



# DAVE YOST

OHIO ATTORNEY GENERAL

Charitable Law Section  
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## SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT is made by and between American Legion Post 23 (“AL #23”), located at 705 Court Street, Portsmouth, Ohio 45662 and the Ohio Attorney General (“Attorney General”), for the purpose of resolving issues regarding AL #23’s charitable bingo operations. Together, the Attorney General and AL #23 are referred to hereinafter as “the Parties.”

1. The Attorney General is responsible for the administration and enforcement of charitable bingo licensure under Ohio Revised Code Chapter 2915 (“ORC 2915.01 *et seq.*”), and the Ohio Administrative Code rules adopted thereunder.
2. The Attorney General is responsible for the administration and enforcement of the Ohio Charitable Organizations Act in Revised Code Chapter 1716 (“ORC 1716.01 *et seq.*”), and the Ohio Administrative Code rules adopted thereunder, which require, among other things, that every charitable organization, unless exempt, who intends to solicit contributions in this state by any means or have contributions solicited in this state on its behalf by any person or entity, prior to engaging in any solicitation, shall file a registration statement and other documentation with the Attorney General.
3. The Attorney General is responsible for the enforcement of the Ohio Charitable Trust Act in Revised Code Section 109 (“ORC 109.23–.33”), and the Ohio Administrative Code rules adopted thereunder, and, in particular, ORC 109.24, which reads, “[t]he Attorney General shall institute and prosecute a proper action to enforce the performance of any charitable trust and to restrain the abuse of it.”
4. The Attorney General has authority to refuse to grant a charitable bingo license to an organization, to revoke or suspend an organization’s license, or to place limits, restrictions, or probationary conditions on an organization’s license for a limited or indefinite period.
5. AL #23 is a 501(c)(19) tax-exempt organization with the Internal Revenue Service (“IRS”). AL #23 is registered with the Attorney General as required under ORC Chapters 1716 and 109.
6. AL #23 was first issued charitable bingo license # 0035-27 in 2019. AL #23 is licensed to play Type III Instant and Electronic Instant Bingo.
7. During bingo fiscal years 2020–2022, AL #23 failed to distribute at least twenty-five percent (25%) of the net profit from charitable bingo operations to its contracted charity, the American Legion Department of Ohio Charities.

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8. A compliance inspection identified distribution shortages for bingo fiscal years 2020–2022 as follows:
- i. 2020: \$5,473.28;
  - ii. 2021: \$14,372.82; and
  - iii. 2022: \$2,266.58;

for a total of \$22,112.68 (twenty-two thousand one hundred twelve dollars and sixty-eight cents).

NOW THEREFORE, in consideration of the mutual promises herein expressed, and with intent to be legally bound, the Parties agree as follows:

- A. AL #23 shall pay \$22,112.68 (twenty-two thousand one hundred twelve dollars and sixty-eight cents), with an initial payment of \$112.68 (one hundred twelve dollars and sixty-eight cents) and 11 monthly installments of \$2,000.00 (two thousand dollars and zero cents) each month thereafter. Payments will begin on November 1, 2023 and continue each month until at least October 1, 2024. Nothing in this paragraph should be construed to limit early payments by AL #23.

**The payments shall be made directly to American Legion Department of Ohio Charities, Inc., EIN 02-0692968.** An executed copy of this SETTLEMENT AGREEMENT will be sent to American Legion Department of Ohio Charities, Inc.

- B. AL #23 shall pay a Civil Penalty Amount. Upon execution of this SETTLEMENT AGREEMENT, the Civil Penalty Amount shall be in the amount of \$2,000 (two thousand dollars). The Attorney General agrees to STAY the Civil Penalty Amount upon strict compliance of the terms of this SETTLEMENT AGREEMENT. The Attorney General has sole authority to determine whether AL #23 has fully complied with this SETTLEMENT AGREEMENT. Should the Attorney General determine that AL #23 has failed to comply with this SETTLEMENT AGREEMENT, the Civil Penalty Amount shall be payable upon demand.
- C. If AL #23 fails to comply with the payment requirements above, the Attorney General shall certify the unpaid balance of the payment to the Ohio Attorney General's Collections Enforcement Section ("Collections") for collection. In the event of certification, AL #23 agrees to pay additional collection costs assessed by Collections in accordance with Ohio Revised Code Section 131.02(A) equal to the amounts charged pursuant to Ohio Revised Code Sections 109.08 and 109.081 for the cost of certification and the use of Special Counsel for the collection of the debt. Interest shall also be charged upon certification in accordance with Ohio Revised Code Section 131.02(D). Nothing in this paragraph should be construed to limit the Attorney General's discretion to pursue any other available remedy.

