



## Distributors, Gambling Service Suppliers, and their Representatives

Do you support or oppose a rule change that would allow:

- Distributor representatives to represent more than one distributor; and
- Gambling service supplier representatives to represent more than one service supplier?

Distributor representatives and gambling service supplier representatives have never been allowed to represent more than one business. We are researching the history behind this restriction. You are invited to attend the November 19, 2009, Study Session and discuss this with us. The Study Session will begin at 10:30 a.m. and be held at the Lacey Community Center, 6729 Pacific Avenue SE, Lacey, WA 98503: Phone number (360) 491-0857.

If you are unable to attend the Study Session, please send your comments ASAP to Michelle Pardee, Acting Rules Coordinator at:

U.S. Mail: WSGC, P.O. Box 42400, Olympia, WA 98504

E-mail: [MichelleP@wsgc.wa.gov](mailto:MichelleP@wsgc.wa.gov)

We look forward to hearing from you!

## 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

*(Continued on page 3)*

## Underage Gambling Compliance Tests

Starting October 18, 2009, licensees will be able to conduct underage gambling compliance tests for purposes of employee training and employer self-compliance checks regarding minors that gamble. WAC 230-06-012 explains the approval process and requirements for conducting these tests. See page 17 for the entire text of the rule. Contact your local gambling field agent with questions.

### Commissioners

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### Inside this Issue:

Page 2 *New Deputy Director*  
Page 2 *Casino Reporting Requirements to the United States Department of the Treasury*  
Page 3 *Public Service Announcement Underage Gambling*  
Page 4 *Raffle Prizes of \$40,000*  
Page 4 *Commission Meeting Dates and Locations*  
Page 5 *Sports Wagering*  
Page 6 *Recently Adopted Rule Changes*  
Page 9 *Notice of Violation and Settlement*  
Page 11 *Late Activity Reports*  
Page 12 *Administrative Case Update*  
Page 13 *Updated Rules*

## Administration

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## 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.

## Casino Reporting Requirements to the United States Department of the Treasury

By: Gary Drumheller, Agent in Charge, 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 not only required to be submitted to the United States Department of the Treasury, but failure to file these forms can also result in civil and possible criminal sanctions against any casino, management, and/or ownership. Furthermore, 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 multiple amounts of money in amounts that are less than \$10,000. However, the aggregate of a patron's buy-ins or cash-outs would be greater than \$10,000. If a casino is aware of *structuring* occurring on their premises, they must complete an SAR and file it with the United States Department of the Treasury. As with the CTRs, failure to submit SARs can result in civil and possible criminal sanctions against any casino, management, and/or ownership.

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

- FinCEN: [www.fincen.gov](http://www.fincen.gov)
- Internal Revenue Service: [www.irs.gov](http://www.irs.gov)

## Public Service Announcement Underage Gambling

In October 2009, we will begin a statewide Communications, Education, & Awareness Program for underage gambling and the risks associated with it.

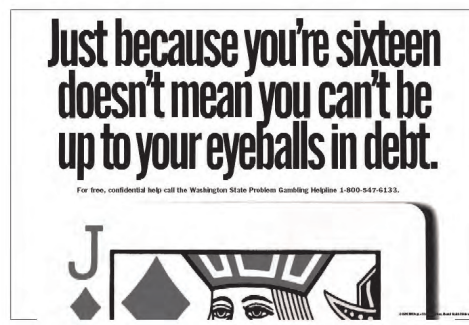
During the 2009 Legislative Session, a bill was passed making underage gambling a civil infraction. The penalty includes a fine of up to \$125, up to four days of community restitution and court costs. The minor would also forfeit their winnings.

We will be using social media and radio Public Service Announcements to reach both youth and adults. A new website with educational information is being created. Check our website on October 6th for a link to the new site.

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](http://www.notagame.org).
- For problem gambling training resources, visit [www.evergreencpg.org](http://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](http://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 on October 6, 2009 for a link to the new underage gambling website or contact your local field agent.



## Card Game Contracts Continued

*(Continued from page 1)*

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](http://www.wsgc.wa.gov).

## Public Hearings on Rule Changes

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

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

At the first Commission meeting (first month), proposed rule changes are Up for Filing and are generally filed for discussion.

The following month (second month), proposed rule changes are discussed at the informal Study Session again.

