

## SIGNIFICANT COMMISSION ACTIONS

2014

### **Commissioner Changes:**

- **Commissioner Margarita Prentice** resigned as a Commissioner in February 2014. She was appointed as a Commissioner in August 2012 and her term was scheduled to expire June 30, 2018. In 2012, she retired as a Senator in the Washington State legislature after 24 years of service and 18 years as an Ex Officio member of the Gambling Commission.
- **Commissioner Mike Amos'** term was set to expire in June 2014; however, his term was extended until September 2014. He served on the Commission for six years.
- **Pierce County Sheriff Department's Public Information Officer Ed Troyer** was appointed as a Commissioner by Governor Inslee in September 2014. His term will expire June 2020.
- **Former Senator and King County Council Member Julia Patterson** was appointed as a Commissioner by Governor Inslee in April 2014. Her term will expire June 2018.
- **Former Covington City Council Member Bud Sizemore** was appointed as a Commissioner by Governor Inslee in April 2014. His term will expire June 2019.
- **Commissioner Geoff Simpson** resigned as a Commissioner in March 2014. He was appointed as a Commissioner in August 2013 and his term was scheduled to expire June 30, 2019. He is a former representative in the Legislature and was on the Gambling Commission as an Ex Officio member from 2007 to 2010.

**Paper "Focus on Gambling Newsletter" Goes Electronic.** For many years, our licensee newsletter has been printed and mailed to licensees. When technology allowed, we began posting the newsletter on our website. Licensees and the public could sign-up to receive an electronic newsletter in their e-mail. We continue e-mailing the newsletter to licensees and the public. However, we no longer print and mail this newsletter. This change saves about \$14,000 each year in printing and mailing costs.

### **More Online services Added:**

We continue adding processes to My Account, our online service center for licensees. About 80% of our licensees are using their My Account to conduct business with us. Here are a few of the new processes added in 2014:

- Charitable and nonprofit licensees can renew their gambling licensees online.
- Employers can submit new applications for a new employee online.

### **The Commissioners continued their strategic issues discussions in 2014 on these topics:**

- Working with the legislature
- Technology and Internet gambling
- Problem gambling
- Technical assistance and training
- Conducting the business of the gambling commission

**Internet Gambling Taskforce:** The Multi State International Internet Gambling Taskforce (IGTF), with participation by over 200 law enforcement personnel, continued its work. Six Federal, 22 state and local agencies, and 5 Canadian Provinces are actively involved in illegal Internet gambling investigations or participation in the Task Force. The Task Force held one teleconference and met once in Bloomington, Minnesota, at the North American Gaming

Regulators Association annual conference. The Special Agent in Charge of our Criminal Intelligence Unit continued as co-chair of the IGTF and as co-chair of the enforcement group.

We provided Internet Gambling and Cyber Crime training at the Washington State Criminal Justice Training Commission. Class participants included representatives from the Delaware State Police, Arizona Department of Gaming, Nevada Gambling Control Board, US Veterans Affairs, and Nashville Police Department (PD). We provided this class to our Canadian counterparts in Ontario, Canada. We taught officers from the Ontario Provincial Police, the Toronto PD and members of the Ontario Lottery and Gaming Corporation. We continue working with the U.S. Secret Service, ICE, Oregon Department of Justice (DOJ), and the Montana DOJ.

2013 Commissioner John Ellis' term expired June 2013. He served on the Commission for eight years.

Commissioner Michael Reichert resigned as a Commissioner in January 2013. His term was scheduled to expire June 30, 2015. He served on the Commission for three and a half years.

Chris Stearns was appointed to the Gambling Commission by Governor Inslee in May 2013 to replace Commissioner Reichert. His term will expire June 30, 2015.

Geoff Simpson was appointed to the Gambling Commission by Governor Inslee in August 2013 to replace Commissioner Ellis. His term will expire June 30, 2019.

Executive Director Rick Day resigned to accept a position with the Massachusetts Gaming Commission. He had been the agency's Executive Director since 2001.

Deputy Director David Trujillo was appointed by the Commissioners as the agency's 7<sup>th</sup> Executive Director.

The Commissioners held a strategic issues discussion in 2013 that will influence future discussions in 2014. Topics discussed were:

- Working with the legislature
- Technology and Internet gambling
- Problem gambling
- Technical assistance and training
- Conducting the business of the Gambling Commission

Redesigned Website launched in November 2013.

