violated the provisions thereof, the registration may be suspended or canceled.

C. Revocation of Certificate of Approval

1. The certificate of approval of any charitable organization that knowingly makes a false or misleading statement in any registration application or statement, report or other information required to be filed by the Department or under R.I. Gen. Laws Chapter 11-19, shall be revoked.

## 2.11 Penalties

A. Criminal Penalties

1. In addition to the foregoing, any person who willfully and knowingly violates any provision of R.I. Gen. Laws Chapter 11-19, or who shall willfully and knowingly give false or incorrect information to the Department in filing statements or reports, whether such report or statement is verified or not, shall be guilty of a misdemeanor, and upon conviction shall be sentenced pursuant to R.I. Gen. Laws § 11-19-39 for the first offense to pay a fine of not more than one thousand dollars (\$1,000) or imprisonment for not more than one (1) year, or both, and for the second and any subsequent offenses to pay a fine of not more than five thousand dollars (\$5,000) or imprisonment for no more than five (5) years, or both.

B. Forfeiture of Charter

1. Whenever the Attorney General shall have reason to believe, or the Attorney General has been advised by the Superintendent (who shall have given due notice and full hearing to the charitable organization), that said charitable organization is doing or has done any of the following, in addition to all other actions authorized by law:
  - a. Operating in violation of the provisions of R.I. Gen. Laws Chapter 11-19;
  - b. Has knowingly and willfully made any false statements in any initial or any renewal application, or in any other information required to be filed;
  - c. Failed to file a registration statement required by the Department;
  - d. Employed, or is about to employ any device, scheme or artifice to defraud or to obtain money or property by means of any false pretense, representation or promise;
  - e. The officers or representatives fail, after notice, to produce any records of such organization;

- f. The funds raised by the game are not devoted, or will not be devoted, to the charitable purposes of the charitable organization
2. The Attorney General of the State of Rhode Island may bring an action in the name of the State of Rhode Island against such charitable organization and its officers, or any other person who has violated the provisions of R.I. Gen. Laws Chapter 11-19, to enjoin such charitable organization or person from continuing such violation, doing any acts in furtherance thereof, and for such other relief as the court deems appropriate. The court may make such additional orders and/or judgments as may be necessary to restore to any person in interest any monies or property, real or personal, which may have been acquired by means of any practice in R.I. Gen. Laws Chapter 11-19, declared to be unlawful.
3. The Department may refuse to grant an initial application, renew an application and may revoke a registration of any charitable organization which knowingly makes a false statement in any initial registration application, renewal application or statement, annual report, or other information required to be filed by the Department or the provisions of R.I. Gen. Laws Chapter 11-19.

## **2.12 Special Bingo Games**

- A. R.I. Gen. Laws § 11-19-40 provides for the Superintendent to promulgate less stringent regulations for those charitable organizations who do not intend to run bingo games more than once in any consecutive six (6) month period (ex: an annual or semiannual bingo game at a church carnival or feast), and also for those charitable organizations where the prizes for any permitted game will not exceed three hundred dollars (\$300).
- B. General Requirements of Special Bingo Games
  1. The game will be managed, supervised, operated and controlled by permanent members of the applying organization.
  2. The services of outside promoters or persons not permanent members of the applying organization will not be employed or used in any way in the managing, operating, supervising or controlling the bingo game.
  3. The applying organization will not allow outside promoters or persons not permanent members of the applying organization to become members of the applying organization for the purpose of managing, supervising, operating or controlling the game of bingo.
  4. The applying organization will not knowingly allow outside promoters on the premises while the applying organization is preparing for, conducting or concluding the game.

## C. Procedure for Special Bingo Games

1. To obtain permission from the Department, eligible charitable organizations should obtain a bingo application (Form SP-4.1) from the Charitable Gaming Unit at State Police Headquarters, at any State Police Barracks, or on the State Police website.
2. After completing the special bingo application, the charitable organization shall submit to the Charitable Gaming Unit for approval at least sixty (60) days prior to the date of the annual or semi-annual event.
3. After the Department issues a certificate of approval, the charitable organization must apply to the local licensing authority and comply with any local licensing requirements, fees and procedures.
4. After completion of the bingo occasion, the charitable organization shall complete the financial report (Form SP-2.1) and within seven (7) days file the same with the Department and the local licensing authority, if required to do so.
5. Annual or semi-annual bingos must remain within the overall prize limits specified in § 2.3 of this Part and are subject to the requirements of the sections on Enforcement and Penalties.