At the following Commission meeting (usually the third month), the rule is Up for Final Action and 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.

## Raffle Prizes of \$40,000

By: Collene Engle, Supervisor, Licensing Operations Division

Only charitable and nonprofit organizations may offer raffles in Washington State. The purpose of a raffle is to raise money for the charity's stated purpose.

During the 2009 Legislative Session, State law was changed increasing the amount a raffle ticket can be sold for from \$25 to \$100.



After the ticket price was increased, we began getting more questions about raffle prizes valued at \$40,000 or more, and organizations going over the \$80,000 limit on total prizes for a license year (WAC 230-11-065(3)(c)).

You must receive approval from the five-person Gambling Commission if you want to raffle:

- A prize valued at more than \$40,000; or
- More than \$80,000 in raffle prizes during your raffle license year.

Before the Commission will consider your request, you must:

- Have a raffle license; and
- Write a letter to the Assistant Director of Licensing outlining the value of prize(s) to be offered, your nonprofit organization's purpose and mission, and a brief description of who receives the nonprofit services or funds. You must show good cause why you want to exceed the \$40,000 single raffle prize limit or the \$80,000 yearly prize limit. E-mail your letter to [TinaG@wsgc.wa.gov](mailto:TinaG@wsgc.wa.gov); or mail to P.O. Box 42400, Olympia, WA 98504, Attention: Assistant Director of Licensing.

After we receive your letter, we will schedule your request for consideration at a Commission meeting. You will be notified of the Commission meeting date and location. At the meeting, we will present your letter to the Commissioners. You are strongly encouraged to attend the meeting to answer any questions the Commissioners may have. At the meeting, the Commissioners will vote to approve or deny your request.

If you are unable to attend the meeting, we will notify you of the Commissioners' decision. If you receive approval from the Commissioners, you can begin selling raffle tickets for your prize valued at more than \$40,000 or go over the \$80,000 prize limit for your license year.

For licensing questions, please e-mail [ColleneE@wsgc.wa.gov](mailto:ColleneE@wsgc.wa.gov) or call (360) 486-3539. For additional information about raffles, visit our website at [www.wsgc.wa.gov](http://www.wsgc.wa.gov) and select:

- Gambling Activities / Raffles; or
- Rules and Laws / Gambling Rules / WAC 230-11

## Washington State Gambling Commission 2009 Meeting Schedule

**October 8 & 9**

**Lacey Community Center**  
6729 Pacific Avenue SE  
Lacey, WA 98503  
(360) 491-0857

**November 19 & 20**

**Lacey Community Center**  
6729 Pacific Avenue SE  
Lacey, WA 98503  
(360) 491-0857

**December**

No Meeting



## Washington State Gambling Commission 2010 Tentative Meeting Locations

**January 14 & 15**  
Seattle

**February 11 & 12**  
Grand Mound

**March 11 & 12**  
Olympia

**April 8 & 9**  
Olympia

**May 13 & 14**  
Pasco

**June**  
No Meeting

## Sports Wagering

Gambling in Washington is illegal unless specifically authorized under the 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 brochure, 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.

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

*(Continued on page 8)*

## Recently Adopted Rule Changes

These rule changes are on pages 13 through 35. Remove and insert the updated rules into your rules manual.

These following rules were adopted at the July, August, and September Commission Meetings.

### 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.

### 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.

### 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. Currently, PSJ funds must be deposited directly into a separate PSJ bank account.

### 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.

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

Administrative Order # 658  
WAC 230-15-135  
Effective November 9, 2009

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



### Cumulative Prize Pool Pull-Tab Games

Administrative Order # 657  
WAC 230-05-030, 230-14-065, 230-14-080,  
230-14-265, 230-14-320, 230-14-325, 230-14-330,  
230-14-335, 230-16-052, 230-16-102, and 230-16-104  
Effective January 1, 2010

A licensed manufacturer's request for authorization to offer a new type of pull-tab game called a cumulative prize pool pull-tab game was approved. The pull-tab game is two or more separate pull-tab games packaged together. Each separate game has instant prizes and awards one chance to open a seal on the cumulative prize pool board (flare).



## Recently Adopted Rule Changes Continued

These rule changes are on pages 13 through 35. Remove and insert the updated rules into your rules manual.