Online services: We continue to expand online services, introducing *My Account* in May 2013. *My Account* was designed to make it easier for our licensees to do business with us and to better connect us with all of our customers. *My Account* is for both licensees and non-licensees. Each licensee has a personalized *My Account* and about 70% of licensees have signed into their accounts where they can conduct most gambling related business. Here are a few tools and services available in *My Account*:

- A personalized calendar with license renewal due dates;
- Commercial operators can renew their gambling license and their employees' gambling licenses by completing renewal applications and paying licensing fees in *My Account*.
- Pay the second-half of their license fee.
- Find contact information for the gambling agent assigned to their business.
- Update their contact information.
- Sign-up for e-mail notifications for agency newsletters, Commission meeting notices, rule-making notices and press releases.
- Pay NOVAS fines.

- File their activity report and view past activity reports.

The Multi State International Internet Gambling Taskforce (IGTF) continues its work and has increased the number of Federal, State, and local agencies actively involved in illegal Internet gambling investigations. The Task Force held one teleconference and met once in Virginia Beach, Virginia, at the North American Gaming Regulators Association annual conference. The Special Agent in Charge of our Criminal Intelligence Unit continues as co-chair of the IGTF and as co-chair of the enforcement group.

We provided Internet Gambling and Cyber Crime training at the Washington State Criminal Justice Training Commission. Class participants included representatives from the Internal Revenue Service and state representatives from the Arizona Department of Gaming and the Kansas Racing Commission. International attendees included the Ontario Provincial Police and British Columbia Lottery. Training was also provided to the King County Sheriff's Office. We continue working with the U.S. Secret Service, ICE, Internal Revenue Service, U.S. Attorney's Office and the Federal Bureau of Investigation.

2012 Commissioner Keven Rojecki's term expired June 2012. He served on the Commission for six years.

Kelsey Gray was appointed to the Gambling Commission by Governor Gregoire in January 2012. Her term will expire June 30, 2017.

Margarita Prentice was appointed to the Gambling Commission by Governor Gregoire in August 2012. Her term will expire June 30, 2018. For the past eighteen years, Commissioner Prentice (formerly a state senator) has served as an Ex-Officio member of the Commission.

New Online Processes: We launched online activity reporting in 2011 to help over 240 charitable/nonprofit organizations. In 2012, we expanded online reporting and it is now available to all 3,500 licensed organizations. We continue to expand our online processes and the following processes are now available online:

Class III (Tribal)

- Employee Renewal
- Personnel Termination Notification

Individuals

- Card Room Employee Renewal

Organizations

- Card Room Employee Transfer/Add Employer Application
- Gambling Employee Renewal Application Reprint
- Personnel Termination Notification
- Recreational Gaming Activity Reporting
- Fund-Raising Event Application
- Recreational Gaming Application
- Change Application (Name, bingo location, ownership change, etc.)
- Social/Public Card Room Tournament Application
- Financial Activity Reporting

The Multi State International Internet Gambling Task Force continues its work. The Task Force held two teleconferences, and met twice: once in Phoenix, AZ in January and again at the North American Gaming Regulators Association in June. All four meetings were well attended and included participants from the United States, Canada, and Singapore.

We provided training in Washington state, Colorado, and Idaho. Class participants included the Dutch Gaming Authority, U.S. Department of Justice, Homeland Security Investigations, and the Internal Revenue Service. Also attending the classes were state representatives from Idaho, Delaware, and Colorado and three local law enforcement departments from Washington state. We continue to work with federal, state, and local task forces.

2011 Commissioner Rebecca Roe resigned as a Commissioner in April 2011. She served on the Commission since March 2010, to complete Commissioner Bierbaum's term, which was scheduled to end June 30, 2011.

Public Opinion Survey: The Commission contracted with Washington State University's Social & Economic Sciences Research Center (WSU) to conduct a public opinion survey about gambling. WSU surveyed 532 residents by telephone to learn about gambling practices of Washington State residents, their knowledge of gambling regulation, and their opinions on a range of policy issues. WSU also conducted this survey in 2005.

[2012 Public Opinion Survey Report](#) (This report makes comparisons to the 2006 survey.)  
[2012 Overview of Survey Results](#)

[2006 Public Opinion Survey Report](#)  
[2006 Overview of Survey Results](#)

Below is a sneak peak at survey results:

- Are Games Fair and Honest? 78% of respondents said gambling was very/mostly honest and fair. About 1/4 said gambling was not very/not at all honest or fair. The percentage reporting that gambling is very/mostly honest and fair was 2% higher in 2011 than 2005.
- Problem Gambling Treatment Programs: 92% of respondents knew problem gambling treatment programs exist.

Gambling Rules & Laws Manuals: We found that licensees were accessing gambling rules & laws on the Internet or calling their gambling agent, rather than referring to their paper manual. Based on these results, the rule requiring licensees to maintain a rules manual at their business was repealed. This decreased the number of manuals we printed in December 2011 from 6,200 to 600, saving the agency more than \$25,000 in printing and mailing costs.

