

Nov.– Dec. 2008



Washington State Gambling Commission

Focus on Gambling

Meet Our New Commissioner



Commissioner Mike Amos has been appointed as Gambling Commissioner by Governor Gregoire.

He attended his first Gambling Commission meeting in October 2008. After 37 years of duty with the Yakima Police Department, Commissioner Amos retired as patrol sergeant. He is Vice-President of the Eastern Washington State Lodge of the Fraternal Order of Police.

He replaces Commissioner Janice Niemi who served on the Commission for the past six and a half years. We appreciate the dedication and professionalism of Commissioner Niemi and look forward to working with Commissioner Amos.

Renewing Your License Online

By Philette Hamakua-Ling, Licensing Supervisor

We are looking forward to launching a new online process for renewing card room employee (CRE) licenses. A team of three Licensing Operations staff, Cassie Voss, Kim Graham and Melanie Bowdish are busy developing screens to make renewing CRE licenses online quick and easy. We anticipate having the new process on our website by Spring 2009.

The new online renewal process will be open to both employers and CREs. CRE's will be receiving a special Personal Identification number (PIN) on their renewal application to log into the system and process their renewal application. If your employer processes your renewal application, they will need your CRE PIN.



Common Questions About Renewing a License

If an application is not filled out correctly, it takes longer to process because we need to get additional information from you. This causes delays in issuing the license. Here are answers to questions we frequently receive about renewing a CRE license. For additional information see WAC 230-06-125.

(Continued on page 3)

Commissioners

Peggy Ann Bierbaum, Chair
Keven Rojecki, Vice Chair
John Ellis
Alan Parker
Mike Amos

Ex-Officio Members

Senator Margarita Prentice
Senator Jerome Delvin
Representative Geoff Simpson
Representative Gary Alexander

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Administration

Director Rick Day
Executive Assistant Gail Grate
Deputy Director position vacant

Human Resources

Administrator Lisa Benavidez

Business Operations Division

Administrator Terry Westhoff

Information Technology Division

Administrator Tom Means

Licensing Services Division

Assistant Director David Trujillo

Communications and Legal Division

Administrator Amy B. Hunter

Tribal Gaming Unit

Assistant Director Julie Lies

Electronic Gambling Lab

Acting Administrator Paul Dasaro

Field Operations

Assistant Director Mark Harris

Eastern Region– Spokane

Agent in Charge Gary Drumheller

Northwest Region– Everett

Agent in Charge Greg Thomas

Southwest Region– Tacoma

Agent in Charge Jeannette Sugai



Newsletter Staff

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Secretary Senior

Spotlight on Financial Investigations Unit

By: Special Agent Supervisor Keith Schuster, and Special Agent Ira Harte

Our Licensing Operations Division includes a Licensing Unit, Forms and Records, Financial Reporting Services, and a Financial Investigations Unit (FIU). We'd like to tell you a little about FIU.

FIU supports the Gambling Commission's mission of *protecting the public by ensuring gambling is legal and honest* by conducting criminal background checks and sourcing funds.

- Our Criminal History Investigations Team is part of FIU. This team reviews and analyzes criminal history records of card room employees, gambling managers, and Class III employees (Tribal employees).
- Special Agents in FIU conduct pre-licensing and post-licensing reviews and investigations.

We do Pre-Licensing Investigations on Bingo Class G and above, Punch Board and Pull-Tab Class D and above, Card Rooms Class E and F, House-Banked Card Rooms, Gambling Service Suppliers, Manufacturers, and Distributors. FIU investigates lower class applications if they exhibit audit or regulatory risk factors, such as unsubstantiated funding sources and criminal history. During pre-licensing investigations, FIU Agents:

- Identify all owners, officers, and substantial interest holders (persons or organizations that have actual or potential influence over the applicant).
- Evaluate the criminal history of all owners, officers, and substantial interest holders to ensure they are qualified to be licensed.
- Verify that funds used by the applicant are from a legitimate and qualified source.

We do Post-Licensing Investigations to ensure licensees continue to be qualified to hold a gambling license. During post-licensing investigations, FIU Agents:

- Review:
 - The background of new substantial interest holders to ensure they qualify to be licensed.
 - Documents to find the source of capital brought into a business. We source new funds/capital to ensure they are from a qualified source and not tied to criminal activities. For example, if Uncle Joe gives you \$20,000 to renovate your card room, you need to submit documents to verify the source of the funds, such as copies of bank statements and Uncle Joe's will.
 - Applications from licensees making changes to their business. This includes changes to stock, location, management, type of business, class upgrades, and house-banked card rooms requesting additional card tables.
 - Annual Reports and Financial Statements from charitable and nonprofit licensees. After the review, we give a formal report to the Gambling Commissioners on how each organization is making progress toward their charitable purpose.
 - New Service Supplier contracts to verify that all financing, consulting, management, subcontracting, and intellectual property agreements are in order.
 - New or updated loans, leases, and agreements.