### **Bingo Adjusted Cash Flow**

Administrative Order # 655

WAC 230-10-380

Effective September 14, 2009

A licensed bingo manager's request that bingo operators be able to apply as a credit up to 49% of gambling taxes paid to local communities when computing adjusted cash flow was approved.



### **Significant Progress for Charitable/ Nonprofit Licenses**

Administrative Order # 661

WAC 230-07-020

Effective October 18, 2009

All charitable or nonprofits licensees must demonstrate significant progress, not just Groups IV and V.

### **Increasing the Price of a Raffle Ticket from \$25 to \$100**

Administrative Order # 663

WAC 230-11-014

Effective October 12, 2009

The change implements Engrossed House Bill 1053, increasing the maximum price of a raffle ticket from \$25 to \$100.



### **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.

### **Administrative Hearings**

Administrative Order # 653

WAC 230-17-137

Effective September 14, 2009

A housekeeping change in subsection (1)(L) to change "commissioners" to "presiding officer" was approved.

### **Reporting Name Changes**

Administrative Order # 652

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.

### **Amusement Game Locations**

Administrative Order # 650

Effective August 13, 2009

WAC 230-13-080, 230-13-135, and 230-13-150

This change adds family sports complexes, whether operated by a commercial or charitable/nonprofit organization, as an authorized location to operate amusement games. However, sports facilities owned or operated by schools or school districts are not allowed to offer amusement games.



## Rule Change Up for Final Action November 20, 2009, Commission Meeting

Gemaco, gambling equipment manufacturer, requested that manufacturer representatives and distributor representatives be allowed to represent more than one business.

**Manufacturer Representatives:** We have always allowed manufacturer representatives to represent more than one manufacturer. However, when a rule was rewritten last year, it was inadvertently written restricting the number of manufacturers that can be represented to one. We are moving forward with a rule change to restore a manufacturer representatives' ability to represent more than one business. We anticipate this change will be adopted at the November Commission meeting.

**Distributor Representatives:** We have never allowed distributor and gambling service supplier representatives to represent more than one business. We are researching the history behind this restriction to see if it serves a regulatory purpose. If it does not, we will move forward with a rule change to remove the restriction. Please see article on front page for how you can comment on this proposed rule change.

Gemaco withdrew their petition with the understanding that staff would move forward to restore a manufacturer representative's ability to represent more than one manufacturer and research the reasons behind the restriction on distributor representatives.

## 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](mailto:RulesTeam@wsgc.wa.gov)

For detailed information about proposed rule changes, visit our website at [www.wsgc.wa.gov](http://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.

## Sports Wagering Continued

*(Continued from page 5)*

“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.



## 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<sup>st</sup> offense \$200      Organization 1<sup>st</sup> offense \$300  
 Organization 2<sup>nd</sup> 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 Rule Violations April, May, June, and July 2009

#### ORGANIZATIONS

Licensee	City	Violation
Benders Sports Bar and Grill	Arlington	Failed to properly control, account for, and record PT series.
Corner Bar and Grill	Anacortes	Failure to account for and record PT series. Inaccurate and incomplete monthly records.
FOE 04122	Seattle	Failure to prepare accurate monthly PT records, properly deposit gambling receipts, and show how funds from the licensed activity were used.
LOOM 01925	Quincy	Failure to properly and accurately record pull tab activity.
LOOM 02507	Wenatchee	Failure to deposit pull tab receipts within two banking days.
New Grove	Everett	Operated gambling without a valid license.
Spokane Youth Sports Association	Spokane	Failure to properly complete bingo records.
Yardley Bar and Grill	Spokane Valley	Failure to properly delete prizes from flare.
Clearview Café	Snohomish	Failure to submit Quarterly Activity Report on time.
New Grove	Everett	Failure to submit Quarterly Activity Report on time.
Stucks Bar and Grill	Grand Coulee	Failure to submit Quarterly Activity Report on time.
<b>HOUSE BANKED CARD ROOMS</b>		
Aces Casino and Sports Bar	Arlington	Operated more tables than licensed for; house banked card game operational violations.
Parker's A Bar and Grill	Spokane	Failure to properly deface winning punches or pull tabs.
The Palace	LaCenter	Failure to retain recordings of evidentiary value.
All Star Casino	Silverdale	Allowed a minor to gamble.
Goldie's Shoreline Casino	Shoreline	Allowed a minor to gamble.
Mickey's Sports Bar	Port Angeles	Allowed a minor to gamble.
Parker's Sports Bar	Shoreline	Allowed a minor to gamble.
Silver Dollar Casino	Renton	Allowed a minor to gamble.
Skyway Park Bowl and Casino	Seattle	Allowed a minor to gamble.
Casino Caribbean	Kirkland	Failure to copy entire recorded sequence of illegal activity.
Lancer Lanes Restaurant and Casino	Clarkston	Failure to maintain NSF check log.
Parker's Sports Bar and Casino	Shoreline	Failure to maintain accurate card destruction log.
The River Casino	Kelso	Allowed a minor to gamble.
Westside Lanes Restaurant and Casino	Olympia	Failure to properly synchronize date and time of video recording equipment.

