

# Compromise on charitable gambling

Michigan's gaming regulators and a large number of Michigan charities are squared off over proposed changes in the rules that govern gambling events that provide funds for hundreds of community groups across the state. Compromise is in order.

Members of hundreds of civic clubs across the state are alarmed at tough regulations they say will seriously diminish their revenue for good works. In Holt, it means the local Lions Club may have trouble keeping its pledge to support a scholarship fund. In Grand Ledge, the Lions Club worries about its ability to fund free eye exams and glasses or to build wheelchair ramps for those in need.

Charitable gambling started with bingo in 1972 and expanded to "millionaire parties" that included poker in 1979. Now state officials say it has catapulted in to an enormous business — \$197 million in 2011 — and is showing increased signs of corruption. Gov. Rick Snyder's legal counsel told a legislative hearing

Protecting good work,  
good name is goal

## OUR POINT IS...

Charities and Michigan Gaming Control Board must find compromise on new rules.

last month: "Charitable poker began as a good cause ... and has devolved into a racket."

Since the Michigan Gaming Control Board took oversight of charitable gambling, which had been regulated by the Lottery Commission until 2011, officials say they've logged hundreds of violations to laws and administrative rules. Those include matters as simple as charity volunteers failing to wear required nametags and as worrisome as falsified records or selling more than the maximum allowed allotment of betting chips.

Difficulties seem to center on the

companies that contract to run gambling events for charities. The proposed changes include limiting the companies' payment to a fixed fee rather than percentage of profits and limiting location rental to \$250 per day. The new rules also require charities to have more volunteers present at gambling events and to take a direct role in enforcing rules.

Charities depend on gambling income, but citizens also rely on charities to make sure the events are more charitable than not. Consider: Most reasonable people who make a donation during a telemarketing call from a charity are disappointed if they learn that only pennies on the dollar go to the charity. State officials and charities both have a vested interest in making sure that doesn't happen with charitable gambling.

Still, regulators must be reasonable about what they expect of charities. The groups must become partners in protecting the charities' good names and the funding that supports their good works.

*An LSJ editorial*