(Continued on next page)

Spotlight on Financial Investigations Unit Continue

(Continued from previous page)

- Analyze house-banked card room Financial Statements to verify that all loans, lease agreements, changes in equity, and substantial interest holders have been disclosed to us and that they qualify for a license.
- Verify that all owners of patents and those receiving royalties are disclosed and qualify as a substantial interest holder.
- Assist Field Operations staff during Non-Profit Program Reviews, Manufacturer Reviews, and other joint investigations.
- Participate in special scope investigations, such as undisclosed financing, substantial interest holders, and criminal charges filed against owners and officers.
- Monitor licensees who are Publicly Traded Corporations and review their Securities and Exchange Commission submissions and disclosure documents.

If you have questions about what updated documents you should submit or if you qualify for a license, please contact:

Keith Schuster at (360) 486-3559
or e-mail KeithS@wsgc.wa.gov

or

Ira Harte at (360) 486-3563
or e-mail IraH@wsgc.wa.gov

Washington State Gambling Commission

Our Mission

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

Our Vision

Anticipate, Innovate and Excel.

Our Values

Integrity, Professionalism,
Respect and Diversity.

Save Time Renewing Online Continue

(Continued from page 1)

Q: Can I submit a renewal application after my license expires?

A: No. You must have a properly completed renewal application and fees at our administrative office in Lacey at least fifteen days **before** your license expires. If your license expires, you must not work until you have a new license.

Q: Can I submit a renewal application to work for a new employer the day after my license expires?

A: No. If your license expires, you must not work until you have a new license.

For both Q & A above, you must submit a **new** CRE application and fees for a **new** license. In addition, you need to provide two fingerprint cards and positive identification. You must not work until:

- You receive your license; or
- 10 days after we receive your application.
However, you may work sooner if your employer submits a waiver request and fees and receives a gets a waiver from us.

Q: Can I renew my license if I don't have an employer?

A: No. You must be employed by a card room before you can renew your license. Your employer's name must be included on the renewal application.

Common Errors that Delay Your License

- Don't forget to have your employer sign the application.
- Make sure the criminal history section is filled out completely. We are finding "yes" checked in the criminal history section; however, no explanation is included. You must attach an explanation of the criminal history, including the date, charges and final outcome (disposition).

If you have questions or need further assistance, call (360) 486-3440 or toll free in-state (800) 345-2529:

Ext. 3547: Kim Graham

or e-mail KimG@wsgc.wa.gov

Ext. 3549: Melanie Bowdish

or e-mail MelanieB@wsgc.wa.gov

Ext. 3550: Cassie Voss

or e-mail CassieV@wsgc.wa.gov

Ext. 3548: Cathee Gottfryd

or e-mail CatheeG@wsgc.wa.gov

Ext. 3552: Michelle Davis

or e-mail MichelleD@wsgc.wa.gov

Ext. 3525: Michael Moore

or e-mail MichaelM@wsgc.wa.gov

Ext. 3513: Lisa Cabe

or e-mail LisaC@wsgc.wa.gov

Ext. 3533: Patsy Michael

or e-mail PatsyM@wsgc.wa.gov

Card Counting in Blackjack

By: Special Agent Eric Gural, Spokane Field Office

Players who count cards have an advantage by remembering what cards have been played and using that knowledge to determine future cards to come. By knowing what cards are left to be played, a card counter adjusts bets to get higher payouts.

Card counters don't have to be mathematical geniuses or have a photographic memory. To master card counting, players track the value of cards. To do this, most card counters use the Hi-Lo or Balance Card Count Systems. Both systems assign cards a negative or positive value based on their card value. The values of the cards are then added or subtracted to come up with a "running count." Card counters compare the "running count" and how many cards are left in the deck to adjust their bets. Blackjack games have an inherent weakness to card counters.

You can spot a card counter by looking for fluctuations in their bets. Adjusting a bet can be slight or significant. A card counter will generally not be a player who "flat bets" (never adjusts wager amount).



Typically, a card room will tell a card counter they are no longer welcome to play card games. There is no law or rule against card counting.

New phone numbers for Wenatchee Special Agents

Special Agents Bryce Mack and Brain Lane recently moved from the Wenatchee Gambling Commission Office to home offices.

Their mailing address is still:
P. O. Box 2067
Wenatchee, WA 98807-2067

Their new phone numbers are:

Brian Lane (509) 622-0504

Bryce Mack (509) 663-9660



Up for Discussion at the February 2009 Commission Meeting

Electronic Poker Tables

WAC 230-15-030 and WAC 230-16-157

PokerTek, Inc. is requesting that entirely electronic poker gambling tables be authorized for use in card rooms. The electronic poker table, PokerPro, does not have a live center dealer and uses electronic facsimiles of both gambling chips and cards. No physical gambling chips, cards, or a live dealer are used. The petition was filed at the August 2008 Commission meeting and discussed at the October meeting.

At the November 2008 meeting, the petitioner requested the Commission hold over the petition to allow the Commission's lab time to test the device and re-analyze the system for changes made after the lab's initial review in November.

The Commission has not heard final testimony or reviewed the pending lab analysis. The petition will likely be discussed again at the February 2009 meeting. See page 19 for 2009 Commission meeting schedule.

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 the Thursday morning of each Commission meeting. 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 at two Commission meetings. At the first 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.

Recently Adopted Rule Changes

These rules changes are on pages 14-18, remove and insert the rules into your rules manual.

The following changes become effective January 1, 2009.