EZ Applications were created for nonprofits/charities offering small volume raffle and amusement games, and card games where no fee is charged to play. The number of pages in the application was reduced from 16 to 6. Activity reports were also simplified and streamlined for these smaller volume activities.

Online Activity Reporting was created for some nonprofits/charities that offer bingo and pull-tabs. This will affect about 240 charities. We expect other types of gambling activity reports to be available online in 2012.

Post Licensing Fingerprint Program: This program involves fingerprinting a sample of licensed card room employees and card room owners/substantial interest holders at random. The fingerprints are used to run criminal background checks to determine if employees/owners continue to be qualified to hold a gambling license ([RCW 9.46.070\(7\)](#)). So far, we have conducted five post licensing fingerprint roll visits at house-banked card rooms in Lakewood, Burien, Lacey, Arlington and Ellensburg.

The Multi State Internet Gambling Task Force continues its work and has increased the number of Federal, State, and local agencies actively involved in illegal Internet gambling investigations. The Task Force held two teleconferences, and met twice: once in San Diego, CA in January and again at the North American Gaming Regulators Association in June.

We provided training in Washington State and Nebraska. Class participants included Federal representatives from the Internal Revenue Service, U.S. Secret Service, Department of Homeland Security, Nebraska ICE, and an analyst from Nebraska U.S. Attorney's Office. Also attending the classes were state representatives from Iowa, Nebraska, Minnesota, Arizona, Montana, and Washington State. Six local law enforcement departments and the Washington State Patrol also attended classes. We are actively working with three federal task forces in Washington. We continue to work with the U.S. Secret Service, ICE, Internal Revenue Service, U.S. Attorney's Office and the Federal Bureau of Investigations.

2010 Commissioner Peggy Ann Bierbaum resigned as a Commissioner January 2010. Her term was scheduled to expire June 2011. She served on the Commission for four and a half years.

Rebecca Roe was appointed to the Gambling Commission by Governor Gregoire in March 2010, to complete Commissioner Bierbaum's term.

Online License Renewals: In May, we launched a process for card room employees (CREs) to renew their gambling

licenses online. We worked with human resource staff at several card rooms to test this new process. As of December 1, 2010, 849 CREs have used this online process. There are more than 6,000 CREs. This gives applicants the ability to renew more easily, anytime of the day or night. The status of applications can also be tracked online.

Underage Gambling Education and Awareness Program: In October 2009, we launched a six month statewide communications, education and awareness program for underage gambling and the risks associated with it. We partnered with the Evergreen Council on Problem Gambling (ECPG) to get the word out that underage gambling:

- Is a civil infraction, with a \$125 fine, plus possible court costs, community service, and the minor would forfeit any winnings; and
- Can lead to problem gambling.

The program featured a fictional male teenager named "Zander" as a problem gambler. He was created for our target audience of mostly male 13-17 year olds. Zander is not part of a particular socio-demographic group. He could be the young man next door to anybody. The message was that young adults don't want to be like Zander. Information about underage gambling and links to Facebook, Twitter, and YouTube are on [www.NotaZander.com](http://www.NotaZander.com). The NotaZander campaign has received three awards:

- Gold Award in the MarCom Awards. MarCom is an international competition for marketing. The organization consists of several thousand marketing, communication, advertising, and media production professionals. Only 18% of 5,000 entries receive a Gold Award.
- Platinum Award for an Integrated Campaign in the Hermes Creative Awards Competition. Hermes Creative Awards represent an international competition in marketing and communications for concept, writing, and design of traditional materials and programs, and emerging technologies. The Hermes Creative Awards are administered and judged by the Association of Marketing and Communication Professionals.
- Communicator Award from the International Academy of the Visual Arts, in the category of Distinction for Integrated Campaigns.
- During this six month program, we received 200 requests for information packets on underage/problem gambling. Together with the ECPG, we gave 20 joint presentations to various youth groups and civic clubs. This public service announcement was funded by seizure/forfeiture money we received for our role in the investigating illegal Internet gambling activities.

The Multi State Internet Gambling Task Force continued its work and has increased the number of Federal, State, and local agencies actively involved in illegal Internet gambling investigations. The Task Force held two teleconferences, and met twice: once in San Diego, CA in January and again at the North American Gaming Regulators Association in Vancouver BC, Canada in June.

We provided training in Washington State, Missouri, and California. Class participants included Federal representatives from the Internal Revenue Service, U.S. Secret Service, Missouri and California ICE, FBI and an Assistant U.S. Attorney. Also attending the classes were state representatives from Virginia, Missouri, Nevada, Iowa, California, Kansas, Idaho, and Michigan. Six local law enforcement departments and the Washington State Patrol also attended classes. We are actively working with two federal task forces in Washington. We continue to work with the U.S. Secret Service, ICE, Internal Revenue Service, U.S. Attorney's Office and the Federal Bureau of Investigations.