### **2.13 Bingo Games at Senior Citizens Housing**

- A. R.I. Gen. Laws § 11-19-32.1 entitled "Senior Citizens Housing - Bingo Allowed" provides: "Notwithstanding any other provision of this chapter to the contrary, any organization of senior citizens may promote, carry on or conduct within their own senior citizens housing project, a bingo game, with total daily prizes not to exceed four hundred dollars (\$400). The game shall be for recreational purposes and shall be open only to senior citizens who are residents of the housing project where the game is held and their guests. Bingo games shall be limited to three (3) days per calendar week and shall be operated and managed solely by the residents of the housing projects. Admission to a bingo game shall only be by admission ticket which may be purchased only by a resident. Each resident shall be allowed to purchase one ticket for a guest. The guest ticket must clearly indicate that the holder is a guest and must be purchased at least three (3) hours prior to the start of the bingo game."

### **2.14 Bingo Games at Senior Citizens Centers**

- A. R.I. Gen. Laws § 11-19-32.2, entitled "Senior Citizens Center - Bingo Allowed" provides: "Notwithstanding any other provision of this chapter to the contrary, any organization which operates a public senior citizens center or senior center may obtain a permit approved by the Department to conduct bingo games in said

senior citizens center or senior center for up to five (5) calendar days per week, excluding Sundays.”

B. General Requirements for Bingo at Senior Citizens Centers:

1. All bingo games are conducted on the premises of the center's facility;
2. All participants are fifty-five (55) years of age or older; provided, this shall not prohibit a person who is less than fifty-five (55) years of age from assisting a senior citizen in playing the game;
3. All bingo game operators are sixty (60) years of age or older and receive no compensation for serving as operators;
4. The total daily prizes shall not exceed four hundred dollars (\$400); and
5. All proceeds of the game shall be limited in use to the following:
  - a. To pay winners monetary prizes;
  - b. To defray any costs directly related to conducting the games; and/or
  - c. To defray costs of services the center's facility provides.

C. Procedures for Bingo at Senior Citizens Centers

1. To obtain annual permission from the Department, eligible charitable citizens centers should obtain a bingo application (Form SP-4) from the Charitable Gaming Unit at any State Police Barracks, or on the State Police website.
2. After completing the bingo application, send the application with the application fee to the Rhode Island State Police Charitable Gaming Unit at 311 Danielson Pike, North Scituate, RI 02857. The Charitable Gaming Unit will review the application and determine if the applying organization is qualified to run the game.
3. After the Department issues a certificate of approval, the senior citizens center must apply to the local licensing authority and comply with any local licensing requirements, fees and procedures.
4. After completion of each bingo occasion, the senior citizens center shall complete and maintain a bingo Financial Report (Form SP-2.1), as well as records relating to the expenditures of net proceeds raised by the game. These records shall be available to the Department, any member of the organization or any interested party.

## 2.15 Information and Public Records

- A. These Rules and Regulations adopted by the Superintendent have been promulgated in accordance with R.I. Gen. Laws Chapter 42-35.
- B. Department Requirements Under Administrative Procedures Act
  - 1. Description of Regulatory Agency. R.I. Gen. Laws Chapter 42-28, established within the Executive Department, the Division of State Police, charge with the responsibility of providing a uniformed force for law enforcement, preparing rules and regulations for law enforcement, maintaining facilities for crime detection and suppression; controlling traffic and maintaining safety on the highways.
  - 2. Public Information. Any person or persons interested in obtaining information or making submissions or requests of the Department relating to Charitable Gaming, including Bingo, may contact:
    - a. Rhode Island State Police  
311 Danielson Pike  
North Scituate, RI 02857  
Tel. 401 444 1147
  - 3. Description of Agency Forms. The following forms have been adopted by the Department for regulating the game of Bingo:
    - a. Form SP-1 Registration Application for Weekly Bingo
    - b. Form SP-2 Bingo Financial Report
    - c. Form SP-2.1 Special Bingo Financial Report
    - d. Form SP-3 Bingo Complaint Form
    - e. Form SP-4 Application for bingo at Senior Citizens Housing and Senior Citizens Centers
    - f. Form SP-4.1 Application for Special Bingo
    - g. Form SP-5 Bingo Quarterly Financial Report
  - 4. All forms may be obtained at Rhode Island State Police Headquarters or on the Rhode Island State Police website.
- C. Public Inspection of Rules

1. The Department shall make available for public inspection all rules and all other written statements of policy or interpretations formulated, adopted or used by the Department in the discharge of its functions and all final orders, decisions and opinions.