



GAMING INSIGHTS



DIRECTOR'S DESK

By: Aaron Hummel

Happy New Year from the Attorney General's Office Gaming Division. We have all been blessed with a strong finish to 2025 and are looking forward to what 2026 will bring for the Gaming Division and charitable gaming in North Dakota.

Personally, I am very thankful for the professionalism and dedication the Gaming Division staff have demonstrated during the six months I have been here. I am also thankful for the organizations and other charitable gaming stakeholders I have had the pleasure of getting to know and work with. The first six months have been a whirlwind, and I am truly looking forward to what we can continue to accomplish together to ensure responsible gaming. We will remain committed to regulation and licensing that can adapt to change while maintaining a high level of integrity.

Looking ahead, we are excited about increasing our training presence by providing more opportunities for both new and experienced organizations and their gaming personnel. We also hope to expand into training opportunities for boards of directors. In addition, a major overhaul of the gaming licensing system is planned for early 2026. This transition will ultimately result in a more streamlined licensing process for organizations, distributors, and manufacturers.

It would be unrealistic to believe that a transition of this size will be without challenges, but I can assure you that a dedicated team is working to provide the best possible experience for both organizations and staff. We will need some assistance and patience as we move to a one hundred percent online licensing application process, but we will work together to get there.

Several topics are expected to generate interest, discussion, and collaboration in the coming months. These include the study required under [HB 2334](#) related to ownership of alcoholic beverage establishments before the [Interim Judiciary Committee](#). The draft administrative rules process will take place with the [ND State Gaming Commission](#), and the 2027 legislative session will be here before we know it.

For veterans and fraternal groups please take time to review the memo regarding use of trust accounts for real property and application of the twenty percent food and beverage allowance. For city and county auditors and those involved in local permitting, we have also updated a memo to help educate and streamline the process including alternate methods of raffle selection. At present the process is somewhat disorganized and I look forward to working together to simplify it for everyone involved.

As we are moving into 2026, I want to thank you for the work you do as organizations. You provide opportunities in communities that may not otherwise have them, and you do so by carefully evaluating each primary purpose and donation opportunity to ensure eligibility and compliance.

At the Gaming Division we recognize that meaningful progress requires cooperation, transparency and mutual trust. Thank you for your continued engagement and for the important role you play in supporting responsible charitable gaming throughout North Dakota. We look forward to working closely with you in the coming year.



SAFETY TIPS FROM LAW ENFORCEMENT

- Use safes to secure cash whenever possible
- Maintain clear, quality camera coverage inside gaming areas and outside entrances
- Ensure exterior lighting is adequate—consider discussing improvements with the bar owner
- Be aware of your surroundings and the people in your area
- Avoid exposing large amounts of cash to patrons or the public
- Do not count money where it can be observed
- Use more than one staff member when handling or transporting larger sums
- Always scan the parking lot and exterior areas before moving money
- Never leave money in vehicles
- Trust your instincts—if something feels off, notify someone
- In the event of a theft, do not resist—Your safety comes first
- Hold regular staff check-ins on safety procedures and situational awareness

INVESTIGATIVE SPOTLIGHT *From the Investigation Section*

Happy New Year from the Investigative Section! As many of you know, winter often brings an uptick in criminal activity. Whether it's holiday pressure or simply people looking for an opportunity, North Dakota law enforcement consistently sees more thefts during the colder months.

This quarter, I want to highlight a recent incident in the Fargo area. While details are limited due to an ongoing investigation, a suspect entered a charity office during the morning count and stole a bank bag of cash.

A getaway vehicle was waiting outside, and both the suspect and vehicle were captured on camera. The individual is from out of state, which raises concerns that others may view North Dakota gaming sites as easy targets.

The charity involved acted quickly to strengthen their security procedures, and I met with local law enforcement to discuss emerging trends and ways we can work together to keep gaming sites safe.

Please know that law enforcement takes these incidents seriously and is committed to supporting the charitable gaming community.

Take a moment to review the Safety Tips from Law Enforcement to the right. If you have questions or concerns, please reach out to anyone in the Investigative Section.



HANDLING e-TAB INCIDENTS QUICKLY AND ACCURATELY

Recently, the Gaming Division has received several consumer complaints involving electronic pull-tab (eTab) machines. A few of these situations could have been resolved much more quickly if immediate action had been taken at the site level.

When something goes wrong with an eTab device, the charity is responsible for taking prompt action. Distributors and manufacturers are set up to help you troubleshoot and resolve malfunctions, but they can only do if contacted right away. Continuing to play on a machine after an incident not only risks additional complaints, it can also make it harder to identify and confirm what went wrong.

If there is any issue with an eTab device that results in a player dispute or appears to affect the integrity of the game, you should:

- Immediately stop play on that device.
- Contact your distributor right away to report the issue and begin troubleshooting.
- Follow the reporting requirements, including contacting the Attorney General's office when required.

These requirements are set forth in [**N.D. Admin. Code ch. 99-01.3 \(Games of Chance\)**](#), including §§ 99-01.3-02-03, 99-01.3-06.1-02, and 99-01.3-06.1-03.