2009 Michael Reichert was appointed to the Gambling Commission by Governor Gregoire in July 2009. His term will expire June 30, 2015. Commissioner Reichert is an enrolled member of the Minnesota Chippewa Tribe, White Earth Indian Reservation.

Commissioner Alan Parker's last Commission meeting was March 2009. He served on the Commission for nine years. Commissioner Parker is an enrolled member of the Montana Chippewa Cree Tribe of the Rocky Boy's Indian Reservation.

Underage Gambling: SSB 5040 was passed during the 2009 legislative session making underage gambling a civil infraction. The penalty includes a fine of up to \$125, up to four days of community restitution, possible court costs, and

the minor would also forfeit any winnings.

- Underage Gambling Education and Awareness Program: In October 2009 we launched a statewide Communications, Education, & Awareness Program for underage gambling and the risks associated with it. See 2010 for details about the program.
- Underage Compliance Test Programs with Minors: A new rule was adopted (effective 10/18/09) to allow licensees to conduct underage compliance test programs with minors (referred to as in-house controlled purchase programs in the new law) for purposes of employee training and employer self-compliance checks regarding minors that gamble. The rule explains the approval process and requirements for underage compliance test programs with minors.

The Multi State Internet Gambling Task Force continued its work and has increased the number of Federal, State, and local agencies actively involved in illegal Internet gambling investigations. The Task Force held two teleconferences, and met once in Washington DC. In November, we provided training in Lacey Washington and Denver, Colorado that included local Sheriff's Offices, Internal Revenue Service, U.S. Secret Service, and an Assistant U.S. Attorney. We formed a Task Force in Spokane, Washington which led to a Gambling Special Agent being sworn in as a Deputy U.S. Marshall. In addition, a working group of two Sheriff's Offices and the Secret Service joined together in Lacey, Washington to conduct task force investigations. We continue to work with the U.S. Secret Service, Internal Revenue Service, U.S. Attorney's Office and the Federal Bureau of Investigations.

2008 Rules Manual Rewrite: With assistance from licensees and other stakeholders, we completed a three year project to "Plain Talk" all our rules (WAC 230) so they are easier to use and understand. In total, we rewrote over 600 rules and reduced the number of words in the rules by more than 63,700 words or thirty-seven percent. Rewriting our rules manual using plain English techniques was one goal of our Strategic Plan and is also in line with Governor Gregoire's Executive Order, asking agencies to "Plain Talk" their communications with the public. The new manual became effective January 1, 2008.

Illegal Internet Gambling Public Service Announcement. The Commission launched its first ever public service announcement in 2008. Our Public Information Officer responded to more than 25 requests for media interviews. Three 10-second sound bytes were produced and aired on radio stations throughout the state. The sound bytes continue to be played today, even though the "official" PSA is over. This shows radio stations appreciate the message and want to continue sharing it with their audience. The messages relayed were:

- Internet gambling is risky
- You don't know who is operating the website
- The games may not be fair
- You may not get paid winnings
- You could become the victim of credit card fraud and identity theft by disclosing information that should be kept secure
- Money you gamble may be used for criminal activities
- There is no recourse if you're cheated or not paid your winnings

Multi State Internet Gambling Task Force continued its work. The Task Force met in New Orleans in June and held two teleconferences. Staff provided training in Canada to the Manitoba Gaming Commission, the Royal Canadian Mounted Police and the Winnipeg Police Department. We also provided training at a Law Enforcement Intelligence Unit Conference in Boston, to the Louisiana State Police, and an agent from Iowa in Baton Rouge. We continue to work with the Internal Revenue Service, U.S. Attorney's Office and the Federal Bureau of Investigations.

Mike Amos was appointed to the Gambling Commission by Governor Gregoire in September 2008. His term will expire June 30, 2014.

Commissioner Janice Niemi's term expired June 30, 2008. She served on the Commission for six and a half years.

2007 Electronic Fingerprinting: Beginning September 18, 2007, applicants for a gambling license can now be fingerprinted at

our Lacey office. We are offering this service so applicants don't have to go to a local law enforcement agency to get fingerprints.

Multi State Internet Gambling Task Force continued its work. Meetings were held in Washington DC in February and in Kansas City, Missouri in June. Two teleconferences were hosted by the WSGC in April and August 2007. The Task Force is focusing on vital service providers, the infrastructure and payment companies that make Internet gambling possible. We are also working with the U.S. Attorney's Office and the Internal Revenue Service on these investigations.

The Norwegian and Danish fact finding missions met with the WSGC in November to provide updates on the current and future trends in internet gambling, legislation, education and enforcement.

