



CARD ROOM CONNECTION

OFFICIAL NEWSLETTER OF THE WASHINGTON STATE GAMBLING COMMISSION
FOR CARD ROOM OPERATORS AND CARD ROOM EMPLOYEES

July-December 2009 Edition

Re-linking a Card Room Employee Back to Your Business

By Philette Hamakua-Ling, Supervisor, Individuals Team

Once a card room employee pays for a license to work for your business, the card room employee may work for your business any time during the license year without paying an additional add/transfer fee of \$61.

For example, John Doe renews his license to work at Cedar Casino. His license is valid from November 2, 2009, to November 1, 2010. On December 13, 2009, John decides to quit and work for McDonalds. Things don't work out as well as he anticipated, so on February 13, 2010, John decides to come back to work for you at Cedar Casino. You verify that he has already paid for his license to work at your business from November 2, 2009, to November 1, 2010. Can he work for you without paying any additional fees?

Because John has already paid to work at your business during the license year, he can work for you without paying any additional fees. Just call or send us an e-mail letting us know when John will begin working for you again. We will re-link him to your business, and shortly after that, his name should appear on your employee list on our website.

Some of you have tried to re-link a licensed card room employee back to your business by using our on-line Card Room Employee Transfer/Add application process. Please do not use the online process for re-linking. The on-line process is not set up for re-linking an employee at this time.

Also, in July 2009, we converted from our old licensing database to a new, custom-built database. As with all new systems, there are glitches that need to be worked out.

We appreciate your patience as we convert over to our new system. Please let us know of any discrepancies that occur on our website or if you are having problems using any of our online processes.

Please call or send an e-mail if you have any questions:

Phone: 1-800-345-2529 or (360) 486-3440

Cassie Voss at ext. 3550 or cassiev@wsgc.wa.gov

Cathee Gottfryd at ext. 3548 or catheeg@wsgc.wa.gov

Melanie Bowdish at ext. 3549 or melanieb@wsgc.wa.gov

Preventing Card Rooms That Are Next to Each Other from Appearing as One Large Card Room

We want to know if you support or oppose a new rule that would prevent card rooms that share a common wall or structure from appearing as one large card room with more than 15 tables.

This proposed new rule will prevent:

- Shared inside public access between the card rooms.
- Employee access between the two card rooms that is visible to the public.
- Shared windows or similar structures that allow customers to see into the other card room.

The rule will also require card rooms to post a sign at each public entrance that clearly identifies the card room.

This proposed new rule would not apply to card rooms that are licensed on or before the effective date.

This will be discussed at the Commission Meeting Study Session on February 11, 2010, at the Great Wolf Lodge.

You can also send your comments ASAP to:

Washington State Gambling Commission

Attention: Rules Coordinator

P.O. Box 42400

Olympia, WA 98504

e-mail: Susana@wsgc.wa.gov

phone: (360) 486-3466

New Deputy Director



David Trujillo was promoted to Deputy Director on July 1, 2009. He has been with the agency since 1992.

Dave has worked in Field Operations, Tribal Gaming, Financial Investigations, and Criminal

Intelligence. He was most recently Assistant Director of Licensing Operations. Dave is a graduate of both Central Washington University and Western Washington University.

Dave is licensed by the Washington State Board of Accountancy. He is also a long standing Washington Society of Certified Public Accountants Ethics Committee member and current committee chair.

H1N1 Web Site with Resources to Help Businesses

The Department of Health has developed an H1N1 Web site with resources to help businesses plan for and respond to H1N1 at www.doh.wa.gov/h1n1/.

Card Game Contracts

By: Collene Engle, Licensing Supervisor, Licensing Operations Division

Card rooms that contract with manufacturers or gambling service suppliers for card games no longer need to send copies of card game contracts to our Lacey Headquarters Office. Instead, you must keep copies of all current card game contracts at your card room premises and make them available for your gambling field agent to review upon request. Copies of all other contractual agreements must be delivered to the Lacey Headquarters Office within 30 days of the change (WAC 230-06-080).

We are pleased to simplify where we can. We welcome your feedback on how we are doing and your suggestions for improving our processes. Please take a moment to complete our new customer service survey which is posted on our website at www.wsgc.wa.gov.

Gamble Online? The Odds are Against You.

Internet gambling is illegal and unregulated.

Internet gambling has always been illegal in Washington State and in the United States. It is a Class C Felony. First-time offenders could spend up to 90 days in jail and pay up to a \$10,000 fine. This includes gambling on the Internet, operating an Internet gambling site, or facilitating Internet gambling in any way.

Unlike other licensed and regulated gambling activities, Internet gamblers have no idea who is operating the gambling site, Internet gambling is illegal, and players have no recourse if they are not paid or cheated.

Players put themselves at risk of credit card fraud, identify theft, or other financial crimes by disclosing information that should be kept secure.

Games may not be run fairly.

Internet gambling is legal in a few countries, however, it is illegal to gamble on those sites while in the U.S. It is also illegal for operators of those sites to solicit players from the U.S. to gamble on their site. Some Internet gambling sites say they are approved, secure, or regulated. Don't be fooled, gambling websites are not licensed or regulated in Washington State or the U.S.

Enforcement

Enforcement is focused on larger, higher level Internet gambling activities, such as gambling sites and service providers. Players gambling on the Internet, whether playing poker, slots or other gambling games, run a risk of a felony conviction.

If players' names appear in an operator's seized records, the Gambling Commission would likely send the player a warning letter, notifying them that betting on the Internet is a felony. If a player's name appears again, charges may be filed.

For more information check out our website www.wsgc.wa.gov or call 360-486-3440 or toll free in Washington State 1-800-345-2529.