Housekeeping changes to correct typographical errors and incorrect WAC reference

Initial orders WAC 230-17-085
Administrative Order # 634

Camera and monitor requirements for closed circuit television systems WAC 230-15-285
Administrative Order # 635

Sales invoices WAC 230-16-195
Administrative Order # 635

Making wagers with chips or coin Administrative Order # 632 WAC 230-15-145

Nickels and dimes can now be used in all games that charge a commission, not just Pai Gow Poker. This change was requested by the Recreational Gaming Association.

Administrative Hearings Administrative Order # 636 WAC 230-17-010

This rule outlines the notice of hearing timeline. In some circumstances, the rule created a shorter timeline than what the Administrative Procedure Act (APA) requires. This rule was changed to make it consistent with the APA.

Increase the Number of Players at Card Tables Administrative Order # 637 WAC 230-15-055

The Commissioners had a great deal of discussion about the impact of the increase on the legislative limit of 15 tables and decided to approve the Recreational Gaming Association's request to increase the number of players at house-banked card game tables from seven to nine. They concluded this would still allow fewer (9 X 15 = 135) spots than the total if the tables were all poker (10 X 15 = 150). Therefore, the increase was not actually expanding the maximum number of spots/players already allowed.

Unstaffed Surveillance Room when Operating only Poker at House-Banked Card Rooms Administrative Order # 638 WAC 230-15-270

The Recreational Gaming Association's request that house-banked card game licensees not be required to have a staffed surveillance room when they operate *only* nonhouse-banked card games (poker) was approved. Card rooms must limit all wagers to \$40 if they operate an unstaffed surveillance room. The \$40 wager limit must be documented in their internal controls and apply whether the surveillance room is staffed or unstaffed.

Send us your comments

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 your support or opposition about proposed rule changes. This way they will have as much information as possible before deciding to approve a rule change or not.

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.

Up for Discussion at the January 2009 Commission Meeting

Administrative Hearings

WAC 230-17-025 & WAC 230-17-137

The Coalition for Responsible Gaming and Regulation (“Coalition”) is a group that includes manufacturers, distributors, charitable/nonprofit organizations, and commercial operators. Beginning in the fall of 2006, staff had several meetings with the Coalition. During these meetings, the parties discussed the Coalition’s concerns about some aspects of the administrative case process and worked on a rules proposal. However, an agreement satisfactory to both parties was not reached.

- **WAC 230-17-025:** The Coalition proposes adding language to clarify that the “presiding officer” (which would be the Administrative Law Judge (ALJ) or the Commissioners if hearing a case on appeal) has the authority to modify sanctions sought by Commission staff. Some Coalition members previously told staff that they believe the ALJ’s are hesitant to impose penalties that are different than those recommended by staff. Although staff does not share this perception, this addition makes it clear that the presiding officer can impose the penalty they feel is appropriate. **Staff does not object to this particular concept.**
- **WAC 230-17-137:** This new rule would require that, upon the request of any party, the presiding officer (which would be the Administrative Law Judge (ALJ) or the Commissioners if hearing a case on appeal) consider a list of 14 aggravating and mitigating factors (included in the rule) when determining whether to modify a penalty sought by Commission staff. **Staff does not support this new rule.** It would extend the hearings because it creates a “sentencing/penalty” phase to the hearings. In addition, it would take the focus away from whether there was a violation.

After the November 2008 Commission meeting, the Petitioner submitted an alternative which states the presiding officer or Commissioner’s “may” rather than “shall” consider aggravating and mitigating circumstances to determine whether to modify a penalty sought by the Commission. This Alternative will be discussed at the January 2009 Commission meeting. **Staff does not support the Alternative.**

Minimum Cash on Hand

WAC 230-15-050

The Recreational Gaming Association is requesting that:

- Cash in the cage, in addition to the safe and vault, be counted towards the minimum cash on hand requirement for house-banked card rooms. Currently, these funds must be in the cage; and
- Licensees meet this requirement within three hours of opening. Currently, they must meet the cash on hand requirement when they open. This change will accommodate at least one licensee.

At their September 2008 meeting, the Commission approved a wager increase for house-banked games from \$200 to \$300. Because of this, we needed to adjust our minimum bankroll requirements in this rule. Therefore, at the November meeting, the Commission filed an alternative to remove the \$20,000 cap for the largest single prize available.

Wager Increase for Poker Games

WAC 230-15-135

The Recreational Gaming Association is requesting that the maximum amount of a single wager in nonhouse-banked card games (poker) be increased from \$40 to \$500. This change would only apply to house-banked card game licensees who offer poker games. Class E and Class F card game licensees will continue to be limited to the forty dollar wager limit.

At the November 2008 meeting, the Commissioners held over action on a proposal and asked staff to develop an alternative that would allow up to \$500 only for an “all in” bet for Texas Hold’em. The industry has proposed another alternative, which would allow \$300 bets for all bets during Texas Hold’em games only. The Commissioners will be discussing these proposals at their January 9, 2009, meeting. We do not know if they will actually adopt the original proposal or either of these alternatives.



Up for Discussion at the January 2009 Commission Meeting Continued

Petition for Rule Change

Financial Statements for House-Banked Card Rooms

Harmon Consulting, Inc. is requesting that house-banked card rooms with gross receipts of more than three million dollars no longer submit “audited” financial statements. Instead, they would submit “reviewed” financial statements.

