



STATE OF WASHINGTON
GAMBLING COMMISSION

"Protect the Public by Ensuring that Gambling is Legal and Honest"

October Commission Meeting Minutes

Doubletree by Hilton
322 North Spokane Falls Court
Spokane, WA 99201
October 13 & 14, 2016

Commissioners Present:

Bud Sizemore, Chair
Julia Patterson, Vice-Chair
Chris Stearns
Ed Troyer
Kelsey Gray, PhD.

Staff Present:

David Trujillo, Director, Amy Hunter, Deputy Director, Tina Griffin, Assistant Director
Brian Considine, Staff Attorney, Legal Liaison, Julie Lies, Tribal Liaison,
John Meader, Assistant Attorney General, Julie Anderson, Executive Assistant

-Public Meeting-

Chair Sizemore welcomed everyone to the Doubletree Hilton in Spokane. He called the two-day meeting of the Washington State Gambling Commission to order at noon on October 13, 2016 and immediately went into Executive Session where the Commissioners discussed Pending Investigations, Tribal Negotiations and Litigations.

The public meeting reconvened at 2pm. There were about 30 people that attended the meeting.

Director's Report:

Director Trujillo presented the materials for Tab 1.

Tab 1a

Consent Agenda

September Minutes/New Licensees

Commissioner Troyer moved to adopt the Consent Agenda items as presented.

Commissioner Patterson seconded the motion.

The motion passed 5:0 except for New Licenses and Class III Certifications for the Snoqualmie Tribe where Commissioner Stearns abstained from voting which passed 4:0.

Tab 1b

Default

Larry Upthegrove, Case No. 2016-01253, Class III Certification Revocation

Brian Considine presented a Default to the Commissioners.

Commissioner Troyer moved to revoke Larry Upthegrove's Card Room Employee License.

Commissioner Stearns seconded the motion.

The motion passed. 5:0

Tab 2

Fee Restructure

Deputy Director Hunter presented the materials for Tab 2. DD Hunter presented a power point presentation. To date, DD Hunter has met with 33 House-banked & Class "F" Card Rooms, 3 Pull-tab Distributers, 7 Large Charitable/Nonprofit Organizations, 4 Large Manufactures and 2 Service Suppliers. The focus of the outreach to date has been to those licensees whose fees would increase the most. Chair Sizemore said he felt a workgroup would be helpful. WSGC is planning 5 workgroup meetings across the state before the end of the year. Chair Sizemore will be attending all 5 meetings. The purpose of these meetings is a result from licensees at the September meeting wanting to have a "sit down" to discuss their options of the Fee Restructure plan. Commissioner Patterson asked if there could be a debrief of the meetings that have occurred either right after the meetings or just before the next meeting. The response was yes. Public comment came from: Monty Harmon, Rick Newgard, Phil Eland and Wayne Wertz.

Tab 3

House-Banked Card Room Summary of Activity

Assistant Director Griffin presented the materials for Tab 3. Overall, the financial statements show an improvement for house-banked card rooms.

Tab 4

Criminal Case Update

Acting Special Agent Supervisor, Bryce Mack presented the material on 2016 Regulatory Unit Criminal Investigations.

Acting Special Agent Mack presented several cases that showcased the level of investigations that the Agents do. Chair Sizemore asked about the number of criminal cases workload that reflected man hours versus cases. Commissioner Patterson asked about the individuals that were arrested, if any of them were employees of the establishments. Commissioner Stearns asked if any of the charges were against professional gamblers.

Agent-in-Charge, Gary Drumheller presented the materials for Criminal Enforcement Unit.

Agent in Charge Drumheller explained one of the goals for the Gambling Commission is to work with other law enforcement agencies, which are local, State, tribal and federal. He also mentioned the Gambling Commission has one individual on a State task force and one on a federal task force. Commissioner Stearns asked if there were any money laundering cases. Commissioner Gray asked if there were any internet gambling cases. And, how much time is spend on each case.