Sports Wagering

Gambling in Washington is illegal unless specifically authorized by law. Two sports wagering activities are authorized, wagering between individuals and sports boards.

Brackets, office sports pools and fantasy sports are not authorized under the law. As an alternative, a sports board could be operated. If someone would like to have additional ways to bet on sports, they would need to contact their local legislator and ask that the law be changed to allow additional sports wagering activities.

Under Washington State law (RCW 9.46.0269), anyone who engages in any form of gambling or materially aids any gambling activity is guilty of the crime of "Professional Gambling" unless the law specifically authorizes the activity.

Sports wagering in Washington is authorized under two categories:

- 1) The agency's historical interpretation has been that sports wagering by individuals is allowed by **Player Exception** (RCW 9.46.0265). The requirements of this law include:
 - Only individuals may be involved in the activity;
 - Businesses cannot be involved in the activity;
 - Persons acting together or as partners cannot be involved in the activity. Based on a court case, if two individuals team up and form a "partnership" they no longer fall under the player exception law (Dodd v. Gregory, 34 Wn.App 638, 663 P.2d 161 (1983));
 - No one may receive any profit from the activity other than their gambling winnings; and
 - All players must participate on equal terms.
- 2) Sports Boards for both businesses and individuals (RCW 9.46.0335).



WHO IS INVOLVED IN THE WAGERING? Business vs. Individuals

The "player exception" law makes an important distinction between gambling that involves individuals (natural persons) and gambling which involves businesses (taverns, corporations, partnerships and other associations of persons). For the purposes of this article, the words "individuals" and "businesses" will be used to distinguish between these two categories.



BUSINESSES

Businesses may not be involved in sports wagering, except for sports boards as authorized in RCW 9.46.0335. This applies whether the business is directly involved in the wagering or is materially aiding the gambling activity. Examples of materially aiding would include allowing betting to take place at your business premises, providing supplies or equipment, arranging or operating the game, or inviting persons to play. For example, if a bookmaker is taking bets at your business and you do nothing about this, you are "materially aiding gambling." This is illegal for all involved and also jeopardizes your gambling license. RCW 9.46.0269(2) states that if a person having control over a premises (owners or managers) permits the premises to be used for the purpose of conducting illegal gambling activity, that person is considered engaging in professional gambling. If you allow this to happen, you may be subject to administrative charges against your gambling license.

INDIVIDUALS

Individuals may participate in sports wagering as long as only individuals are involved and no one makes any money other than their gambling winnings. Individuals may help arrange or facilitate the game; however, they may not be paid any fee for doing so.

For example, two people may bet \$20 on a football game, as long as the winner gets the entire \$20 from the loser and no one else profits from the transaction.

Individuals may also conduct sports boards when the special rules discussed under "Sports Boards" are followed.

Gambling licensees should be alert for any personal betting activities that occur on their licensed premises. Person to person wagers are allowed as long as:

- The wagers are not being accepted as part of a business; and
- An additional fee or "vigorish" is not charged for the opportunity to make a bet.

A VIGORISH MAKES IT ILLEGAL

Gambling is always illegal in Washington if anyone is taking a vigorish, "vig," "juice," fee, or any other form of payment beyond his or her winnings as a player.

(Continued on page 4)

Sports Wagering Continued

(Continued from page 3)

For example, if you make a \$20 bet on a football game and, if you lose, have to pay a third party \$22 (or any amount greater than what you bet), this would be illegal.

The extra \$2 is called the “vig” or “juice.” Even though this 10 percent fee may not sound like much extra, this transaction fee” is what makes the activity illegal.

SPORTS BOARDS

Sports boards are authorized under Washington State law and strict rules must be followed when conducting them. **Both businesses and individuals may conduct sports boards.**

- Each business or individual may offer only one board on any single athletic event.
- The board must be divided into **100 squares**.
- You must charge **no more than one dollar** per square.
- Each player must be charged the same entry fee (up to one dollar per square).
- Each player picks a square and their name is written in the square.
- Numbers representing game scores are randomly assigned to each square.

For example, it is not legal to have a sports board where you:

- Have more than one board per athletic event;
- Offer 10 squares, instead of 100; or
- Charge more than one dollar per square.

Anyone operating a sports board should develop and post house rules regarding how the boards will be conducted. For example, a deadline for collecting prize money, winner identification and requirements for someone other than a winner to collect a prize, what will happen in the event of a tie and how to distribute the money if a winning square has not been sold.

The sports board must be available for inspection by anyone purchasing a chance, Gambling Commission agents, or other law enforcement representatives.

These limitations apply to all sporting events equally (i.e. Super Bowl, Final Four, etc.).

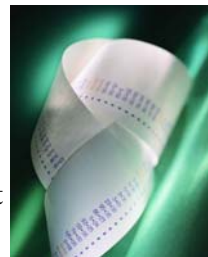
If you have questions, call your local gambling agent.



Card Room and Casino Reporting Requirements to the United States Department of the Treasury

By: Gary Drumheller, Program Manager, Spokane Field Office

The Bank Secrecy Act (BSA) of 1970 requires any casino (including card rooms) with annual gross receipts greater than \$1 million to submit Cash Transaction Reports (CTRs) to the United States Department of the Treasury Financial Crimes Enforcement Network (FinCEN) for cash transactions that are greater than \$10,000.



These reports are required to be submitted to the United States Department of the Treasury, and failure to file these forms can result in civil and possible criminal sanctions against any casino, management, and ownership. Also, the United States Department of the Treasury requires Suspicious Activity Reports (SARs) to be completed by any casino with annual gross receipts greater than \$1 million. Casino staff must complete an SAR for any patron(s) that engages in a scheme to avoid CTR reporting requirements. One common way a patron may try to avoid a CTR is by structuring.