PUBLIC HEARING ON PROPOSED RULES FOR NORTH DAKOTA GAMES OF CHANCE - ARTICLE 99-01.3 OF THE NORTH DAKOTA ADMINISTRATIVE CODE

The North Dakota State Gaming Commission will hold a public hearing to address proposed changes to the N.D. Admin. Code at 1:00 pm on Wednesday, February 18th, 2026 at The North Dakota State Capitol, Brynhild Haugland Room.

A copy of the proposed rules may be obtained through the links below, by emailing [**agogaming@nd.gov**](mailto:agogaming@nd.gov), writing the North Dakota Attorney General's Office Gaming Division at North Dakota Attorney General's Office Gaming Division, 600 E. Blvd Ave Dept. 125, Bismarck, ND 58505-0040 or calling 701-328-4848. Also, oral or written comments may be submitted to the above email or physical address until March 7, 2026.

If you plan to attend the public hearing and will need special facilities or assistance relating to a disability, please contact the North Dakota Attorney General's Office Gaming Division at the above telephone number or address at least 7 days prior to the public hearing.

[**Draft Administrative Rules**](#)
[**Full Notice of Administrative Rules**](#)
[**Regulatory Analysis**](#)

INDEPENDENT AUDIT: WHAT AND WHO

From the Audit Section

Maintaining proper internal controls should remain a high priority for each gaming organization. One area of internal controls, pursuant to [**N.D. Admin. Code § 99-01.3-03-10\(7\)**](#), requires that a closed game or daily activity be audited within a reasonable time by a person who is independent of the activity.

What is an Independent Audit?

The independent audit person is an organization's "second set of eyes". Not only is it required, but it is critical to ensure the accuracy and integrity of all gaming operations. The independent audit includes verifying:

- Number and value of unsold chances
- Gross proceeds
- Number and value of prizes
- Adjusted gross proceeds
- Cash profit

This means on an ongoing basis throughout the quarter, the independent audit person must review all records, recount redeemed pull-tab prizes and e-tab vouchers, recalculate all computations and count unsold chances.

Who Can Perform an Independent Audit?

The individual conducting the audit must meet all the following criteria:

- Did not conduct the game
- Did not have sole access to the games in play
- Did not have sole access to the total receipts or cash profit for the game's or day's activity
- May not have sole signatory authority on the gaming account
- May not have sole electronic access to the gaming account other than to view account information and may not make electronic deposits, withdrawals or transfers into or out of the account
- May not audit a closed game or daily activity that was conducted by a common household member, spouse, child, parent, brother or sister of the audit person
- A drop box cash count team member may not audit the twenty-one or paddlewheel with a table activity

Some gaming organizations have interpreted sole signatory authority on the gaming account to mean that if the audit person is listed with the bank as an authorized signer, along with other organizational representatives, the auditor may sign checks alone. This is an incorrect interpretation. Sole signatory authority on the gaming account means:

- The person auditing the activity cannot sign by themselves on checks from the gaming account
- The auditor may serve as one of two required signatories if dual signatures are mandated for check issuance

TAX TIDBITS: UPCOMING CHANGES

From the Tax Section

Online Tax Filing Becomes Mandatory

As part of the implementation of online licensing, gaming tax return filing will also transition to an online-only format. Beginning with the quarter ending September 30, 2026, all gaming tax returns must be filed online. Paper tax returns will no longer be accepted. In addition, tax payments may not be made by cash or check, and all extension requests must be submitted online. Failure to file tax returns online may result in compliance issues, including ineligibility for re-licensing. Organizations are encouraged to plan ahead to ensure they are prepared for this transition.

Veterans' Organizations: New Use of Net Proceeds Authorized

During the 2025 legislative session, Senate Bill 2288 was enacted, authorizing a limited new use of net proceeds for veterans' organizations. The law provides:

"A veteran's organization may use up to twenty percent of net proceeds per quarter for the costs of food and beverages, including alcoholic beverages, incurred operating the veteran's organization's club. A veteran's organization may operate one club in one location."

This provision allows veterans' organizations additional flexibility in covering club-related food and beverage costs, while maintaining clear limits on both the percentage of net proceeds and the number of club locations permitted. [**Read Statement on General Policy Interpretation for Veterans Bill here.**](#)

ONLINE LICENSING PROGRAM COMING APRIL 2026

Effective immediately, paper license applications and payments are no longer accepted by the North Dakota Office of Attorney General's Gaming Division. All charitable gaming-related license applications and renewals will transition to a new online gaming licensing system launching in April 2026. Organizations that require a Fiscal Year 2026 license may continue using the current licensing process until the new system goes live.

What to Expect

Beginning with Fiscal Year 2027, all license applications and renewals must be completed through the web-based online licensing system. Because this is the initial rollout of the online system, all applicants will complete a full application during their first submission. In future years, previously entered information will automatically carry forward, requiring only updates to changed information at renewal. Any applications or payments submitted outside the online system will be returned.