Currently house-banked card rooms must submit a financial statement to us each year. The level of financial statement review is based on the card room’s gross receipts. Card rooms with gross receipts of:

- Less than one million dollars must submit “Compiled” financial statements
- One to three million dollars must submit “Reviewed” financial statements
- More than three million dollars must submit “Audited” financial statements

During 2006 and 2007, staff prepared forty-one (41) case reports for administrative violations for late reporting, accounting not in compliance with generally accepted accounting principles, and unreported loans or capital contributions. Based upon a sample of 40 case reports reviewed from 2004 to 2008, 85% of the administrative violations (34 of 40) were from compiled or reviewed financial statements. Only 15% (6 of 40) came from audited financial statements and those violations were for late reporting only. There were no substantive violations such as unreported loans or capital contributions. Based on this, staff believes that if we decrease the requirements to reviewed financial statements, we will see an increased number of violations.

Without audited financial statements, Commission staff will not be assured of the accuracy of the information. Reviewed financial statements are not designed to detect material misstatements due to fraud or other illegal acts.

Staff does not support this rule change because:

- It reduces the accuracy of information reported to the Commission, legislature and public.
- It increases the risk of violations, such as fraud, unknown related parties, and undisclosed loans.
- Large house-banked licensees have always been required to submit audited financial

Petition for Rule Change

Testing Electronic Video Pull-Tab Dispensers

ZDI Gaming, Inc., a licensed manufacturer, is requesting that the Gambling Commission’s Electronic Gambling Lab (EGL) review of electronic video pull-tab dispensers be:

- Completed within 15 days and approval provided within 20 days, if the equipment has no changes.
- Review of upgrades to approved equipment be limited to software signatures and documentation of the changes. If regulatory concerns are found, the equipment would then be reviewed by our Gambling Lab.

The rule does not address how incomplete submissions or how equipment malfunctions will be handled or the process for disapproving a submission or upgrade. If staff reviews an electronic video pull-tab dispenser and changes need to be made before the equipment can be approved, it appears this would all have to be completed within 21 days. This timeline may require staff to deny the equipment rather than working with the manufacturer to bring the equipment into compliance.

Under this proposal, we run the risk of approving an upgrade that has a feature that is not in compliance with the WAC or RCW’s if the manufacturer does not adequately disclose or document all the changes since the last approval. Currently, EGL compares the code to verify the changes. The petitioner’s proposal would limit our review to a verification of the software signature and documentation, unless substantive changes are disclosed. However, staff will recommend the petition be filed for discussion.

Staff Proposed Rule Change

Minors Selling Raffle Tickets

WAC 230-06-010, WAC 230-11-030

This rule change would allow persons under the age of 18 to sell raffle tickets for an unlicensed charitable or nonprofit organization which has the development of youth as its primary purpose.

Small organizations such as Cub Scouts and Little Leagues typically have small raffles and profits are very low. Based on the amount of money (\$5,000 or under) and the low risk of the activity itself, staff is comfortable not requiring these organizations to have a raffle license.

Charitable and nonprofit organizations must continue to meet the following requirements to allow minors to sell raffle tickets:

- Have the development of youth as a primary purpose; and
- Have at least three members or advisors who are at least eighteen who supervise the raffle; and
- Have an adult member or advisor designated as the raffle manager.

NOVAS - Notice of Violation and Settlement

The Notice of Violation and Settlement (NOVAS) was created in 2002 as a way to remedy 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 1st offense \$200

Organization 1st offense \$300

Organization 2nd offense \$500

Licensees may settle the matter by paying the fine within 15 days and correcting the violation. If a licensee does not do so within 15 days, we will take administrative action against their gambling license.

NOVAS Issued for Rules Violations July, August, and September 2008

ORGANIZATIONS

Licensee	City	Violation
Bayou Bar and Grill	Spokane Valley	Failure to submit Quarterly Activity Report on time
BPOE #01742	Omak	Failure to submit Quarterly Activity Report on time
Danny's Pub	Kirkland	Failure to submit Quarterly Activity Report on time
Dock of the Bay	Bay Center	Failure to submit Quarterly Activity Report on time
Frosty's Saloon and Grill	Napavine	Failure to submit Quarterly Activity Report on time
G-Man's Bar and Grill	Centralia	Failure to submit Quarterly Activity Report on time
Gold Bar Restaurant	Gold Bar	Failure to submit Quarterly Activity Report on time
Korner Street Bar and Grill	Vancouver	Failure to submit Quarterly Activity Report on time
Mucky Duck Restaurant	Poulsbo	Failure to submit Quarterly Activity Report on time
Pioneer House	Cashmere	Failure to submit Quarterly Activity Report on time
Red Dog Saloon	Maple Valley	Failure to submit Quarterly Activity Report on time
Royal Shanghai	Shelton	Failure to submit Quarterly Activity Report on time
Ryther Child Center	Mercer Island	Failure to submit Quarterly Activity Report on time
Yardley Bar and Grill	Spokane Valley	Failure to submit Quarterly Activity Report on time
Knights of Columbus #3307	Richland	Failure to renew gambling license in a timely manner
LaCantina	Blaine	Operating without a license-Failure to make second-half license payment
LOOM #00493	Bellingham	Failure to deposit net gambling receipts within two banking days
S & S Amusement	Marysville	Failure to purchase and attach gambling equipment I.D. stamps
Snoops Saloon	Spokane	Failure to delete prizes over \$20 from flare
TJ's Restaurant	Point Roberts	Failure to delete prizes over \$20 from flare
VFW #02100	Everett	Conducting and unlicensed poker tournament