Structuring is the process of buying in or cashing out in amounts that are less than \$10,000. However, the total of a patron’s buy-ins or cash-outs would be greater than \$10,000. If a casino is aware that structuring is occurring on their premises, they must complete an SAR and file it with the United States Department of the Treasury. Failure to submit SARs can result in civil and possible criminal sanctions against any casino, management, and ownership.

The following websites provide more information about the BSA, forms, and e-filing.

- FinCEN: www.fincen.gov
- Internal Revenue Service: www.irs.gov

License Fees and Class Compliance

By Jessica Quiles, Supervisor, Forms & Records Team

We understand how important licensing fees are to you and the impact they have on your business. Every organization and individual involved in the gambling industry is affected by the laws and rules governing how these fees are handled.

In an effort to clarify the license class system and the fees involved, we offer this quick and easy guide to compliance. The following article discusses the importance of being licensed at the proper class to avoid penalties and when to upgrade or downgrade your license.

Businesses Operating at the Correct License Class

Businesses must operate within their license class. You are responsible for monitoring your level of gross gambling receipts. If your gross gambling receipts calculations show you will likely exceed your license class before your license year ends, you must immediately upgrade your license. This will ensure that you avoid an exceeding class penalty which can be up to 50% of the difference between the two classes or \$1,000 dollars, whichever is less.



Upgrading a license class:

You must upgrade your license to the class level of your anticipated gross gambling receipts. If you properly upgrade your license, you will remain in compliance with gambling rules.

To upgrade, complete the License Upgrade form and have the owner, LLC manager, or corporate president sign it. (www.wsgc.wa.gov/Forms/Applications/Miscellaneous). Send the form, along with the fee difference between the old and new license class (fee schedule located in WAC 230-05-020, 230-05-025, 230-05-030), plus a \$27 application fee to:

Washington State Gambling Commission
Attention: Licensing Operations Division
PO Box 42400
Olympia WA 98504-2400

Downgrading and renewing:

You may be able to downgrade your license class at renewal time. If you have been operating under your license class, call us. We will make sure you are properly licensed at the right class for your activity. In addition, if your renewal license fee is at least \$800, you may be eligible to pay your renewal fee in two payments. WAC 230-05-015 allows gambling licensees to pay for their gambling licenses in two parts.

You are still responsible for payment of the second half of the license fee, even if you sell your business or no longer operate your business.

Activity reports are due twice a year:

1st and 2nd quarters are due July 30

3rd and 4th quarters are due January 30

The only exceptions are bingo (class D and above) and licensees that report annually (raffles, amusement games, etc.). This means some licensees may not report their earnings until after their license at that class level expires. If you find that you exceeded your license class during your previous license year, you will need to upgrade immediately. Do not wait until your report is due. If you wait, you may be assessed an exceeding class penalty.

Refunds

Businesses: If your gross gambling receipts at the end of your annual license period show you didn't reach your license class, you may be eligible for a refund of the difference in license class fees. For example, if you held a class C license, but at the end of the year your gross receipts fell under the class B license, you may be eligible to receive a refund of the difference in license fees between the class C and class B license. Your request must be made in writing and sent to the Licensing Division within one year. You do not need to wait until your activity reports are due.

Individuals: Card room employees and non-profit gambling managers will not receive a refund if they have performed any of the duties that they were licensed for.

Applicants: If a license application is denied or withdrawn, a portion of the licensing fee may be refunded. However, you will only receive a refund if there is money left over after our costs to process and investigate your application (RCW 9.46.070(5)). This applies to both businesses and individuals.

There are no refunds if you:

- a) Discontinue your business; or
- b) Voluntarily surrender your license; or
- c) Have your license suspended, revoked, or otherwise cancelled.

If a proper refund request is submitted, we will send a letter stating the refund dollar amount and an estimated date you'll receive it. For assistance, please call (360) 486-3526 or (800) 345-2529 ext. 3526.

Legislative Update

The Gambling Commission does not have any agency requested legislation during the 2010 session.

Some bills introduced in the 2009 legislative session are still alive for the 2010 session. Here are some of those bills that Commission staff is watching in 2010:

SB 6146 – Consolidating the Gambling Commission into the Department of Licensing as the Office of Gambling Regulation. The bill was introduced on March 31, 2009. No hearing was held.

HB 1497 – Eliminating Boards and Commissions. The bill was referred to the State Government and Tribal Affairs Committee. No hearing was held.

SSB 5589 – Consolidating certain councils, boards, committees, and commissions. The bill makes the Horse Racing Commission functions part of the Gambling Commission. It preserves the “Commission” structure. The bill was referred to the Senate Government Operations and Elections Committee. A hearing was held and a substitute bill was passed out of committee, but the bill died in the Rules Committee. The Substitute Bill in its current form does not affect the Gambling Commission.

SB 5588 – Administering, suspending, and eliminating boards and commissions. The bill passed out of committee but died in the Rules Committee. The bill in its current form does not affect the Gambling Commission.

SSB 5994/HB 2151 – Eliminating boards and commissions on June 30, 2010. **SSB 5994** passed out of committee but died in the Rules Committee. **HB 2151** did not make it out of committee. The bills in their current forms would not affect the Gambling Commission.

SB 6103 – This would re-define gambling in light of the recent Betcha.com court decision. In this decision, the court held that the ability to renege on a bet meant that the activity was no longer gambling. We are concerned the decision has broader implications than just the case that was before the court. If the definition is left unchanged, the case creates an opening for crimes, such as bookmaking and professional gambling, and other potential circumventions of the Gambling Act. In 2009, the Commission supported this bill. Last session, the Senate passed **SB 6103** 38:10. The House Commerce and Labor Committee held a hearing for the bill in March 2009, but did not take executive action.