**NOVAS Issued for Rule Violations  
April, May, June, and July 2009**

**LICENSED CARD ROOM EMPLOYEES**

<b>Licensee</b>	<b>City</b>	<b>Violation</b>
Dung Phan	Parker's Sports Bar and Grill, Shoreline	Allowed a minor to gamble.
Janelle Rasmussen	Porter House Casino, Moses Lake	Allowed a minor to gamble.
Paul Nistler	All Star Lanes and Casino, Bremerton	Allowed a minor to gamble.
Thai Pham	Skyway Park Bowl, Seattle	Allowed a minor to gamble.
Nathaniel Sebree	Goldie's Shoreline Casino, Shoreline	Failure to follow internal control procedures.
Yong Lucas	Goldie's Shoreline Casino, Shoreline	Let losing toke bet ride to the next hand.
Amanda Wall	Macau Casino, Lakewood	Allowed a minor to gamble
Anthony Thomas	Macau Casino, Lakewood	Allowed a minor to gamble
Anthony Zeigler	The River Casino	Allowed a minor to gamble
Penny Stanley	The River Casino	Allowed a minor to gamble

**Your license may be suspended or revoked or you may have to pay a fine if you do not turn in your activity report on time.**

An Activity Report must be submitted even if you have no activity for that quarter. This means turning in a signed report stating “No Activity.”

Questions? Contact Financial Reporting at (800) 345-2529, ext.3476 or ext. 3477.

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

### Penalties for Late Reporting

Each penalty is based on the licensee’s history of submitting activity reports on time. Repeat violations will result in a more severe penalty. If you do not turn in your report on time, one of the following will happen:

A **warning letter** may be sent to you requiring the late report to be turned in immediately.

An Agent may issue a **Notice of Violation and Settlement (NOVAS)** giving you the opportunity to settle the violation by turning in the late activity report and paying a fine between \$300 and \$500.

A **Statement of Administrative Charges** may be issued for the suspension or revocation of your gambling licenses. If all reports are turned in, a possible settlement would be a 15-day suspension with three days deferred for two years and twelve days vacated by a fine and costs totaling \$1,300. If you do not turn in your reports or you have a history of not turning in your reports on time, we may ask that your gambling license be revoked.

### 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
Kort Haus Eatery, Seattle	<ul style="list-style-type: none"> <li>Failed to timely submit its pull-tab activity report for the third and fourth quarters of 2008.</li> <li>This is also a violation of a previous Settlement Order.</li> </ul>	<ul style="list-style-type: none"> <li>The licensee agreed to a 20-day suspension, with three days deferred for two years and 17 days served.</li> <li>In addition, the licensee will serve a 3-day deferred suspension from the previous Settlement Order.</li> </ul>
Willie’s Hi-Lead Inn/Restaurant & Lounge, Hamilton	<ul style="list-style-type: none"> <li>Failed to timely submit its pull-tab activity report for the third and fourth quarters of 2008.</li> <li>This is also a violation of a previous Settlement Order.</li> </ul>	<ul style="list-style-type: none"> <li>The licensee agreed to a 20-day suspension, with three days deferred for two years and 17 days served.</li> <li>In addition, the licensee will serve a 3-day deferred suspension from the previous Settlement Order.</li> </ul>

