

# Find better fix for charitable gaming

Michigan courts will be left to sort out the complex complaints regarding charitable gaming and Michigan's efforts to rein in what state regulators call a "wild West" of loose practices.

And that's a shame. It's unfortunate that cooler heads could not have found a way to reach accord on the issue sooner.

Poker sponsored by charities was authorized in 2004 and skyrocketed in popularity. That created an industry of support firms that set up and run games for charities that range from the Kiwanis and Lions to Knights of Columbus.

The Detroit Free Press reported in 2009 that number of "millionaire" licenses had jumped to 9,000 that year, up from 600-plus in 2004, fueled by the popularity of poker games. Between 2010 and 2013, the games saw \$728 million in play. Regulators have shut down games at 23 locations since 2010, citing violations of rules or outright criminal activity.

Officials with charities that rely on poker games say spending on their causes has flour-

## Lawmakers should act to assist charities

### OUR POINT IS...

Lawmakers must intervene to help charities continue poker fundraisers.

ished, fueled by gambling revenue that far surpasses what they can raise by candy sales, pancake suppers or other means.

State regulators, though, show an alarming degree of high-handedness, when comparing members of charitable clubs who hire suppliers to operate their games to "a dope addict." Rick Kalm, executive director of the Michigan Gaming Control Board, is quoted in today's report on charitable gaming: "You become addicted to the revenue flow and the way you've done things." Kalm went on to accuse charities of "sucking at the trough for so long" that they are unwilling to

change.

In tightening regulations through emergency measures earlier this year, Kalm said the goal was to prevent bad actors from abusing the system. He's also trying to bring reforms that would require operators to provide charities more than 50 percent of proceeds from games.

The charities, though, are happy with 50 percent. Charities relying on telephone fundraising often receive pennies on the dollar of what donors contribute, the rest going to the telemarketing contractors. That practice is perfectly legal, as long as the charities put copies of such contracts on file with the Attorney General's Office.

Lawmakers should step in to sort this out. Sen. Rick Jones has a bill that some consider a compromise, but the House has not taken it up.

Charities are not able to run these games on their own; they should be able to hire companies to assist. As long as supplier contracts are filed with the state, there should be a way to work this out without hurting the charities.

*An LSJ editorial*