**NOVAS Issued for Rules Violations
July, August, and September 2008**

HOUSE-BANKED CARD ROOMS

Licensee	City	Violation
Cascade Bar and Grill	Renton	Failure to submit Quarterly Activity Report on time
Cascade Bar and Grill	Renton	Failure to maintain separate account, deposit funds weekly, and reconcile account
Roman Casino	Seattle	Failure to log in and out of the surveillance room
Sidney's Restaurant	Aberdeen	Failure to have working cameras that cover the exit
Sidney's Restaurant	Aberdeen	Allowed a minor to gamble
Westside Lanes	Olympia	Allowed a minor to gamble

LICENSED CARD ROOM EMPLOYEES

Licensee	City	Violation
Klye T Uehara	Red Dragon Casino, Mount Lake Terrace	Failure to follow internal controls
Tawny D. Ornelas	Papa's Casino, Moses Lake	Failure to follow internal controls
Nora A. Hathaway	Westside Lanes Casino, Olympia	Allowed a minor to gamble
Thomas C. Mudgett	Sydney's Casino, Aberdeen	Allowed a minor to gamble
Richard S. Mingo	Red Dragon Casino, Mountlake Terrace	Extension of credit

REAL People REAL Recovery
National Problem Gambling Awareness Week
March 1-7, 2009
24/7 HELPLINE: **1.800.547.6133**

EVERGREEN
Council on Problem Gambling

The 3rd Annual Western Regional Conference on Problem Gambling Awareness will be held May 1-2, 2009, in Vancouver, Washington.

For more information visit the Evergreen Council on Problem Gambling's website at: www.evergreencpg.org; or Call (360) 352-6133

There is a penalty for not turning in your activity report on time.

Commercial punch boards and pull-tab licensees must submit activity reports to us twice a year. The report *must be received* at our headquarters office in Lacey or *postmarked no later than thirty days following the end of the reporting period* (WAC 230-14-284(2)). Questions? Contact Financial Reporting at 800-345-2529, ext.3476 or ext. 3477.

Reporting Period	Due Date
1st and 2nd quarters January 1 st through June 30 th	July 30
3rd and 4th quarters July 1 st through December 31 st	January 30

Late Activity Reporting

A Statement of Administrative Charges was issued to the following licensees for not sending in their activity report on time.

Name	Violation	Case Outcome
American Legion 00155, Longview	<ul style="list-style-type: none"> Failed to submit its punchboard/pull-tab activity report for the first and second quarters of 2008. 	<ul style="list-style-type: none"> The licensee agreed to a 15-day suspension, with three days deferred, and 12 days vacated by a fine and costs totaling \$1,300.
Fargher Lake Inn/Restaurant & Lounge, Yacolt	<ul style="list-style-type: none"> Failed to timely submit its punchboard/pull-tab activity report for the first and second quarters of 2008. 	<ul style="list-style-type: none"> The licensee agreed to a 15-day suspension, with three days deferred. The licensee served a 12-day suspension.
Kort Haus Eatery, Seattle	<ul style="list-style-type: none"> Failed to submit its punchboard/pull-tab activity report for the first and second quarters of 2008. 	<ul style="list-style-type: none"> The licensee agreed to a 15-day suspension, with 3 days deferred. The licensee served a 12-day suspension.
Loyal Order of Moose #01716, West Richland	<ul style="list-style-type: none"> Failed to submit its punchboard/pull-tab activity report for the first and second quarters of 2008. Violation of a previous Settlement Order. 	<ul style="list-style-type: none"> The licensee agreed to a 30-day suspension, with 10 days deferred. The licensee served a 20-day suspension. The licensee also served an eight-day suspension from the previous Settlement Order.
Riverside Pub & Eatery, Sumner	<ul style="list-style-type: none"> Failed to submit its punchboard/pull-tab activity report for the first and second quarters of 2008. Violation of a previous Settlement Order. 	<ul style="list-style-type: none"> The licensee agreed to a 30-day suspension, with 10 days deferred. The licensee served a 20-day suspension. The licensee also served an eight-day suspension from the previous Settlement Order.
Tipperary Pub, Tacoma	<ul style="list-style-type: none"> Failed to submit its punchboard/pull-tab activity report for the first and second quarters of 2008. 	<ul style="list-style-type: none"> The licensee agreed to a 15-day suspension, with three days deferred, and 12 days vacated by a fine and costs totaling \$1,300.

Administrative Case Update

A Statement of Administrative Charges was issued to the following licensees.