## Administrative Case Update

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

Nosratollah Moradi, Applicant, Spokane	<ul style="list-style-type: none"> <li>• Theft while working as a casino manager.</li> <li>• Had gambling license previously revoked.</li> </ul>	<ul style="list-style-type: none"> <li>• The Administrative Law Judge (ALJ) denied his application.</li> <li>• The applicant filed a Petition for Review.</li> <li>• The Commission upheld the ALJ's Order denying his application.</li> </ul>
Gail E. Shurtz, Class III Employee, (formerly employed by Chehalis Confederated Tribe) Oakville	<ul style="list-style-type: none"> <li>• Theft.</li> <li>• Took \$5,000 from the casino's soft count room.</li> <li>• Convicted of Theft in the First Degree.</li> </ul>	<ul style="list-style-type: none"> <li>• The certified employee surrendered her Class III certification.</li> </ul>
Bill M. Anderson, Class III Employee, (formerly employed by the Muckleshoot Tribe) Auburn	<ul style="list-style-type: none"> <li>• Theft.</li> <li>• The licensee took at least \$400 in casino chips while he was dealing poker.</li> </ul>	<ul style="list-style-type: none"> <li>• The licensee failed to respond to the charges, and a Default Order revoking his certification was entered.</li> </ul>
Bruce T. Nguyen, Card Room Employee (CRE), (formerly employed by Diamond Lil's) Renton	<ul style="list-style-type: none"> <li>• Cheating.</li> <li>• He introduced counterfeit gambling chips into poker tournaments.</li> </ul>	<ul style="list-style-type: none"> <li>• The licensee failed to respond to the Order of Summary Suspension, and a Default Order revoking his license was entered.</li> </ul>
Cheryl A. Gunderson, CRE, (formerly employed by Highway 9 Casino) Everett	<ul style="list-style-type: none"> <li>• Criminal History.</li> </ul>	<ul style="list-style-type: none"> <li>• The licensee failed to respond to the charges, and a Default Order revoking her license was entered.</li> </ul>
Hu S. Chang, CRE, (formerly employed by Red Dragon Casino) Mountlake Terrace	<ul style="list-style-type: none"> <li>• Extension of credit.</li> </ul>	<ul style="list-style-type: none"> <li>• The licensee failed to respond to the charges, and a Default Order revoking his license was entered.</li> </ul>
Ringo's Little Vegas, Spokane Valley	<ul style="list-style-type: none"> <li>• Surveillance violations.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Wizards Restaurant, Burien	<ul style="list-style-type: none"> <li>• Allowing a minor to gamble.</li> <li>• This is a violation of a previous settlement order.</li> </ul>	<ul style="list-style-type: none"> <li>• The licensee agreed to a seven-day suspension, with five days deferred for one year, and two days served.</li> <li>• In addition, the licensee will serve a 2-day deferred suspension from a previous Settlement Order.</li> </ul>
Bernie's Place, Ocean Park	<ul style="list-style-type: none"> <li>• Pull-Tab violations.</li> </ul>	<ul style="list-style-type: none"> <li>• The licensee failed to respond to the charges, and a Default Order suspending its license for 30 days was entered.</li> </ul>

## AMENDATORY SECTION

**WAC 230-05-030 Fees for other businesses.**

All other business license applicants must pay the following fees to us when applying for gambling licenses, miscellaneous changes, or inspection services:

**(1) Commercial amusement games**

<b>License</b>	<b>Annual Gross Gambling Receipts</b>	<b>Fee</b>
Class A	Premises only	.*\$327/\$150
Class B	Up to \$50,000	\$460
Class C	Up to \$100,000	\$1,184
Class D	Up to \$250,000	\$2,644
Class E	Up to \$500,000	\$4,640
Class F	Up to \$1,000,000	\$7,968
Class G	Over \$1,000,000	\$9,970

.\*We reduce the license fee by \$177 when you apply for additional licenses at the same business premises, apply for multiple licenses at the same business premises, or a licensee is renewing an annual license.

