



# DAVE YOST

OHIO ATTORNEY GENERAL

Charitable Law Section  
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## SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT is made by and between Fraternal Order of the Eagles, Aerie 4300, Inc. ("FOE #4300"), located at 9052 SR 14, Streetsboro, OH 44241, and the Attorney General of Ohio ("Attorney General"), for the purpose of resolving issues regarding FOE #4300's charitable bingo operations. Together, the Attorney General and FOE #4300 are referred to hereinafter as "the Parties."

1. The Attorney General is responsible for the administration of charitable bingo licensure and enforcement of charitable bingo laws under Ohio Revised Code Chapter 2915 ("ORC Chapter 2915"), 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 Chapter 1716"), 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 administration and enforcement of Ohio Charitable Trust Act in Revised Code Chapter 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. FOE #4300 is a 501(c)(8) tax-exempt organization with the Internal Revenue Service ("IRS"). FOE #4300 is registered with the Attorney General as required under ORC Chapters 1716 and 109.
6. FOE #4300 was first issued charitable bingo license #0292-32 in 2006. FOE #4300 is licensed to play Type I bingo, Type II paper instant bingo conducted at a bingo session, and Type III paper instant bingo conducted other than at a bingo session.
7. On or about July 17, 2023, the Attorney General received an anonymous complaint alleging illegal activity by FOE #4300.

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8. On or about July 27, 2023, the Attorney General conducted a compliance inspection at 9052 SR 14, Streetsboro, OH 44241 and identified electronic gaming devices that are illegal schemes of chance.
9. FOE #4300 represented to the Attorney General that the illegal schemes of chance have been removed from 9052 SR 14, Streetsboro, OH 44241.
10. FOE #4300 confirmed that the illegal schemes of chance paid cash prizes. However, in the course of confirming that the schemes of chance paid cash, FOE #4300 refused to pay a cash prize to the Attorney General's inspector. FOE #4300 further refused to identify the distributor of the illegal schemes of chance.
11. Under ORC 2915.10(I), "No person shall destroy, alter, conceal, withhold, or deny access to any accounts or records of a charitable organization, distributor, or manufacturer that have been requested for examination, or obstruct, impede, or interfere with any inspection, audit, or observation of bingo or a game of chance, of premises where bingo or a game of chance is conducted, or of premises where bingo supplies are manufactured or distributed, or refuse to comply with any reasonable request of, or obstruct, impede, or interfere with any other reasonable action undertaken by, the attorney general or a law enforcement agency pursuant to [ORC 2915.10(H)]."
12. On or about August 2, 2023, FOE #4300 applied to amended its charitable bingo license to add Type III electronic instant bingo conducted other than at a bingo session.
13. On August 30, 2023, FOE #4300 again refused to identify the distributor of the illegal schemes of chance, despite being asked several times.

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

- A. FOE #4300 shall never again conduct schemes of chance, or allow any schemes of chance to be stored or located at 9052 SR 14, Streetsboro, OH 44241.
- B. FOE #4300 shall pay to the Attorney General's Office, upon execution of this SETTLEMENT AGREEMENT, a Civil Penalty Amount of \$5,000 (five thousand dollars).
- C. FOE #4300 agrees that the Civil Penalty Amount shall come exclusively from FOE #4300's general operating account by check, cashier's check, or money order payable to Treasurer, State of Ohio and mailed to:

Ohio Attorney General, Charitable Law Section  
Attn: Chief Accountant  
30 East Broad Street, 25th Floor  
Columbus, Ohio 43215

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The funds will be deposited into the charitable law fund established under ORC 109.32.

- D. If FOE #4300 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, FOE #4300 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.
- E. FOE #4300 agrees that the primary bingo operator, bingo records custodian, and at least one other bingo volunteer shall attend Bingo School no later than March 31, 2024. The individuals attending bingo school shall be those identified on FOE #4300'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.
- F. FOE #4300 agrees that it will, in writing, withdraw its application to amend its 2023 charitable bingo license. FOE #4300 further agrees that it will not be eligible for a license or temporary permit to conduct electronic instant bingo until March 31, 2024 or the date upon which it completes Bingo School, whichever is later.
- G. FOE #4300 agrees that if it fails to comply with requirements in Paragraph A through F above, it will, as applicable, surrender its then existing 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.
- H. FOE #4300 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 FOE #4300's charitable gaming operations.
- I. FOE #4300 agrees to comply with the requirements of ORC Chapter 2915, and any Ohio Administrative Code rules adopted thereunder.
- J. FOE #4300 agrees to comply with the requirements of ORC Chapter 1716, and any Ohio Administrative Code rules adopted thereunder.
- K. FOE #4300 agrees to comply with the requirements of ORC 109.23-.33, and any Ohio Administrative Code rules adopted thereunder.

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- L. FOE #4300 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 Chapter 2915.
- M. The Attorney General will not consider the facts stated above when issuing charitable bingo licenses to FOE #4300 in the future unless FOE #4300 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 FOE #4300 and may move to revoke, suspend, deny, place limitations or probationary terms on FOE #4300's Charitable Bingo License or application based on those facts.
- N. FOE #4300 agrees that any evidence of a violation of this SETTLEMENT AGREEMENT shall be *prima facie* evidence of FOE #4300's violation of the applicable laws related to charitable gaming, ORC Chapter 2915, ORC Chapter 1716, ORC 109.23-.33, or any Ohio Administrative Code rules adopted under any of those code provisions, 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 FOE #4300 will discharge the Attorney General from any obligations under the terms of this SETTLEMENT AGREEMENT, but will not discharge FOE #4300 from any obligation it has under this SETTLEMENT AGREEMENT.
- P. This SETTLEMENT AGREEMENT is a limit, restriction, or probationary condition on FOE #4300's 2023 charitable bingo license.
- Q. By signing this SETTLEMENT AGREEMENT, the Attorney General is not waiving any rights he has to conduct further investigations of FOE #4300 and to initiate an action against FOE #4300 for further violations of ORC Chapter 2915, ORC Chapter 1716, ORC 109.23-.33, or any Ohio Administrative Code rules adopted under any of those code provisions.
- R. This SETTLEMENT AGREEMENT may be modified in writing by the Parties. Modifications are at the sole discretion of the Attorney General.
- S. 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.
- T. This SETTLEMENT AGREEMENT supersedes any and all prior agreements between the Parties.

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U. 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:

FOE #4300

James K. Gschwind 12-6-23  
Date

By: JAMES K. GSCHWIND (Print Name)

Its: SECRETARY (Organizational Title)

Donald J. Winters 12/6/23  
Date

By: DONALD J. WINTERS (Print Name)

Its: TRUSTEE (Organizational Title)

**OHIO ATTORNEY GENERAL, DAVE YOST**

By: Daniel W. Fausey 12/19/23  
Date  
Daniel W. Fausey  
Section Chief, Charitable Law Section