2006 Commissioner Ludwig's term expired June 2006. He had served since 1996.

Keven Rojecki was appointed to the Gambling Commission by Governor Gregoire in July 2006. His term will expire June 30, 2012.

Rules Manual Rewrite: Rewriting our rules manual using plain English techniques is one goal of our Strategic Plan. The entire rules manual is being rearranged so rules will be easier to find and rewritten in Plain English so they are easier to understand. The first rewritten chapters of our new rules manual were adopted by the Commission at the March 2006 meeting. So far, six chapters have been adopted and 31,027 words reduced, a decrease of 40%. The new manual will be completed and become effective January 1, 2008.

Multi State Internet Gambling Task force continued its work. Meetings were held in St. Louis in March and in Seattle in September.

Credit and pricing restrictions between operators and distributors/manufacturers were removed effective August 2006.

2005 Credit and pricing restrictions between distributors and manufacturers were repealed effective October 2005.

Activity Reports for Commercial Operators Streamlined: Effective July 1, 2005

Specific line items were removed from activity reporting rules for amusements game, raffles and bingo licensees. This change gives staff flexibility to change activity reports without going through the formal rule amendment process to change line items listed in the rules. This change will also facilitate progress toward future on-line activity reporting for these licensees.

Multi-State Internet Gambling Task Force Created: Our agency opened 12 investigations involving Internet gambling between 2002-2005. Most of our efforts were frustrated as the electronic and financial trails changed quickly and led to off-shore casinos. We contacted other states to discuss creating a Multi-State Task Force to respond to the growing presence of illegal on-line gambling. This led to an organizational meeting of fifteen state, federal, and Canadian agencies hosted by the Indiana Gaming Commission in December 2005, and the creation of the Multi-State Internet Gambling Task Force. We are confident a multi-state effort directed to improving laws, increasing public awareness, and taking firm enforcement action can reduce illegal Internet gambling.

In the fall of 2005, the Commission contracted with Washington State University's Social & Economic Sciences Research Center to conduct a public opinion survey about gambling. The Commission requested the survey to provide an additional source of information to consider when making future policy decisions.

The survey was conducted over the phone; 500 residents participated. A few key findings include:

- Respondents were asked whether they believe that gambling in Washington is honest and fair. Over three-quarters (76%) of respondents said gambling was very (12%) or mostly (64%) honest and fair.
- 94% of Washington residents have gambled at some point in their lives.
- Among five questions about the concerns of Washington residents, the topic of greatest concern was the number of people under the age of 18 who are gambling. Overall, almost half (44%) of surveyed adults were very

concerned about under-age gambling, and an additional 25% were somewhat concerned.

- The lack of Internet gambling regulation was the second ranked concern. One-third (34%) were very concerned, and an additional quarter (24%) were somewhat concerned.
- 71% have gambled in some form during the previous year.
- The more popular forms of gambling were the lottery (46% in the past year), tribal casinos (27%), raffles (26%), pull-tabs (18%), gambling in another state (18%), and card games (15%).
- The forms of gambling that attracted the largest numbers of people who spend more than \$300 a year were tribal casinos, out-of-state gambling, card games, and tribal bingo.
- By far the primary reason for gambling was that respondents considered gambling to be a social event or form of recreation (72%).

John Ellis was appointed as Commissioner on February 10, 2005. His term will expire June 30, 2007.

Commissioner George Orr's term expired June 2005.

Peggy Ann Bierbaum was appointed to the Gambling Commission by Governor Gregoire in August 2005.

**Electronic Notification:** We recently streamlined how card rooms and Tribal casinos notify us when licensed card room employees (dealers, pit supervisors, security) leave their job. In the past, employers faxed us a list of licensed employees that had left their job and we transferred the information into our agency database.

Now employers log onto a secure website and update a screen. The information is electronically sent to our agency database, which automatically updates every 24 hours. This saves 15 to 20 hours of staff time each month.

Since June 2005, over 1,500 updates have been processed online and we have already received positive feedback. Most Tribal casinos are reporting online. We are now training card room operators on the new system and anticipate most will be reporting online by the end of this year.

**Electronic Records:** More than 20,000 licensing files representing all card room employees, gambling managers and representatives ("individual" licensees) were scanned into our agency database during the past year. These files are now available electronically to all staff.

Because staff no longer has to wait for a paper file to be routed to them for action, the turnaround time to process "individual" license applications is about four days. Furthermore, requests for information from these files are now processed electronically.

2004 Commissioner Liz McLaughlin passed away on October 30, 2004. See article in the October – December 2004 Focus on Gambling Newsletter for more about Liz.