Key Benefits of the Online System

The online licensing system is designed to provide a faster, more efficient experience. Once approved, licenses and site authorizations will be available immediately within the system and may be printed at any time. Organizations will also be able to update organization details, employees, sites, and authorized game types throughout the year.

Application Timeline

- Application Window Opens: April 1, 2026
- Submit By: June 1, 2026
- New Fiscal Year Begins: July 1, 2026

Applications will be processed in the order received. Manufacturers and Distributors will access the system first during their designated application window, followed by charitable gaming organizations with a 90-day filing period.

Organizations may begin gathering required documents, such as rental agreements and site authorizations, in advance. All documents will be uploaded electronically at the time of application or renewal. Additional instructions, training opportunities, and step-by-step guidance will be provided prior to launch. [Read Transition to Online Licensing MEMO here.](#)



LOCAL PERMITS AND STATE GAMING OVERSIGHT

The Attorney General's Gaming Division issues state charitable gaming licenses and provides statewide oversight of games of chance. While city and county governing bodies issue local permits for certain game types, those permits are only one step in the charitable gaming process.

Some activities — such as raffles, bingo, sports pools, and restricted gaming events — may be conducted under a local permit instead of a state gaming license, but a local permit must be issued before any gaming takes place. When operating under a local permit, state law still applies, and all gaming must comply with North Dakota's Games of Chance statutes and administrative rules, including requirements for fair play, prize limits, and recordkeeping.

When a state gaming license is not required, local permits and any required reports must still be submitted to the Gaming Division for compliance review and recordkeeping. Cities and counties are required to provide copies of issued permits to the Attorney General's office so the Gaming Division can maintain accurate records and provide statewide oversight of charitable gaming.

Charitable gaming operates as a shared system of oversight — with local governments providing authorization and the Gaming Division ensuring consistent, lawful, and accountable gaming across North Dakota. [Read Statement on General Policy Interpretation for Local Permitting here.](#)

WELCOMING THREE NEW TEAM MEMBERS

This fall, the Gaming Division welcomed three new team members whose experience with other state agencies has strengthened internal operations and enhanced the division's ability to support charitable gaming organizations and the public.

Susan Brockel joined the division as Administrative Assistant and serves as the first point of contact for calls, emails, and visitors. With extensive state service experience, she supports daily operations by managing communications, processing record checks and permit materials, maintaining records, and assisting with correspondence and office administration.

Arin Casavant serves as Training and Communications Specialist, supporting statewide training and outreach efforts. She develops educational materials, manages newsletters and website content, and works closely with division sections to promote consistent education for charitable gaming organizations across North Dakota.

Coralie Frohlich has joined the Gaming Division tax section to assist with addressing a backlog of tax returns. She is currently reviewing and responding to tax returns submitted by charitable organizations. Her assistance is helping the division reduce the backlog and prepare for a more streamlined process as expanded online licensing and tax filing are introduced.

A LIFE OF SERVICE: PROTECTING COMMUNITY, GIVING BACK FROM THE HEART

For Andy Zachmeier, public service has always been about giving back.

After retiring from 35 years in law enforcement, Andy joined the North Dakota Office of Attorney General's Gaming Division to continue serving the public. His law enforcement background translates naturally to charitable gaming investigations. When someone feels they were cheated or a game could be rigged, the first call is usually to local law enforcement," Andy said — experience he now uses to help protect both players and charities.

Andy believes charitable gaming can strengthen communities by supporting local programs when funds are used as intended. "The main part is making sure charities are whole and players know they're playing a fair game," he said.

Outside of work, Andy serves on the Morton County Commission and continues a cherished tradition inspired by his father — portraying Santa Claus. Across every role, his guiding principle remains the same: honesty, integrity, and service to others. As Andy puts it, "At the heart of charitable gaming is trust — and that trust must always be honored."



[Watch Andy's story on KX](#)
[News about being Santa Claus](#)

Photo credit:
Jennifer Zachmeier

ATTORNEY GENERAL GAMING DIVISION STAFF

DIVISION DIRECTOR

- *Aaron Hummel*

ADMINISTRATIVE ASSISTANT

- *Susan Brockel*

AUDITORS

- *Laura Gleich (Section Supervisor)*
- *Monica Reiner-Pleton*
- *Jennifer Dockter*
- *Rebecca Lacher*
- *Brynne Rohrich*
- *Robin Grenz*
- *Joshua Hulm*
- *Ignacio Gomez*
- *Grant Litke*
- *Samuel Magelky*

TAX SECTION

- *Patty Wondra (Section Supervisor)*
- *Lynnette Ennen*
- *Elaine Fischer*
- *Coralie Frohlich*

INVESTIGATION

- *Rob Sanderson (Section Supervisor)*
- *Jacob Marschner*
- *Andy Zachmeier*

LICENSING

- *Beth Leintz*
- *Joshua Kopp*

TRAINING/COMMUNICATIONS

SPECIALIST

- *Arin Casavant*

Questions/Comments Need Assistance?

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