**(2) Distributor**

<b>License</b>	<b>Annual Gross Sales</b>	<b>Fee</b>
Class A	Nonpunch board/pull-tab only	\$659
Class B	Up to \$250,000	\$1,318
Class C	Up to \$500,000	\$1,980
Class D	Up to \$1,000,000	\$2,644
Class E	Up to \$2,500,000	\$3,446
Class F	Over \$2,500,000	\$4,242

**(3) Fund-raising event equipment distributor**

<b>License</b>	<b>Description</b>	<b>Fee</b>
Class A	Rents or leases equipment for fund-raising event or recreational gaming activity up to 10 times per year.	\$260
Class B	Rents or leases equipment for fund-raising event or recreational gaming activity more than 10 times per year.	\$659

## AMENDATORY SECTION

**WAC 230-05-030 Fees for other businesses.****(4) Gambling service supplier**

License	Fee
Annual	\$687
Financing, consulting, and management contract review	\$143

**(5) Linked bingo prize provider**

License	Fee
Annual	\$4,414

**(6) Manufacturer**

License	Annual Gross Sales	Fee
Class A	Pull-tab dispensing devices only	\$659
Class B	Up to \$250,000	\$1,318
Class C	Up to \$500,000	\$1,980
Class D	Up to \$1,000,000	\$2,644
Class E	Up to \$2,500,000	\$3,446
Class F	Over \$2,500,000	\$4,242

**(7) Permits**

Type	Description	Fee
Agricultural fair	One location and event only	\$27
Agricultural fair annual permit	Annual permit for specified different events and locations	\$189
Recreational gaming activity		\$59
Manufacturer's special sales permit		\$211
Punch board and pull-tab service business permit	Initial application fee	\$236
Punch board and pull-tab service business permit	Renewal	\$56

## AMENDATORY SECTION

**WAC 230-05-030 Fees for other businesses.****(8) Changes**

<b>Application</b>	<b>Description</b>	<b>Fee</b>
Name		\$27
Location		\$27
Business classification	Same owners	\$59
Exceeding license class	New class fee, less previous fee paid, plus	\$27
Duplicate license		\$27
Corporate stock/limited liability company shares/units		\$59
License transfers		\$59

**(9) Other fees**

<b>Type</b>	<b>Fee</b>
Defective punch board/pull-tab cost recovery fees	Up to \$100
Failing to apply for license class upgrade	Up to fifty percent of the difference between our fees for the licensee's present license class and the new license class or one thousand dollars, whichever is less, plus \$27
Review of gambling equipment, supplies, services, or games	Cost reimbursement

AMENDATORY SECTION

WAC 230-05-030 Fees for other businesses.

(10) Identification stamps

Type		Fee
<b>(a) Punch boards and pull-tabs</b>		
(i) Standard	Wagers fifty cents and below	\$ .28
	Wagers over fifty cents	\$1.11
(ii) Progressive jackpot pull-tab series	Per series	\$11.19
(iii) Pull-tab series with carry-over jackpots <u>and cumulative prize pool pull-tab series</u>	Per series	\$1.11
<b>(b) Pull-tab dispensing devices</b>		
(i) Mechanical and electro-mechanical		\$ .28
(ii) Electronic	Dispensing devices that require initial and ongoing evaluation of electronic components or functions, such as reading encoded data on pull-tabs, accounting for income or prizes	\$112.04 annually
Replacement of identification stamps		\$26
<b>(c) Disposable bingo cards</b>		
(i) Single game sets of individual cards or sheets of cards		\$ .28
(ii) Multigame card packets		\$1.22
(iii) Cards used to play for linked bingo prizes	Fee per 250 cards	\$ .44
(iv) Cards used to play for linked bingo prizes	Fee per 5,000 cards	\$8.96
<b>(d) Coin or token-activated amusement games</b>		
Annually - operated at any Class A amusement game license location		\$28.00
<b>(e) Electronic bingo card daubers</b>		
Annual		\$11.19
<b>(f) Electronic card facsimile table</b>		
Annual		\$381.50

(11) Two-part payment plan participation

Annual participation	\$27
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NEW SECTION

**WAC 230-06-011 Detaining and identifying persons under eighteen years of age engaging in or attempting to engage in authorized gambling activities.**

When issuing civil infractions under RCW 9.46.228, gambling commission special agents or peace officers may detain persons for a reasonable period of time and in a reasonable manner to determine the person's true identity and date of birth if the special agent or peace officer has reasonable grounds to believe that:

- (1) The person is under eighteen years of age; and
- (2) The person is, or has played or participated in, or is attempting or has attempted to play or participate in authorized gambling activities including, but not limited to, punch boards, pull-tabs, card games, or fund-raising events.