SB 6152 and **HB 2355** are companion bills and similar to **SB 6103**, except for an additional sentence about fines and forfeitures.

HB 2162– Local Governments to Limit House-Banked Social Card Games within their jurisdictions. This bill is another version of the bills limiting house-banked card rooms that have been introduced nearly every session over the past ten years. Presently, cities and counties have an “all or nothing” choice. They can either permit a gambling activity without limiting locations, or they can prohibit the activity.

In 2009, the Commission voted to support this bill (the Commission has either opposed or remained neutral in past years) because the bill:

- Allows jurisdictions that are satisfied with the number of card rooms to keep those and not add any more.
- Gives some protection to card rooms that may be annexed into a jurisdiction that prohibits card rooms by giving them at least three years to operate in that jurisdiction.
- Does not authorize jurisdictions to pick and choose which licensees they want or to create “red light” districts. The Commission noted that local corruption in the 60’s and 70’s was a major reason the Commission was created and why local authority was limited.
- Does not put a freeze on the number of card rooms statewide.

Update on Consolidation Study by the Office of Financial Management

During the 2009 Legislative Session, the agreed budget bill that the Governor signed instructed the Office of Financial Management (OFM) to conduct a study looking at consolidating or transferring activities of the Lottery Commission, Horse Racing Commission, Liquor Control Board, and Gambling Commission in order to achieve cost savings or regulatory efficiencies. OFM completed the study and provided a report to legislative fiscal committees on November 15, 2009.



The overall conclusion was that while these four agencies are assumed to share some commonality in services, there is little connection in the delivery of these services. As a result, consolidation would not likely provide time or cost savings for most clients or licensees, but the four agencies should continue cooperative efforts.

The full report can be viewed at: www.ofm.wa.gov/reports/AgencyConsolidationStudy.pdf.

Public Service Announcement Underage Gambling

On October 6, 2009, we launched a statewide Communications, Education, & Awareness Program for underage gambling and the risks associated with it.

During the 2009 Legislative Session, a bill was passed making underage gambling a civil infraction. The penalty includes a fine of up to \$125, up to four days of community restitution and court costs. The minor would also forfeit their winnings.

We will be using social media and radio Public Service Announcements to reach both youth and adults. A website was created– www.NotAZander.com. This website has links to Facebook, Twitter, and YouTube pages about NotAZander.com.



Together with the Evergreen Council on Problem Gambling, we will be conducting joint presentations to schools, community groups, law enforcement, parents, PTAs and School Safety Officers beginning Fall 2009 through Spring 2010. Combining the messages of underage gambling and problem gambling allows us to effectively get the word out about the risks associated with underage and how it can lead to problem gambling.

- For help with problem gambling call (800) 547-6133, or visit www.notagame.org.
- For problem gambling training resources, visit www.evergreencpg.org or call (360) 352-6133.
- You can request a variety of different posters targeting different audiences (Spanish, seniors, youth, or adults) from the Department of Social and Health Services, Division of Alcohol and Substance Abuse at www.dshs.wa.gov/dasa/services/OPPLR/ProblemGamblingPrgm.shtml.
- The general problem gambling poster and brochure are available from your local gambling agent or by contacting our Headquarters Office in Lacey at (360) 486-3440, or (800) 345-2529.

To learn more about underage gambling, visit our website www.NotAZander.com or contact your local field agent.



Underage Gambling Compliance Tests

Starting October 18, 2009, licensees are now able to conduct underage gambling compliance tests for purposes of employee training and employer self-compliance checks regarding minors that gamble. WAC 230-06-011 and 230-06-012 explain the approval process and requirements for conducting these tests. Contact your local gambling field agent with questions.

Underage Gambling Compliance Inspections For Pull-Tab Licensees

By Greg Thomas, Program Manager, Northwest Field Office

In 2003, Gambling Commission staff began inspections to determine if house-banked card rooms allowed minors to gamble. Our agents, working with Liquor Control Board officers, sent minors into card rooms to attempt to gamble and purchase liquor.

A 2005 Public Opinion Survey conducted by the Commission reinforced the need for emphasis patrols for underage gambling. Of those surveyed, 44% said they were “very concerned” about underage gambling and 25% were “somewhat concerned.”

RCW 9.46.0305 prohibits anyone under age 18 from playing punchboards, pull-tabs, in card games, or in fund raising events. A 2009 legislative change makes it a civil infraction for a person under age 18 caught playing the above listed activities. The penalty includes a fine of up to \$125, up to four days of community restitution, and court costs. The minor would also forfeit any winnings.

Commission agents have recently started similar inspections for pull-tab licensees. Field agents send minors into the licensee’s business and have them attempt to purchase pull-tabs.

If your organization is caught selling pull tabs to a person under the age of 18, the fine for the first violation is \$300. A second violation within a year will result in a statement of charges.

Please know the law and your responsibilities for checking identification prior to allowing someone to gamble. Contact your local field agent if you have questions or need assistance.

Recently Adopted Rule Changes

Remote Access to Surveillance

Administrative Order # 651
New Rule WAC 230-15-267
Effective January 1, 2010

This new rule allows gambling service suppliers who install and maintain closed circuit television surveillance systems (CCTV) to remotely access digital CCTV systems for maintenance or repair. The card room must notify us before the remote access occurs and they would have to document the remote access in their surveillance log. The remote access must only be enabled for the duration of the maintenance or repair and the connection terminated immediately after.