**Problem Gambling Fee: Effective 6/30/04**

In November 2004, the Commission adopted a rule to establish a fee to provide a stable funding source of approximately \$232,000 each year for a problem gambling helpline, and training and awareness services (RCW 9.46.071). The fee was to be paid by licensed charitable/nonprofit and commercial organizations. The rule included a sunset clause that the fee would automatically expire if the legislature adopted a law that appropriated funds for the same purposes.

However, during the 2005 Legislative Session, a law was adopted to fund Problem Gambling treatment, education, and awareness (ESHB 1031). As written, in the Commission's original rule and the new law, the Commission's problem gambling fee would not take effect. However, in the interest of being clear, this rule was repealed.

2003 **Change in Mandatory Training for Card Rooms:** As of January 1, 2003, classroom training for card room owners and card room employees (CRE) is no longer provided by our agency. Commission staff will train card room management/owners about the responsibilities associated with maintaining a gambling license. Owners/management

will then be responsible for training their own CRE.

Digital Surveillance: Card rooms will be able to use digital technology to record surveillance as of July 1, 2003. Prior to July 1, only VHS tapes were authorized to record surveillance.

On April 23, 2003, Special Agents from the Special Investigations Unit conducted a raid, in conjunction with the Pullman Police Department, on illegal card games being conducted at a Pullman residence. The person running the game was charged with Professional Gambling and eight other persons were arrested and issued criminal citations.

2002 Janice Niemi was appointed to the Gambling Commission on February 5, 2002, by Governor Locke. She will complete the unexpired portion of former Commissioner Marshall Forrest's term, and then start her full six-year term, which will end June 30, 2008.

Successfully negotiated Tribal Compacts with the Colville Confederated Tribes and the Shoalwater Bay Tribe ending disagreements that have spanned more than a decade.

Negotiated compact amendments for the Muckleshoot, Tulalip, Puyallup, and Quinault tribes. Amendment included the following:

- 1) Increase number of gaming facilities from one to two
- 2) Increase number of gaming tables from 50 (plus two nonprofit) to 75 (plus three nonprofit) at one facility and 50 (plus two nonprofit) at the second facility. This allows a total of 125 (plus five nonprofit). The tribe must lease the rights to gaming tables from other compacted tribes when their total number of gaming stations exceed 60.
- 3) Hours of operation were increased from 140 a week to 156 a week. Additionally, tribes may operate 160 hours per week, three times per year, per facility.
- 4) Clarified that the Tribe's own Tribal Gaming Agency is primarily responsible for the regulation and integrity of the gaming.
- 5) Clarified that community contributions not needed to cover documented costs may be released for tribal projects.

An amendment was signed to increase the total number of Tribal Lottery System machines from 1,500 to 2,000. Tribes may operate 425 machines during the first year and increase that number to 675 after 12 months. In the past, tribes could buy machine rights from other tribes with a cap of 1,500 machines per tribe. The cap was raised from 1,500 to 2,000.

In August, our Northwest Regional Field Office was moved from Lynnwood to Everett.

Bookmaking Bust: The Gambling Commission received a check for \$11,000 from the FBI. The check represents the Commission's share of seized assets from a joint investigation that was conducted in Spokane in 1999-2000. In that case, an investigation by a WSGC Special Investigations agent uncovered a major bookmaking operation spreading across the US and beyond. The case involved a former organized crime informant who set up a computerized bookmaking operation in a Spokane espresso business that never brewed a drop. The operation employed 15 bookies that processed at least \$100,000 a week in bets in Spokane with over 360 active bettors who were given code names to call in their bets. In addition it had ties to East Coast bookies. The Gambling Commission was awarded the money as a sharing partner with the FBI.

The Notice of Violation and Settlement (NOVAS) was created as a way to remedy some violations of gambling rules without going through the full administrative process. A NOVAS is issued directly by a Gambling Commission field agent to a licensee at the time of the violation. The written Notice documents the violation, provides information on how to

correct the violation and provides immediate information about the penalty, i.e. a \$200 fine.

Fingerprint Legislation. Senate Bill 6491 was passed during the 2002 Legislative Session to clarify the Commission's ability to perform fingerprinting and National Criminal History background checks on applicants for a gambling license. As required in the bill, the Commission amended a rule (effective 9-13-02) to clarify which applicants would be affected by this legislation.

Implementing 2002 Bingo Legislation: In the past, state law restricted bingo licensees to conducting games up to three days a week and a single facility could only be used for bingo three days a week. During the 2002 Session, legislation was passed at the request of bingo licensees. The change in law removed the three-days a week operation limits. The hope was that the new law would allow bingo operators to conserve funds so that they could use monies for their stated purposes, rather than on operating expenses (such as rent and utilities). The Commission wrote rules to implement this legislation, effective September 13, 2002.

