



DAVE YOST

OHIO ATTORNEY GENERAL

Charitable Law Section
Office 614-466-3181
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SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT is made by and between The Flushing American Legion Post No. 366 (“AL #366”), located at 107 High St. Flushing, Ohio 43977 and the Attorney General of Ohio (“Attorney General”), for the purpose of resolving issues regarding AL #366’s charitable bingo operations. Together, the Attorney General and AL #366 are referred to hereinafter as “the parties.”

1. The Attorney General is responsible for the administration and enforcement of Ohio Revised Code Section 2915 (“ORC 2915 *et seq.*”), and the Ohio Administrative Code rules adopted thereunder, which regulate the conduct of charitable bingo in the State of Ohio.
2. The Attorney General is responsible for the enforcement of Ohio Revised Code Section 1716 (“ORC 1716 *et seq.*”), and the Ohio Administrative Code rules adopted thereunder, which requires, 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 Ohio 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 bingo license to an organization, may revoke or suspend the organization’s license, or may place limits, restrictions, or probationary conditions on the organization’s license for a limited or indefinite period.
5. AL #366 is a 501(c)(19) tax exempt organization with the Internal Revenue Service (“IRS”). AL #366 is registered with the Attorney General as required under ORC Sections 1716 and 109.
6. Since 2022, AL #366 held a Type III paper and electronic instant bingo license # 0587-27. On December 22, 2025, AL #366 was issued a 2026 Type III paper and electronic temporary permit/license (0587-27).

7. The Attorney General conducted annual financial inspections of AL #366 for the bingo fiscal years of 2023-2025.
8. During the bingo fiscal year 2023 AL #366 had deposit shortages in their bingo checking accounts totaling \$78,767.
9. During the bingo fiscal year 2024 AL #366 had charitable distribution arrearages in the amount of \$10,594.65 and deposit shortages in their bingo checking accounts totaling \$118,617. The 2024 distribution shortage was paid in full August 2025.
10. During the bingo fiscal year 2025 AL #366 had charitable distribution arrearages initially in the amount of \$22,891.38 but is has been paid in full April 28, 2026. The organization also had deposit shortages from their bingo checking accounts totaling \$25,567.50.
11. AL #366 failed to file complete and timely quarterly reports for 2023-2024.
12. AL #366 has filed police report with the Flushing Police Department alleging theft by the former bar manager of approximately \$179,000. That report is still pending with local law enforcement.

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

- A. AL #366 shall pay a **\$1,000** Civil Penalty Amount. The Civil Penalty will be due upon execution of this agreement.
- B. AL #366 agrees that the **\$1,000** Civil Penalty amount shall be paid from the Post's General Operating Account by check, cashier's check, money order, or wire transfer (for wire transfer please contact CharitableFundsAccounting@OhioAGO.gov), payable to **"Treasurer of the State of Ohio"** as Custodian for the Ohio Attorney General and mailed to:

Ohio Attorney General
Charitable Law Section
30 East Broad Street, 25th Floor
Columbus, Ohio 43215
RE: AL #366

Civil Penalty amounts shall be deposited in accordance with R.C. 109.112 into the AGO Court Order and Settlement Fund for transfer, upon the Attorney General's request, to the Charitable Law Fund established under R.C. 109.32;

- C. If AL #366 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 #366 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;

- D. AL #366 agrees that while it is paying off the distribution shortages noted in paragraph A, it will continue to make all current bingo fiscal year charitable distributions required under Ohio law pursuant to their current charitable contract(s);
- E. AL #366 will submit through their Attorney General organization portal revised internal controls within sixty 60 days of executing this agreement.
- F. AL #366 agrees to timely submit quarterly reports by uploading all requested information to the Charitable Account Management Portal located at: <https://charitableportal.ohioago.gov>. The filing deadlines for the Quarterly Reports are posted on the Attorney General's website located at: <https://charitable.ohioago.gov/Charitable-Bingo/Electronic-Instant-Bingo>.
- G. AL #366 agrees that all individuals listed on the "People" section of the 2026 bingo application shall complete the Attorney General's Bingo School and Charitable University by September 1, 2026. This mandate includes all Bingo Records Custodians, Bingo Volunteers, and Instant Bingo Game Operators. To attend Bingo School, you must first register at: <https://charitable.ohioago.gov/Charitable-Bingo/Register-for-Bingo-Training>. Charitable University is a webinar offered at: <https://charitable.ohioago.gov/Charitable-University>. If individuals required to complete these educational requirements have already completed any of these trainings within four (4) months prior to this agreement, they will not be required to participate again, provided they can supply proof of attendance.
- H. AL #366 agrees that if it fails to comply with requirements in Paragraph A through F above, it will surrender its Charitable Bingo License and/or Charitable Bingo Temporary License 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 next bingo license year;
- I. AL #366 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 #366's charitable gaming operations;
- J. AL #366 agrees to comply with the requirements of ORC 2915 *et seq.*, and any Ohio Administrative Code rules adopted thereunder;
- K. AL #366 agrees to comply with the requirements of ORC 1716 *et seq.* (the Ohio Charitable Organizations Act), and any Ohio Administrative Code rules adopted thereunder;

- L. AL #366 agrees to comply with the requirements of ORC 109.23-109.33 (the Charitable Trust Act), and any Ohio Administrative Code rules adopted thereunder;
- M. Within seven (7) business days following the execution of this Settlement Agreement, the Attorney General agrees to issue to AL #366 a 2026 Type III paper and electronic instant bingo license. By executing this agreement, AL #366 affirms that it has complied with all statutory requirements necessary for the Attorney General's Office to issue the requested bingo license;
- N. AL #366 agrees that any evidence of a violation of this SETTLEMENT AGREEMENT shall be *prima facie* evidence of AL #366's violation of the applicable laws related to charitable gaming, ORC 2915 *et seq.*, ORC 1716 *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;
- O. 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 #366 will discharge the Attorney General from any obligations under the terms of this SETTLEMENT AGREEMENT, but will not discharge AL #366 from any obligation it has under this SETTLEMENT AGREEMENT;
- P. By signing this SETTLEMENT AGREEMENT, the Attorney General is not waiving any rights he has to conduct further investigations of AL #366 and to initiate an action against AL #366 for further violations of ORC 2915 *et seq.*, ORC 1716 *et seq.*, ORC 109.23-33, or any Ohio Administrative Code rules adopted thereunder;
- Q. This SETTLEMENT AGREEMENT may be modified in writing by the parties. Modifications are at the sole discretion of the Attorney General;
- R. 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;
- S. This SETTLEMENT AGREEMENT supersedes any and all prior agreements between the Parties; and
- T. This SETTLEMENT AGREEMENT is entered into by both parties and may be executed in counterparts, email 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:

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The Flushing American Legion Post No. 366

x E. Patrick Kovacs
Signature

5-19-26
Date

By: E. PATRICK KOVACS (Print Name)

COMMANDER (Organizational Title)


Patrick Varner
Signature

5-19-26
Date

By: PATRICK VARNER (Print Name)

1ST VICE (Organizational Title)

OHIO ATTORNEY GENERAL DAVE YOST

By: 
Daniel W. Fausey
Section Chief, Charitable Law Section

06/17/26
Date