Using Half Dollars or Quarters to Pay Poker Fees

Administrative Order # 652
WAC 230-15-145
Effective January 1, 2010



A licensed poker manager's request that players be allowed to use half dollars or quarters to pay fees in nonhouse-banked card games was approved. This will give poker operators a more accurate way to collect fees (rake) associated with poker games.

Funds to Payout Card Game Prizes

Administrative Order # 654
WAC 230-15-455
Effective January 1, 2010

The Recreational Gaming Association's request that house-banked card room licensees no longer be required to keep a dollar amount equal to **all** individual odds-based wager prizes offered which are greater than \$25,000 in a separate bank account was approved. The change allows house-banked licensees who offer more than one individual odds-based wager prize greater than \$25,000 to keep an amount equal to the **second** highest odds-based wager prize in a bank, mutual savings bank, or credit union in Washington State or possess a verifiable line of credit from a Washington State financial institution.

Number of Games Played in a Hand of Cards

Administrative Order # 656A
WAC 230-15-040

Effective September 18, 2009

Galaxy Gaming, Inc., originally requested a rule change to increase the number of games allowed within a single hand of cards from three to six. After the petition was filed, the petitioner amended his request to:



- Increase the number of games allowed within a hand from three to four; and
- Limit three of the four games to wagers to \$5 or less.

The petitioner's amended request was approved at the August 2009 Commission meeting.

"All-In" Wager of \$500 for Texas Hold'em Games

Administrative Order # 658
WAC 230-15-135

Effective November 9, 2009

The change removed wording that allowed higher wagering limits for "all-in" wagers in Texas Hold'em poker games. This puts the limit for all poker wagers back to \$40.



Underage Gambling

Administrative Order # 659
WAC 230-06-011 and 230-06-012
Effective October 18, 2009

These new rules implement Substitute Senate Bill 5040. **Detaining minors that gamble:** WAC 230-06-011 allows gambling special agents and peace officers to detain minors that gamble.

Underage gambling tests: WAC 230-06-012 allows 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.

Player-Supported Jackpot Fund Deposits

Administrative Order # 660
WAC 230-15-400
Effective January 1, 2010

The Recreational Gaming Association's request that player-supported jackpot (PSJ) funds to be deposited into a general banking account and then be transferred into the PSJ account was approved. Previously, PSJ funds had to be deposited directly into a separate PSJ bank account.

Recently Adopted Rule Changes Continued

Reporting Name Changes
Administrative Order # 662
WAC 230-06-095

Effective January 1, 2010

Individuals (for example, card dealers, distributor representatives, bingo managers, etc.) are now able to report name changes up to 30 days after the effective date of the change. Individuals are not able to submit proof of a name change until after their name is legally changed (for example, divorce or marriage). Organizations and businesses are still required to request a name change at least 30 days before the effective date of the change.

Send your Comments to Us

If you have something to say about a proposed rule change, you are encouraged to attend a Commission meeting or Study Session.

The Commission appreciates hearing if you support or oppose a proposed rule change. This way they will have as much information as possible before deciding to approve or deny a rule change. If you can't attend a meeting, please send your comments to:

Washington State Gambling Commission
Attention: Rules Team
P.O. Box 42400
Olympia, WA 98504
E-mail: RulesTeam@wsgc.wa.gov

For detailed information about proposed rule changes, visit our website at www.wsgc.wa.gov and select Public Meetings. Meeting agendas and information are posted about ten days before each meeting. For a brief outline of proposed and adopted rule changes, select Rules and Laws, Rules under Review, or Washington State Register.



Rule Changes Up for Discussion and Filing at the January 10, 2010, Commission Meeting

The following rule changes were filed at the January 15, 2010, meeting. Proposed changes that are filed will be discussed at the February 11, 2010, Study Session. We anticipate final action at the March 12, 2010, Commission meeting.

Staff Proposed New Rule

Prevent card rooms that share a common wall or structure from appearing as one large card room with more than 15 tables.

New Rule: WAC 230-06-046

This proposed new rule will prevent card rooms that are next to each other from appearing as one large card room. This will be done by preventing: shared inside public access between the card rooms; employee access between the two cards rooms that is visible to the public; and shared windows or similar structures that allow customers to see into the other card room. It also requires card rooms to post a sign at each public entrance that clearly identifies the card room. This rule would not apply to card rooms that are licensed on or before the effective date.

Staff Proposed Rule Change

Controlling prizes.

Amended Section: WAC 230-14-090

This proposed change will restore the requirement that punch board and pull-tab operators are required to pay all pull-tab prizes in either cash or merchandise.

Public Hearings on Rule Changes

Proposed rule changes are discussed at Study Sessions before they are discussed by the Gambling Commissioners. Study Sessions are held 10:30 a.m. to noon Thursday mornings before Commission meetings. Study Sessions provide an opportunity for you to meet with staff and discuss current issues, enforcement questions, proposed rule changes, and legislative bills.

Proposed rule changes are discussed during at least two Commission meetings and usually at one or two study sessions.

At the first Commission meeting, rules are generally filed for discussion.

The following month, the rules are included on the Study Session agenda for informal discussion.

At the following Commission meeting (usually the third month), the rule is Up for Final Action where the Commission will decide whether to make the change or not. Any additional comments from staff and the public can be discussed at this meeting.

If additional time is necessary to determine final action, the Commission, staff, or the public can request the rules be held over to the next meeting.

Commission meetings and Study Session are open to the public. Please feel free to join us at these meetings. See page 15 back page for a schedule of 2010 Commission meeting dates and locations.