- Operating 7 days a week: Bingo operators may now operate games seven days a week.
- Shared Facility: Bingo operators may share a facility and operate up to seven days a week in the facility.
- Warnings in Ads: Bingo licensees, which operate in a facility that offers bingo more than three days a week, must include language in all promotions and advertising warning patrons that gambling can result in emotional and financial harm.
- Shared Management within a Shared Facility: During meetings with the bingo industry, licensees requested the ability to share management within a shared facility. The Commission adopted a new rule to allow shared management.

2001 Effective March 12: Event pull tabs and Seal Cards were authorized to be operated in the state. Also notification of Card Room Employee transfers and termination was simplified and automated.

Executive Director Ben Bishop announced his retirement from the agency effective September 2001. He had been working for the agency since 1981. A nationwide search for a new director was conducted, and Rick Day became the agency's 6<sup>th</sup> Director. The new director was formerly the Administrator for the Law Enforcement Services Division and Director for the Department of Corrections in Montana. He has 19 years of leadership experience including establishing and managing Montana's first criminal and regulatory gambling investigation bureau following the re-location of the responsibility from the Department of Revenue to the Attorney General.

In July, the Lacey Headquarters staff moved into a different office located down the street from the former location, where they had been located for twelve years.

In July, web-based training was offered for punchboard/pull-tab operators to supplement the instructor-led mandatory training classes.

A new rules manual was distributed to all licensees in September. This manual contains a new KeyWord/Subject index to make finding rules easier.

2000 Gambling Commission distributes 500 Problem Gambling Employee Awareness video to licensees based on size of license.

Raffle training on the Internet begins on May 15 as a supplement to and possible replacement for traditional instructor-led classroom training. This Internet training gives licensees the ability to take training according to their own schedule, as well as to visit the site for specific information or updates. Having the subjects on the Web also results in the general public being able to access it for questions.

The bingo net return task force continued to meet during the first part of the year. As a consequence of their discussions, several new and amended rules were passed in June 2000 and went into effect on July 1, 2000 including:

- A rule allowing operators to give free food or beverages to customers; and
- A rule reducing retention of some of the bingo records which are currently maintained for 36 months

In September 2000, a new package of net return rules were placed on the agenda for discussion. One rule from the packaged related to demonstrating significant progress in meeting stated purposes was passed in November, but the rest of the rules continued into 2001 for discussion. These rules are intended to create rules that would be easier for licensees and staff to work with.

The card room pilot program was finalized and resulted in 68 rules that became effective on May 15, 2000. This was the largest rule package in the history of the commission.

A rule was passed allowing charitable and nonprofit organizations to sell punchboards and pull-tabs to patrons of a commercial card room adjoining their premises.

Some nonprofit organizations expressed interest in opening a public card room. After extensive discussion at Commission meetings, a rule was passed in October 2000 stating that any charitable/nonprofit organizations taking part in the management, operation, or ownership of a gambling activity could not also take any part in the management, operation, or ownership of a commercial gambling activity.

1999 Bingo Task Force created to study impacts of net income rule

Commission staff participates in Problem Gambling Industry Task Force to develop employee awareness programs.

Commission responds to Governors request for moratorium on enhanced card rooms by delaying passage of permanent rules until March 2000 and reducing the approval rate for house banking to no more than two per month.

New punchboard/pull tab video created for employee training purposes. Replaces 1990 version.

Special Agents from the Special Investigations Unit conduct a raid on ten card rooms after investigation into the manner in which Washington Blackjack is being conducted in their businesses. None of the card rooms are in the enhanced card room program. All licenses are summarily suspended.

Mah-Jongg and Dominos are removed from the list of allowable card games because of Legislative changes to the definition of a social card game. Pai Gow Poker may only be conducted by an enhanced card room if listed among the allowable games in the contract. Washington Blackjack rules are revised in several ways, principally to address issues related to player/bankers.

Director issues policy on fantasy sports leagues advising that they cannot be conducted as a business. Fees charged to participants must be used for actual expenses, but may not be used for salaries.

Separate unit created within the Policy and Government Affairs Division to manage device approval and other issues related to Tribal Lottery Systems games placed in tribal casinos based on decision in Friendly Lawsuit.

Agency re-organization results in Financial Reporting Services reporting to the Communications and Legal Department manager. Remainder of Financial Investigations Unit is moved from Licensing Operations Division into the Special Operations Division.

1998 Rules passed defining gambling services suppliers and requiring licensing or permits of these companies.

New category of individual license created, identified as "key card room employee" for purposes of the enhanced card

room operation.

Agency reorganizes to create a new Division. The new division consists of Information Services, Business Services, and the Communication and Legal Department and reports to the Deputy Director of Policy and Government Affairs. Field Operations, Licensing Operations, and Special Operations report to the Deputy Director of Operations.