<p>Bayside Lounge, Oak Harbor</p>	<ul style="list-style-type: none"> • Failed to timely submit compiled financial statements. • Failed to prepare its financial statements in accordance with generally accepted accounting principles. • Failed to maintain accurate and complete records of all transactions of the gaming operation. • Failed to provide corrected financial statements and financial information requested by a Commission Special Agent. • Undisclosed loan. 	<ul style="list-style-type: none"> • The ALJ issued an Order revoking its license. • The licensee filed a Petition for Review. • Prior to the Petition for Review, the licensee came into compliance and the parties agreed to a 15-day suspension.
<p>Fraternal Order of Eagles #02888, Lynnwood</p>	<ul style="list-style-type: none"> • Made false entries on its pull-tab monthly income summary. • Failed to properly record pull-tab winners' information. • Failed to accurately report pull-tab shortages. • Failed to supervise gambling activities and protect assets. • Failed to have a licensed gambling manager and failed to notify Commission staff when a gambling manager had been assigned primary responsibility for the operation of pull-tabs. 	<ul style="list-style-type: none"> • The licensee made changes to its personnel and pull-tab operation. • The licensee agreed to 15-day suspension, with five days deferred and 10 days vacated by a fine and costs totaling \$5,000. • The licensee will also pay for a follow-up inspection by a Commission Special Agent.
<p>IGT Nevada Inc., Reno</p>	<ul style="list-style-type: none"> • Installed unapproved software files/components in Tribal Lottery System (TLS) machines. • Improperly set Dual In-line Package (DIP) switches in TLS machines. 	<ul style="list-style-type: none"> • The licensee agreed to a seven-day suspension vacated by a fine and costs totaling \$20,962. • The licensee also agreed to remind its technical staff and send tribal casino operators written copies of user manuals concerning the required setting of DIP switches used in TLS machines.
<p>Ammirato's Bar, Bremerton</p>	<ul style="list-style-type: none"> • Failed to submit a set of fingerprint cards for an owner. 	<ul style="list-style-type: none"> • The individual who failed to submit fingerprint cards is no longer an owner. • The licensee agreed to a 10-day suspension, with 3 days deferred and 7 days vacated by a fine and costs totaling \$784.

Administrative Case Update

A Statement of Administrative Charges was issued to the following licensees.

Name	Violation	Case Outcome
Nob Hill Casino, Yakima	<ul style="list-style-type: none"> • Undisclosed loan. 	<ul style="list-style-type: none"> • The licensee agreed to a three-day suspension with one day deferred and two days vacated by a fine and costs totaling \$9,610.
Cleo's Island Casino, Kennewick	<ul style="list-style-type: none"> • Operated during a suspension period. • Violation of previous Settlement Order. 	<ul style="list-style-type: none"> • The licensee agreed to a seven-day suspension, with six days deferred for one year and 1 day served. • The licensee also served an additional day it should have served during the original suspension period. • The licensee also served a four day suspension from a previous Settlement Order.
Porterhouse Restaurant, Moses Lake	<ul style="list-style-type: none"> • Undisclosed loan. • Failed to pay gambling taxes. • Owners are threat to the effective regulation of gambling activities. • Failed to establish that owners are qualified for licensure. 	<ul style="list-style-type: none"> • The licensee surrendered its gambling licenses.
PJ's Pizza, Applicant, Centralia	<ul style="list-style-type: none"> • The applicant's landlord, who is a substantial interest holder for the applicant, is not qualified to hold a license to participate in gambling activity. 	<ul style="list-style-type: none"> • The ALJ issued an Order denying the application. • The applicant filed a Petition for Review. • The Commission reversed the ALJ's Order and granted the license.
Players & Spectators, Spokane Valley	<ul style="list-style-type: none"> • Failed to timely submit financial statements. • Failed to prepare its financial statements in accordance with generally accepted accounting principles. 	<ul style="list-style-type: none"> • The licensee agreed to a 15-day suspension, with 14 days deferred and one day vacated by a fine and costs totaling \$5,155.

Administrative Case Update

A Statement of Administrative Charges was issued to the following licensees.

Name	Violation	Case Outcome
David V. Garrison, CRE, (formerly employed by Silver Dollar Casino and Royal Casino) Lynnwood	<ul style="list-style-type: none"> • Criminal History. • Made misrepresentations about and failed to fully and timely disclose material facts about criminal history. 	<ul style="list-style-type: none"> • The ALJ issued an Initial Order revoking his license. • The licensee filed a Petition for Review. • The Commissioners upheld the ALJ's order revoking his license.
Melvin L. Minogue, Nonprofit Gambling Manager, (formerly employed by FOE #02888) Lynnwood	<ul style="list-style-type: none"> • Worked as a nonprofit gambling manager without a license after he was warned that he needed an license. 	<ul style="list-style-type: none"> • The licensee is no longer working for FOE #2888. • The licensee agreed to surrender his license.
Sokhoun Chim, CRE, (formerly employed by Riverside Casino), Tukwila	<ul style="list-style-type: none"> • Failed to collect a match play coupon on at least two occasions, which caused a \$30 loss to the casino. 	<ul style="list-style-type: none"> • The licensee agreed to surrender her license.
Joshua Hammons, Applicant	<ul style="list-style-type: none"> • Clocked in as a supervisor instead of a dealer in order to be paid at the higher pay rate. • Class III certification previously revoked. 	<ul style="list-style-type: none"> • The parties agreed to a Settlement in Lieu of Charges. • The Tulalip Tribe requested that the applicant, who is a tribal member, work for them. • The applicant is authorized to work only for the Tulalip Tribe.
Anthony L. Davis, CRE, (formerly employed by Iron Horse Casino), Everett	<ul style="list-style-type: none"> • Theft. • The licensee admitted to taking approximately \$90 in casino chips while working as a dealer. 	<ul style="list-style-type: none"> • A Summary Suspension was issued. • The ALJ denied the request to stay the Summary Suspension. • A telephonic prehearing conference was held. • The licensee failed to participate in the prehearing conference. • The ALJ issued an Order revoking his license.
Ronald G. Mitchell, Class III employee, (formerly employed by the Nisqually Indian Tribe) Olympia	<ul style="list-style-type: none"> • Theft. • Picked up and kept a \$100 bill from the casino floor while working as a security officer. 	<ul style="list-style-type: none"> • The Class III employee agreed to surrender his certification.
Travis L. Oles, CRE, (formerly employed by Chips Casino) Lakewood	<ul style="list-style-type: none"> • Admitted turning off the closed circuit television system on several occasions while working as the Director of Security and Surveillance. • Allegedly removed money from the house-banked card room's count room. 	<ul style="list-style-type: none"> • The licensee waived his right to a hearing. • A Default Order revoking his license was entered.