Investigations

RCW 9.46.210 gives us law enforcement authority to investigate, enforce, and prosecute all gambling violations. Law enforcement powers are needed to investigate these illegal activities:

- Theft
- Cheating
- Embezzlement
- Fraud
- Bookmaking
- Money laundering
- Illegal card or dice games
- Loansharking
- Animal fights
- Internet gambling
- Other criminal activities related to gambling



In Fiscal Year 2009, our Field Operations Division investigated 403 complaints from the public and initiated 504 additional investigations to ensure gambling was operating legally and honestly.

As a result of these investigations:

- 740 violations of gambling rules/laws were found.
- 166 criminal violations were found.
- 58 criminal cases were sent to prosecutors.

We also conduct background investigations on nearly everyone involved in a gambling business.

We licensed almost 3,700 commercial and nonprofit organizations in 2009. We also regulate over 17,880 individuals (such as dealers) in the tribal and non-tribal gambling industry.

Also in Fiscal Year 2009, Commission staff conducted 21,885 criminal history checks and processed 3,188 fingerprint cards.

NOVAS - Notice of Violation and Settlement

The Notice of Violation and Settlement (NOVAS) is a way to resolve some gambling rule violations 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, states how to correct it, and provides immediate information about the penalty.

The fine amounts for the first and second occurrence of the same violations, within a two year period, for individuals and organizations are as follows:

Individual 1 st offense	\$200	Organization 1 st offense	\$300
Organization 2 nd offense	\$500		

If a licensee does not pay within 15 days, we will take administrative action against their gambling license.

NOVAS Issued for Rule Violations 2nd & 3rd Quarter 2009 April—September 2009

HOUSE BANKED CARDROOMS	
Failure to copy entire recorded sequence of illegal activity	
Aces Casino	Spokane
Casino Caribbean	Kirkland
Failure to maintain NSF check log	
Lancer Lanes Casino	Clarkston
Failure to maintain accurate card destruction log	
Parker's Sports Bar and Casino	Shoreline
Allowed a minor to gamble	
All Star Casino	Silverdale
Goldie's Shoreline Casino	Shoreline
Mickey's Sports Bar	Port Angeles
Parker's Sports Bar	Shoreline
Silver Dollar Casino	Renton
Skyway Park Bowl and Casino	Seattle
The River Casino	Kelso
Failure to properly synchronize date and time of video recording equipment	
Westside Lanes Casino	Olympia
Failure to timely submit Activity Report	
Cadillac Island Casino	Longview
Classic Island Casino	Kennewick
Cleo's Island Casino	Kennewick
Failure to properly delete prizes from the PB/PT flare	
Red Dragon Casino	Mountlake Terrace
Parker's A Bar and Grill	Spokane
Operated more tables than licensed for; house banked card game operational violations.	
Aces Casino and Sports Bar	Arlington
Failure to retain recordings of evidentiary value.	
The Palace	LaCenter

CARD ROOM EMPLOYEES	
Allowed a minor to gamble	
Amanda Wall	Macau Casino, Lakewood
Anthony Thomas	Macau Casino, Lakewood
Anthony Ziegler	The River Casino
Daneen Anthony	Lancer Lanes, Clarkston
Penny Stanley	The River Casino
Rebecca Matthews Harrison	Silver Dollar Casino, Renton
Dung Phan	Parker's Sports Bar and Grill, Shoreline
Allowed a minor to gamble continued	
Janelle Rasmussen	Porter House Casino, Moses Lake
Paul Nistler	All Star Lanes and Casino, Bremerton
Thai Pham	Skyway Park Bowl, Seattle
Failure to follow internal control procedures	
Nathaniel Sebree	Goldie's Shoreline Casino, Shoreline
Let losing toke bet ride to the next hand.	
Yong Lucas	Goldie's Shoreline Casino, Shoreline

Administrative Actions Taken for Violating Gambling Rules

Name	Violation	Case Outcome
Andy Shen, Card Room Employee (CRE), (former employee of Goldie's Shoreline Casino) Shoreline	<ul style="list-style-type: none"> • Assault of casino patron. 	<ul style="list-style-type: none"> • An Order of Summary Suspension was issued. • The licensee agreed to surrender his license for 18 months.
Bruce T. Nguyen, Card Room Employee (CRE), (formerly employed by Diamond Lil's) Renton	<ul style="list-style-type: none"> • Cheating. • The licensee introduced counterfeit gambling chips into poker tournaments. 	<ul style="list-style-type: none"> • The licensee failed to respond to the Order of Summary Suspension, and a Default Order revoking his license was entered.
Megan Black, Class III Employee, (formerly employed by The Tulalip Tribe), Arlington	<ul style="list-style-type: none"> • Criminal History. • Tribal license revoked. 	<ul style="list-style-type: none"> • The Class III Employee failed to respond to the charges. • A Default Order revoking her certification was entered.
Billy Burrows, CRE, (formerly employed by 11 th Frame Restaurant & Lounge) Kenmore	<ul style="list-style-type: none"> • Criminal History. 	<ul style="list-style-type: none"> • The Administrative Law Judge (ALJ) revoked his license.
Cheryl A. Gunderson, CRE, (formerly employed by Highway 9 Casino) Everett	<ul style="list-style-type: none"> • Criminal History. 	<ul style="list-style-type: none"> • The licensee failed to respond to the charges, and a Default Order revoking her license was entered.
Mariya Johanson, Class III Employee, (formerly employed by the Tulalip Tribe) Stanwood	<ul style="list-style-type: none"> • Criminal History. • Theft while working for the Tulalip Tribe. • Tribal license revoked. 	<ul style="list-style-type: none"> • The Class III Employee failed to respond to the charges. • A Default Order revoking her certification was entered.
Sage I. Lee, CRE, (formerly employed by Royal Casino) Seattle	<ul style="list-style-type: none"> • Criminal History. 	<ul style="list-style-type: none"> • The ALJ revoked Mr. Lee's license. • The licensee filed a Petition for Review. • The licensee did not appear at the review. • The Commission upheld the ALJ's Order revoking the license.
Robert J. Mercado, CRE, (formerly employed by Blue Mountain Casino) Walla Walla	<ul style="list-style-type: none"> • Criminal History. 	<ul style="list-style-type: none"> • The licensee did not appear at his hearing. • The ALJ revoked his license.
David Penn, CRE, (formerly employed by Classic Island Casino) Kennewick	<ul style="list-style-type: none"> • Criminal History. • Failure to disclose criminal history. 	<ul style="list-style-type: none"> • The licensee did not appear at his hearing. • The ALJ revoked his license.
Debralee Thomas, Class III Employee, (formerly employed by the Muckleshoot Indian Tribe)	<ul style="list-style-type: none"> • Criminal History. 	<ul style="list-style-type: none"> • The ALJ revoked her Class III certification.
Hu S. Chang, CRE, (formerly employed by Red Dragon Casino) Mountlake Terrace	<ul style="list-style-type: none"> • Extension of credit. 	<ul style="list-style-type: none"> • The licensee failed to respond to the charges, and a Default Order revoking his license was entered.
Adam W. Flores, Class III Employee, (formerly employed by the Nisqually Tribe) Olympia	<ul style="list-style-type: none"> • Fraud. 	<ul style="list-style-type: none"> • The Class III Employee agreed to surrender his certification.