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- D. AL #23 agrees that all money used to fulfill the terms of this SETTLEMENT AGREEMENT shall come exclusively from AL #23's general operating account. Money collected under Paragraph A above will be allocated as charitable distributions for bingo fiscal years 2020–2022 only.
- E. AL #23 agrees that until it has paid off the distribution shortages noted in Paragraph A, it will make all current bingo fiscal year charitable distributions required under Ohio law and its contract(s) on a quarterly basis.
- F. AL #23 agrees to submit monthly reports providing the following documents which show the distributions made to its contracted charity (and any other charity): cancelled checks, bank statements, ticket sales and trackers. These updates must be submitted by email to [CharitableBingo@OhioAGO.gov](mailto:CharitableBingo@OhioAGO.gov). AL #23 shall also provide a point of contact for the Attorney General.
- G. AL #23 agrees that the primary bingo operator, bingo records custodian, and at least one other bingo volunteer shall attend Bingo School no later than June 1, 2024. The individuals attending bingo school shall be those identified on AL #23's most recent bingo license application or as modified. Although attendance at Bingo School is free, participants must register in advance <https://charitable.ohioago.gov/Charitable-Webinars> or by calling (614) 466-3180.
- H. AL #23 agrees that if it fails to comply with any requirements in Paragraphs A through G above, AL #23 shall pay the stayed amount of the civil penalty in paragraph B above.
- I. AL #23 agrees that if it fails to comply with requirements in Paragraph A through G above, it will surrender its Charitable Bingo License and/or Charitable Bingo Temporary Permit to the Attorney General as well as request, in writing, the withdrawal of any Charitable Bingo License Applications it has pending or refrain from initiating an application for the current year.
- J. AL #23 agrees that, in the event that the conditions contained in paragraph I above result in AL #23 not having a current bingo license, AL #23 shall not make application for a Charitable Bingo License until AL #23 has satisfied all charitable distribution requirements both under this SETTLEMENT AGREEMENT, under its contracts with any charities, and as required by Ohio law.
- K. AL #23 agrees that fulfilling the terms of this SETTLEMENT AGREEMENT in no way negates its current contractual obligations to its contracted charity or its successor(s).
- L. AL #23 agrees to comply with all state and federal laws relating to charitable gaming, and to fully cooperate with all state and federal authorities conducting investigations of AL #23's charitable gaming operations.

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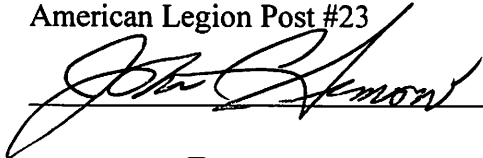
- M. AL #23 agrees to comply with the requirements of ORC 2915.01 *et seq.*, and any Ohio Administrative Code rules adopted thereunder.
- N. AL #23 agrees to comply with the requirements of ORC 1716.01 *et seq.*, and any Ohio Administrative Code rules adopted thereunder.
- O. AL #23 agrees to comply with the requirements of ORC 109.23–.33, and any Ohio Administrative Code rules adopted thereunder.
- P. AL #23 agrees that if it fails to comply with the terms of this SETTLEMENT AGREEMENT, it may be subject to additional restrictions and probationary terms under ORC 2915 *et seq.*
- Q. In return for execution of and compliance with this SETTLEMENT AGREEMENT, the Attorney General agrees to STAY the Civil Penalty Amount imposed in paragraph B. The Attorney General will not consider the facts stated above when issuing charitable bingo licenses to AL #23 in the future unless AL #23 fails to comply with any provision of this SETTLEMENT AGREEMENT. In that event, the Attorney General may consider the facts giving rise to this SETTLEMENT AGREEMENT when determining whether to issue or deny future bingo licenses to AL #23 and may move to revoke, suspend, or deny AL #23's Charitable Bingo License or application based on those facts. In addition, upon execution of this SETTLEMENT AGREEMENT, the Attorney General agrees to issue AL #23 a 2024 Type III bingo license.
- R. AL #23 agrees that any evidence of a violation of this SETTLEMENT AGREEMENT shall be *prima facie* evidence of AL #23's violation of the applicable laws related to charitable gaming, ORC 2915.01 *et seq.*, ORC 1716.01 *et seq.*, ORC 109.23-109.33, or any Ohio Administrative Code rules adopted thereunder, in any subsequent action or proceeding brought by the Attorney General.
- S. This SETTLEMENT AGREEMENT is binding upon the Parties, any and all successors, assigns, subsidiaries, agents, employees, or representatives of the Parties or any other affiliates. Any breach of this SETTLEMENT AGREEMENT by AL #23 will discharge the Attorney General from any obligations under the terms of this SETTLEMENT AGREEMENT, but will not discharge AL #23 from any obligation it has under this SETTLEMENT AGREEMENT.
- T. By signing this SETTLEMENT AGREEMENT, the Attorney General is not waiving any rights he has to conduct further investigations of AL #23 and to initiate an action against AL #23 for further violations of ORC 2915.01 *et seq.*, ORC 1716.01 *et seq.*, ORC 109.23–.33, or any Ohio Administrative Code rules adopted under any of those code provisions.
- U. This SETTLEMENT AGREEMENT may be modified in writing by the Parties. Modifications are at the sole discretion of the Attorney General.

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- V. The Parties have read and understand this SETTLEMENT AGREEMENT and have entered into the same knowingly, voluntarily, and with the opportunity to gain advice of counsel.
- W. This SETTLEMENT AGREEMENT supersedes any and all prior agreements between the Parties.
- X. This SETTLEMENT AGREEMENT is entered into by both Parties and may be executed in counterparts or facsimiles, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. It shall be considered binding and effective upon the date of the last signature of all requisite Parties and individuals.

The Parties to this SETTLEMENT AGREEMENT have either executed it or caused it to be executed by their duly authorized representatives as evidenced by the signatures below:

American Legion Post #23

  
Date 11/3/2023

By: John C Simon (Print Name)


Its: Post Commander (Organizational Title)

  
Date 11/3/2023

By: William Dillon (Print Name)

Its: Finance Officer (Organizational Title)

**OHIO ATTORNEY GENERAL DAVE YOST**

By:   
Date 11/03/23  
Daniel W. Fausey  
Section Chief, Charitable Law Section