AMENDATORY SECTION

WAC 230-15-055 Limit on number of players at each table.

Card game licensees must only allow:

- (1) Up to ~~((seven))~~ nine players or areas for wagering at any table in house-banked card games.
- (2) Up to ten players at any table in nonhouse-banked

AMENDATORY SECTION

WAC 230-15-145 Making wagers with chips or coin.

Players in card games must make all wagers and pay fees to play card games with chips, except that:

- (1) Players may use half dollars or quarters in house-banked card games;
- (2) Players may use dimes and nickels in ~~((Pai Gow poker))~~ any game that allows a commission to be

AMENDATORY SECTION

WAC 230-15-320 Surveillance room requirements for house-banked card game licensees.

House-banked card game licensees must maintain one or more surveillance rooms. They must:

- (1) Control access to the surveillance room so that only surveillance department employees use the room. Owners or their approved supervisory or management personnel may also enter the surveillance room to monitor activities. Licensees may allow authorized personnel to escort any other person into the surveillance room for educational, investigative, or maintenance purposes; and
- (2) Ensure that surveillance room entrances are not easily observed from the gambling floor; and
- (3) Ensure that a surveillance employee is present in the room and monitoring activities using the equipment any time the card room is conducting gambling and during the count process. However, subject to subsection (4) of this section, licensees may operate the surveillance room without staff:
 - (a) For routine breaks that are less than thirty minutes per shift; ~~((and))~~ or
 - (b) When only nonhouse-banked card games are operated with wager limits of forty dollars or less and such limits are documented in their internal controls.
- (4) Ensure that any time a winning wager, a jackpot, or bonus pay out greater than one thousand dollars is won, they use pan-tilt-zoom (PTZ) cameras to verify:
 - (a) Winning hands; and
 - (b) Amounts of the wager; and
 - (c) Amounts of the pay out; and
 - (d) Players who won the prize.

AMENDATORY SECTION

WAC 230-15-285 Camera and monitor requirements for closed circuit television systems.

- (1) Class F and house-banked licensees' closed circuit television system must consist of light sensitive cameras capable of permitting the viewer to determine card and chip values. Each video camera must be capable of having the images displayed on a video monitor and recorded.
- (2) Class F and house-banked licensees must install, at least:
 - (a) Cameras in a manner that will prevent them from being obstructed, tampered with, or disabled; and
 - (b) Pan, tilt, zoom (PTZ) cameras behind a smoked dome, one-way mirror, or similar materials that conceal the camera from view; and
 - (c) One or more fixed camera focused over each gambling table, covering the entire table layout.
 - (d) In nonhouse-banked games, an additional fixed camera must focus over the dealer area, covering the chip rack, all drop box openings, and the community card area; and
 - (e) A sufficient number of fixed cameras and/or PTZ cameras to monitor players and dealers at each gambling table. The PTZ cameras must be:
 - (i) Permanently programmed; and
 - (ii) Capable of viewing each patron and dealer at each gambling position at least once every five minutes; and
 - (f) A sufficient number of fixed cameras and/or PTZ cameras in the count area or count room; and
 - (g) Fixed cameras and/or PTZ cameras in any other location deemed necessary.
- ~~((4))~~ (3) In addition, house-banked card game licensees must:
 - (a) Install a sufficient number of video monitors in their CCTV system to simultaneously view multiple gambling tables, the cashier's cage, and count room activities;
 - (b) Install a sufficient number of fixed cameras and/or PTZ cameras in the cage(s); and
 - (c) Install a sufficient number of PTZ cameras having the ability to determine the card and chip values for winning hands.

AMENDATORY SECTION

WAC 230-16-195 Additional requirements for sales invoices.