Administrative Actions Continued

Name	Violation	Case Outcome
Dominique King, Class III Employee, (formerly employed by the Tulalip Tribe) Everett	<ul style="list-style-type: none"> • Fraud. 	<ul style="list-style-type: none"> • The Class III Employee failed to respond to the charges. • A Default Order revoking his certification was entered.
Florence C. Oelke, CRE, (formerly employed by Casino Caribbean) Everett	<ul style="list-style-type: none"> • Fraud. 	<ul style="list-style-type: none"> • The ALJ revoked her license.
Dominique King, Class III Employee, (formerly employed by the Tulalip Tribe) Everett	<ul style="list-style-type: none"> • Fraud. 	<ul style="list-style-type: none"> • The Class III Employee failed to respond to the charges. • A Default Order revoking his certification was entered.
Florence C. Oelke, CRE, (formerly employed by Casino Caribbean) Everett	<ul style="list-style-type: none"> • Fraud. 	<ul style="list-style-type: none"> • The ALJ revoked her license.
Sina Nuon, CRE, (former employee of Great American Casino) Tukwila	<ul style="list-style-type: none"> • Fraud. 	<ul style="list-style-type: none"> • The licensee agreed to surrender his license for one year.
Charles Williams, Class III Employee, (formerly employed by the Muckleshoot Tribe) Auburn	<ul style="list-style-type: none"> • Fraud. 	<ul style="list-style-type: none"> • The ALJ revoked his Class III certification.
Allen Byrd, Class III Employee, (formerly employed by the Yakama Nation)	<ul style="list-style-type: none"> • Outstanding Gross Misdemeanor Warrants. 	<ul style="list-style-type: none"> • The Class III Employee agreed to surrender his certification.
Jason B. Evans, CRE, (employed by Papa's Casino) Moses Lake	<ul style="list-style-type: none"> • Outstanding Gross Misdemeanor Warrants. 	<ul style="list-style-type: none"> • The licensee quashed his outstanding warrant. • The licensee agreed to a seven-day suspension of his license.
Mark A. Lyle, Applicant (Tulalip Tribes)	<ul style="list-style-type: none"> • Outstanding Court Fines and Fees. 	<ul style="list-style-type: none"> • The applicant entered into a Settlement in Lieu of Administrative Charges. • The applicant will remain current with his payment plan for the fines and fees. • The certification allows him to only work for the Tulalip Tribes.
Bill M. Anderson, Class III Employee, (formerly employed by the Muckleshoot Tribe) Auburn	<ul style="list-style-type: none"> • Theft. • The Class III Employee took at least \$400 in casino chips while he was dealing poker. 	<ul style="list-style-type: none"> • The Class III Employee failed to respond to the charges, and a Default Order revoking his certification was entered.
Nosratollah Moradi, Applicant, Spokane	<ul style="list-style-type: none"> • Theft while working as a casino manager. • Had gambling license previously revoked. 	<ul style="list-style-type: none"> • The ALJ denied his application. • The applicant filed a Petition for Review. • The Commission upheld the ALJ's Order denying the application.
Gail E. Shurtz, Class III Employee, (formerly employed by Chehalis Confederated Tribe) Oakville	<ul style="list-style-type: none"> • Theft. • Took \$5,000 from the casino's soft count room. • Convicted of Theft in the First Degree. 	<ul style="list-style-type: none"> • The certified employee surrendered her Class III certification.

