

Stand Up For California!

“Citizens making a difference”

www.standupca.org

P.O. Box 355
Penryn, CA 95663

May 8, 2008

Honorable Kevin Jeffries
California State Assembly Member
State Capitol Room
Sacramento, CA. 95814
FAX: 319-2166

RE: Oppose Assembly Bill 1924

Dear Assembly Member Jeffries:

The 2008 legislative session has witnessed the introduction of an unusual number of Bingo Bills. Perhaps California Legislators should begin to ask themselves why? Third parties have staked out a *cottage industry*, by offering to host games for charities, providing locations, equipment, security and management. Who are these entrepreneurs?

While AB 1924 may seem innocuous providing a change to increase the portion of gross proceeds that may be used for the rental of property and for specified overhead it has the potential to create a significant unintentional impact resulting in the expansion of an unregulated gaming industry. What are the good reasons and or evidence for the need of an increase in rent and overhead costs? Is there a record of armed robberies, embezzlements, fraud, sophisticated financial schemes or theft that has created a need for this increase in overhead payments? Have the vendors raised their prices? Or are these *host operators* seeking revenues to purchase questionable bingo machines to enhance their bottom lines?

Clearly as evidenced by the Hawaiian Gardens Bingo Club or the annual revenues from a handful of charities offering bingo in Sacramento County, charitable bingo can be a very lucrative business. Will this increase in overhead payments simply become revenue to reinvest in the expansion of a cash intensive unregulated bingo industry? Will this new revenue be used for the purchase of bingo machines that have been deemed in violation of the California Penal Code Section 326.5 in the Bureau of Gambling Control Advisory 9 August 10, 2007? Voters approved the game of Bingo in 1976 to provide funds to charities and the needy they service, not the venders, operators and others.

Legislators may wish to consider the need for greater oversight over large bingo operations in California, such as authorization of local and state financial auditing of, and financial reporting by, organizations that operate bingo games 4 or more days a week and generate more than \$1 million in gross revenues per year. Moreover, the Legislature may want to explore the need for licensing or registration of any person having a direct or indirect interest in the provision of

goods or services to an organization conducting bingo games, or having an interest in the real property leased by such an organization, and that such persons may not serve as a director, officer or employee of the organization.

Local governments just don't have the technical expertise to determine if a bingo machine violates the law. While money is going to charities --- others are making a multi million dollar bundle on this **unregulated cottage gambling industry**. Perhaps it is time for the game of Bingo to be a State authorized game.

Please list Stand Up For California in opposition to Assembly Bill 1924.

Sincerely,

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CC: Senate Committee G. O.