- (1) In addition to the requirements of WAC ((~~230-16-310~~) 230-16-190), manufacturers and distributors must complete sales invoices that include:
- (a) For distributors, a separate line for each I.D. stamp number; and
 - (b) Space for the operator to either attach a records entry label or enter the I.D. stamp number and the date they placed the equipment out for play, adjacent to the written entry the distributor makes; and
 - (c) For each punch board or pull-tab, at least:
 - (i) Trade name of the game; and
 - (ii) Type of gambling equipment; and
 - (iii) Form number or other manufacturer-assigned method to specifically identify a board or series, including the size or number of chances; and
 - (iv) I.D. stamp number; and
 - (d) For each pull-tab dispenser, at least:
 - (i) Trade name of the dispenser; and
 - (ii) Type of dispenser; and
 - (iii) I.D. stamp number; and
 - (e) For each set of cards or collation of packets of disposable bingo cards, at least:
 - (i) Type of product, including product line; and
 - (ii) Description of product, including the number of cartons, "series," "on," "cut," and "up"; and
 - (iii) I.D. stamp number; and
 - (iv) Serial number or, if packets, serial number of the top page; and
 - (v) Color and border pattern or, if packets, color and border pattern of the top page; and
 - (vi) The unit or package number when a series or collation has been divided; and
 - (vii) For disposable bingo cards to be sold for linked bingo prize games the beginning and ending sheet numbers sold to or returned from the operator; and
 - (f) For merchandise prizes, at least:
 - (i) The date of purchase; and
 - (ii) The company's name and complete business address; and
 - (iii) A full description of each item purchased; and
 - (iv) The quantity of items purchased; and
 - (v) The cost per individual items purchased; and
 - (g) For sequentially prenumbered card game recordkeeping forms, at least:
 - (i) Type of form; and
 - (ii) Beginning and ending serial numbers; and
 - (iii) Quantity of forms; and
 - (h) For all other gambling equipment, at least:
 - (i) Trade name of device; and
 - (ii) Type of device; and
 - (iii) Serial number or other identification numbers or characteristics; and
- (2) Manufacturers and distributors must record and maintain information documenting the sales of progressive jackpot pull-tabs in a separate filing system. They may use a computerized system to separately track this information and provide immediate reports.

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AMENDATORY SECTION

WAC 230-17-010 Requesting and scheduling a hearing.

- (1) Applicants, licensees, or permittees may request a hearing using the form we provide.
- (2) We must receive the request from the applicant, licensee, or permittee at our administrative office within:
 - (a) Twenty-three days after we mail by regular mail the notice of administrative charges; or
 - (b) Twenty days after they receive by certified mail the notice of administrative charges; or
 - (c) Twenty days after we personally serve the notice of administrative charges.
- (3) If applicants, licensees, or permittees do not file requests in the time required, then they waive their right to a hearing. They are in default, as defined in RCW 34.05.440, and the commissioners may take action against them up to the maximum penalty stated in the notice of administrative charges.
- (4) The director, director's designee, or the presiding officer of the hearing must issue a notice of hearing which meets the requirements of RCW 34.05.434(2).
 - ~~((a) The notice must be issued within ninety days from the date on which we receive the request from the licensee, applicant, or permittee, unless all parties agree to or the presiding officer orders an extension beyond the ninety days.~~
 - ~~(b) Any change of the ninety day requirement must be:
 - ~~(i) In writing; and~~
 - ~~(ii) Made a part of the permanent record of the proceeding.-)~~~~

AMENDATORY SECTION

WAC 230-17-085 Initial orders.

- (1) Initial orders must be entered in accordance with RCW 34.05.461(3).
- (2) An initial order becomes the final order unless a party files a petition for review of the initial order as explained in WAC (~~(230-17-560)~~) 230-17-090.

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**WASHINGTON STATE GAMBLING COMMISSION
2009 COMMISSION MEETING SCHEDULE**

January 8 & 9	Renton – Holiday Inn 1 South Grady Way Renton, WA 98057 – (425) 226-7700
February 12 & 13	Grand Mound – Great Wolf Lodge 20500 Old Highway 99 SW Grand Mound, WA 98531 – (360) 273-5165
March 12 & 13	Olympia – Red Lion Hotel 2300 Evergreen Park Drive Olympia, WA 98502 – (360) 943-4000
April 9 & 10	Olympia – Red Lion Hotel 2300 Evergreen Park Drive Olympia, WA 98502 – (360) 943-4000
May 14 & 15	Pasco – Red Lion Hotel 2525 N. 20 th Avenue Pasco, WA 99301 – (509) 547-0701
June	No Meeting
July 9 & 10	Vancouver – Heathman Lodge 7801 NE Greenwood Drive Vancouver, WA 98662 – (360) 254-3100
August 13 & 14	Gig Harbor – Inn at Gig Harbor 3211 56 th Street NW Gig Harbor, WA 98335 – (253) 858-1111
September 10 & 11	Spokane – Mirabeau Park Hotel 110 North Sullivan Road Spokane, WA 99037 – (509) 924-9000
October 8 & 9	Yakima – Clarion Hotel 1507 North First Street Yakima, WA 98901 – (509) 248-7850
November 19 & 20	Seattle – DoubleTree Guest Suites 16500 Southcenter Parkway Seattle, WA 98188 – (206) 575-8220
December	No Meeting

Our Mission: Protect the Public By Ensuring that Gambling is Legal and Honest.

For Operational or Regulatory Questions, please call our field office closest to you.

Bellingham	(360) 676-2012	Spokane	(509) 325-7900
Everett	(425) 304-6300	Tacoma	(253) 671-6280
Kennewick	(509) 734-7412	Wenatchee	(509) 663-9660
Renton	(425) 277-7014	Yakima	(509) 575-2820

Headquarters – Lacey
800-345-2529 360-486-3440 TDD: 360-486-3637

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Washington State Gambling Commission

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