Administrative Actions Continued

Name	Violation	Case Outcome
Ringo's Little Vegas, Spokane Valley	<ul style="list-style-type: none"> • Surveillance violations. 	<ul style="list-style-type: none"> • The licensee agreed to a five-day suspension, with four days deferred for one year, and one day vacated by a fine and costs totaling \$8,200.
Wizards Restaurant, Burien	<ul style="list-style-type: none"> • Allowing a minor to gamble. • This is a violation of a previous settlement order. 	<ul style="list-style-type: none"> • The licensee agreed to a seven-day suspension, with five days deferred for one year, and two days served. • In addition, the licensee will serve a 2-day deferred suspension from a previous Settlement Order.
Macau Casino, Lakewood	<ul style="list-style-type: none"> • Allowed a minor to gamble. 	<ul style="list-style-type: none"> • The licensee agreed to a 5-day suspension with four days deferred for one year; one day vacated by fines and costs totaling \$5,585.
Skyway Park Bowl, Seattle	<ul style="list-style-type: none"> • Failure to timely submit financial statements. • This is also a violation of a previous Settlement Order. 	<ul style="list-style-type: none"> • The licensee agreed to a 15-day suspension with 13 days deferred and two days vacated by costs totaling \$5,503. • In addition, the licensee vacated two days of a deferred suspension from the previous Settlement Order by agreeing to pay for two follow-up inspections.
Tuscan Sands Casino, Zillah	<ul style="list-style-type: none"> • Failure to pay gambling taxes to the City of Zillah 	<ul style="list-style-type: none"> • The licensee and the City of Zillah entered into a payment agreement for the unpaid taxes. • The licensee agreed to a 15-day suspension, with 13 days deferred for two years, and two days served.
North Shore Pub, Kenmore	<ul style="list-style-type: none"> • Obtained a license by fraud, misrepresentation and concealment. • Failed to disclose an owner with a bank fraud conviction. • Failed to disclose loans. • Failed to disclose changes in management. 	<ul style="list-style-type: none"> • The licensee failed to appear at the administrative hearing. • The ALJ revoked its license. • The licensee filed a Petition for Review. • The licensee did not appear for the review hearing. • The Commission upheld the ALJ's Order revoking the license.

***Washington State Gambling Commission
2010 Commission Meeting Schedule
Draft***

January 14 & 15	Seattle – DoubleTree Guest Suites - Southcenter 16500 Southcenter Parkway Seattle, WA 98188 – (206) 575-8220
February 11 & 12	Grand Mound – Great Wolf Lodge 20500 Old Highway 99 SW Grand Mound, WA 98531 – (360) 273-7718
March 11 & 12	Lacey Community Center 6729 Pacific Avenue SE Lacey, WA 98503 – (360) 491-0857
April 8 & 9	Olympia – Red Lion Hotel 2300 Evergreen Park Drive Olympia, WA 98502 – (360) 943-4000
May 13 & 14	Pasco – Red Lion Hotel 2525 N. 20th Avenue Pasco, WA 99301 – (509) 547-0701
June	No Meeting
July 8 & 9	Olympia – TBD
August 12 & 13	Vancouver Heathman Lodge 7801 Greenwood Drive Vancouver, WA 98662 (360) 254-3100
September 9 & 10	Olympia – TBD
October 14 & 15	Spokane – TBD
November 18 & 19	Olympia – TBD
December	No Meeting

No Meetings in June or December
Updated 10-20-09

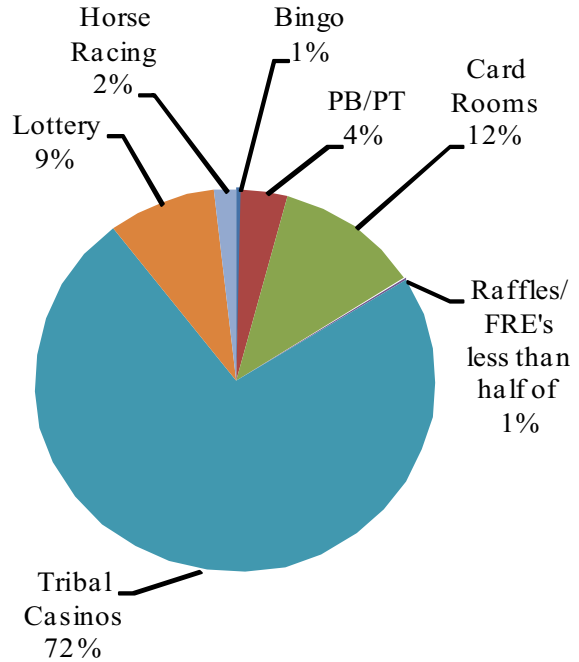
CONTACT: Gail Grate at (360)486-3453

OUR MISSION:

PROTECT THE PUBLIC BY ENSURING THAT GAMBLING IS LEGAL AND HONEST.

CALL OUR FIELD OFFICE CLOSEST TO YOU FOR REGULATORY OR OPERATIONAL QUESTIONS:	
BELLINGHAM	(360) 676-2012
EVERETT	(425) 304-6300
KENNEWICK	(509) 734-7465
PORT ORCHARD	(360) 769-9113
RENTON	(425) 277-7014
SPOKANE	(509) 325-7900
TACOMA	(253) 671-6280
TOLEDO	(360) 864-4240
VANCOUVER	(360) 576-6012 (360) 833-0587
WENATCHEE	(509) 663-9660
YAKIMA	(509) 728-2087

Fiscal Year 2009 Gambling Net Receipts



Bingo	\$11.2
PB/PT	\$81.2
Card Rooms	\$252.3
Raffles/FRE's*	\$4.0
Tribal Casinos**	\$1,571.9
Lottery	\$186.4
Horse Racing***	\$34.8
Total	\$2.142 B

(Dollar amounts = millions M, except where noted for totals in billions B)

* FRE = Fund Raising Events

** Estimated

*** Advance Deposit Wagering (ADW) began June 2004, as authorized by the Horse Racing Commission. [FY09 includes \$5.6 million retained by outside ADW firms.]



**CALL THE
PROBLEM GAMBLING HELPLINE
24 HRS A DAY 7 DAYS A WEEK
(800) 547-6133**

Washington State Gambling Commission

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This newsletter is published twice a year by the Washington State Gambling Commission.

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