Day 1 adjourned at 3:37 pm

October Commission Meeting Minutes

October 14, 2016 Day 2 reconvened at 9:06 AM

Commissioners Present:

Bud Sizemore, Chair
Julia Patterson, Vice-Chair
Chris Stearns
Ed Troyer
Kelsey Gray, PhD.

Staff Present:

David Trujillo, Director, Amy Hunter, Deputy Director, Tina Griffin, Assistant Director
Brian Considine, Staff Attorney, Legal Liaison, Julie Lies, Tribal Liaison,
John Meader, Assistant Attorney General, Julie Anderson, Executive Assistant

Tab 5

Group 12 Amusement Games

Reporting, Recordkeeping and Storage of Tokens

- **WAC 230-13-075** Assigning and reporting group numbers of authorized amusement games.
- **WAC 230-13-170** Recordkeeping for commercial amusement games.
- **WAC 230-07-125** Recordkeeping requirements for lower volume charitable or nonprofit organizations.
- **WAC 230-13-005** Amusement games authorized.

Assistant Director Tina Griffin presented the materials for this tab.

Commissioner Patterson moved to approve the original version of WAC 230-13-075 and version 2 for WAC 230-13-170 and WAC 230-07-125, effective 31 days from filing.

Commissioner Gray seconded the motion.

The motion passed. 5:0

Tab 6

Petition from Teresa Malphrus

Poker Wagering and Rake Increase

- **WAC 230-15-080** Authorized fees and authorized methods of collection
- **WAC 230-15-135** Wagering limits for nonhouse-banked card games

Assistant Director Griffin presented the materials for this tab. This petition is up for final action at the November meeting.

Tab 7

Petition from the Recreational Gaming Association

Promotions

- **WAC 230-06-030** Restrictions and conditions for gambling promotions
- **WAC 230-06-031** Using wheels in promotional contests of chance, fund raising events, or gambling activities- Promotional Contests of Chance (PCOC)

Director Trujillo presented the materials for this tab. Commissioner Stearns will work with staff to craft language for a more active voice.

Commissioner Patterson moved to approve Version 3 of WAC 230-06-030 for further discussion.

Commissioners unanimously approved this motion.

The motion passed. 5:0

Tab 8

Petition from Recreational Gaming Association

Wagering Limits for House-Banked Card Games

- **WAC 230-15-140** Wagering limits for house-banked card games

Director Trujillo presented the materials for this tab. Petitioner wishes to withdraw their petition.

Commissioner Troyer moved to withdraw this petition. Commissioner Stearns seconded the motion.

The motion passed. 5:0

Tab 8

Petition from Warren Montney

Restrictions and Conditions for Gambling Promotions

WAC 230-15-453 Using match play or similar coupons in gambling promotions.

Special Agent Mark Richart performed a promotion demonstration for the commissioners using “match play” coupons.

Assistant Director, Griffin presented the materials for this tab. Commissioner Troyer asked about enforcement of the coupons. He also asked about where does one get the coupons and how do they chose who gets the coupons. Commissioner Stearns asked about how the coupons are being tracked. Victor Mena from RGA spoke in favor of the petition.

Commissioner Troyer moved to file this petition for further discussion. Commissioner Gray seconded the motion.

The motion passed. 5:0

Commissioner Patterson expressed her concerns with Problem Gambling. Commissioner Stearns offered UNLV as a resource for staff to gather Problem Gambling Statistics. Commissioner Gray asked for accurate data that includes outpatient treatment and in state residential options. Chair Sizemore requested an update on the data as early as the November meeting. Dolores Chiechi offered to get information to staff to present at the next meeting. Staff will work with Ms. Chiechi to schedule a presentation.

Chair Sizemore announced that the first Fee Restructure Workgroup would be October 24, 2016 at the SeaTac Community Center from 1-4pm. Commissioner Patterson asked permission to attend the 1st meeting as it will be in her home community.

Meeting adjourned at 10:42 AM.