A video detailing Illegal Gambling Activities (A Case of Misplaced Trust) is produced for use in educating licensees and local law enforcement. Video wins 1999 Videographer Award of Excellence, a national awards program.

Commissioners retract previously approved license fee increase.

Maximum punchboard/pull tab prize payouts are increased from \$500 to \$750.

Linked bingo game rules pass.

1997 Authorized location of commercial amusement games in department or grocery stores having at least 10,000 square feet and offering for retail sale a minimum line of items.

Raised limit on cost of prizes for amusement games to \$500 and maximum wager to \$1 in locations where minors are allowed to play.

Passed rule to allow supervised nonmembers sell raffle tickets in a licensed raffle

Changed PB/PT flare deletion requirement from "\$20 and over" to "over \$20".

Instituted procedures for bingo halls to apply for variance from net income requirements

Deputy Director Ben Bishop is appointed as the Executive Director in October.

Commission revises and extends card room pilot study program to comply with 1997 legislation authorizing house-banked and player-banked card games. Scheduled date for rule making set at January 1, 1999.

Agency Web site is initiated.

Manufacturers and distributors of card room gambling equipment are required to obtain a license.

Video training for chief executive officers of nonprofit organizations is created.

1996 Three tribal/state compacts approved:

+ Yakama

+ Puyallup

+ Quinault

Seized 100 slot machines en route to Colville tribe

Prize deletion requirement for punchboard/pull tab flares increased from \$5 to \$20 prizes

Additional card games added to approved list (Bid Whist, Dominos, and "director approved" games)

Pilot study of card room enhancement program begins. Allows increased number of tables, alternative collection methods, and player supported progressive prize funds. By end of year, there were 15 participants.

Keno bingo approved

Progressive jackpots, bonus or "step up" games, and bonus pulltabs with carry over jackpots pull tab games authorized

Nonprofit organizations assigned to categories for minimum net return compliance as well as prize and expense limitations. Program begins January 1, 1996.

Bingo Net Income Task force report presented at June Commission meeting. Task force studied problem of declining bingo net income and presented recommendations to Commission.

Changed references in raffle rules to reflect statutory increase in cost of raffle tickets from \$5 to \$25.

1995 Six tribal/state compacts approved:

+ Lummi

+ Suquamish

+ Hoh

+ Nisqually

+ Port Gamble S'Klallam

+ Skokomish

Two tribal/state compacts amended to increase scope:

+ Muckleshoot

+ Quileute

Commercial stimulant monitoring discontinued

Card room hours extended beyond 2:00 a.m.

Center dealer authorized for Washington blackjack

1994 Agency reorganized in February 1994 to create Special Operations Division, comprised of the Special Investigations Unit, Tribal Gaming Unit, and Intelligence Unit. Added third Assistant Director position to oversee Division.

Control of bingo supplies

Approval of electronic bingo card daubers

Seized 50 slot machines en route to Spokane tribe

Center dealer authorized for poker games

Seven tribal/state compacts amended to increase scope:

+ Chehalis

+ Jamestown S'Klallam

+ Nooksack

+ Tulalip

+ Upper Skagit

+ Swinomish

+ Squaxin Island

1993 Four tribal/state compacts approved:

+ Jamestown S'Klallam

+ Muckleshoot

+ Squaxin Island

+ Quileute

Punchboard and pull tab prize limits increased from \$200 cash and \$300 merchandise to \$500 for both

1992 Frank Miller appointed as Director

Began conversion to the "one agent" concept with all agents receiving law enforcement and financial training

Four tribal/state compacts approved:

+ Swinomish

+ Chehalis

+ Upper Skagit

+ Lower Elwha Klallam

1991 Tulalip and Nooksack tribes entered into compacts to operate Class III casinos (first compacts)

1990 Washington blackjack approved by Commission

1989 Charitable nonprofit organization review program

Commission began involvement in problem gambling

1988 Commission approval of crane games at taverns and cocktail lounges after a one-year test

1987 Developed in-house computer system

1986 - Ronald Bailey appointed as Director

Reorganization of agency to combine audit and enforcement functions under one manager

Development of bar-coded I.D. stamps for tracking punchboards and pull tabs

1985 Punchboard and pull tab prize limits increased from \$100 to \$200 cash and \$300 merchandise

1983 Bingo prize payout and net income regulation implemented by Commission

1980 Keith Kisor appointed as Director

Deputy Director position added

1978 Agency organized as a separate agency (from Department of Motor Vehicles)

1974 Assistant Directors for Enforcement and Audit Divisions appointed

1973 Agency formed under the Department of Motor Vehicles  
William Bjork appointed first Director