NEW SECTION

**WAC 230-06-012 Conducting underage compliance test programs with minors.**

- (1) Licensees may conduct in-house controlled purchase programs (underage compliance test programs) to test their employee's compliance with RCW 9.46.228 that makes it unlawful for any person under the age of eighteen to play punch boards, pull-tabs, card games, or participate in fund-raising events.
- (2) Licensees must:
  - (a) Have written procedures for conducting underage compliance test programs.
    - (i) Class F or house-banked card game licensees must include the procedures in their internal controls; or
    - (ii) Licensees not required to have internal controls must submit their procedures to us prior to conducting an underage compliance test and keep a copy of the procedures on the licensed business premises; and
  - (b) Provide employees a written description of the employer's underage compliance test program. The written description must include notice of actions an employer may take as a consequence of an employee's failure to comply with company policies regarding unauthorized persons engaging in gambling activities during an underage compliance test; and
  - (c) Provide written notification (letter, e-mail, or fax) to us before conducting the test. The notification must include:
    - (i) Licensee name; and
    - (ii) Date and time of test; and
    - (iii) Last name and first initial of the person used in the test; and
    - (iv) First and last name of the person supervising the person used in the test; and
  - (d) Maintain on the licensed business premises for at least one year, and produce upon request, the following information for each test conducted:
    - (i) A copy of the photo identification, which must include the birth date, of the person used in the test; and
    - (ii) The results; and
  - (e) Only use underage persons who are sixteen or seventeen years old at the time of the test.
- (3) Licensees with a minimum gambling age of twenty-one must follow the procedures in subsections (1) and (2) of this section, except for subsection (2)(e) of this section, if they use persons who are at least eighteen years of age but less than twenty-one years of age to conduct underage enforcement tests.

## AMENDATORY SECTION

**WAC 230-06-095 Change ((given)) name, trade name, or corporate name.**

Licenseses must notify us and pay a fee for any name change ((to the given name, trade name, or corporate name on their license at least thirty days before the actual change date)) as follows:

- (1) Businesses and organizations changing their trade or corporate name - at least thirty days before the actual change date;
- (2) Individuals changing their name - no later than thirty days after the effective date of the change.

AMENDATORY SECTION

**WAC 230-07-020 Making "significant progress."**

Charitable or nonprofit licensees (~~(in Groups IV and V)~~) must make "significant progress" toward their stated purpose. They have made "significant progress" when they have:

- (1) Complied with all requirements set forth in their bylaws and articles of incorporation; and
- (2) Actively engaged in providing services to the public or their members during the fiscal year under review, and the services directly relate to the stated purposes of the organization; and
- (3) Held elections to select officers at least once in the previous two years; and
- (4) Held a general membership meeting to conduct the business of the organization at least once in the previous two years; and
- (5) Used a substantial portion of the licensees' "available resources" for providing program services during the fiscal year under review. For purposes of this section, "available resources":
  - (a) Include the income generated by or from:
    - (i) The net of all activities used to raise funds, including net gambling income; and
    - (ii) Grants, gifts, and contributions from private sources; and
    - (iii) Public support.
  - (b) Does not include:
    - (i) Funds generated in periods other than the fiscal year under review; or
    - (ii) Funds that are raised or contributed from outside the organization for purposes of purchasing land or capital assets or to endow future operations when those funds are specifically identified by the board or contributors as restricted and separately recorded in the organization's records; or
    - (iii) Net income from the sale of assets; or
    - (iv) Fees paid by members or the public to receive services or to participate in specific activities. (Example: Fees to attend a swimming lesson or event.) These fees must be classified as a reduction to both program service and supporting service expenses on a pro rata basis and as a reduction to resources available for providing services in the fiscal year. (Example: In the chart below, licensee X has revenue of five thousand dollars. They must calculate the pro rata reduction by adjusting the total by the percentages of support services, program services expenses, and functional expenses.)
- (6) This rule will be effective for fiscal years ending on or after December 31, 2009.

<b>Revenue</b>					
Fees paid by public					\$5,000
<b>Calculation:</b>					
<b>Expenses</b>	<b>Unadjusted Amount</b>	<b>% of Total</b>	<b>Pro Rata Reduction Fees Paid by Public (\$5,000)</b>	<b>% of Total</b>	<b>Adjusted Amount</b>
Support Service Expense	\$35,000	32%	(\$1,591)	32%	\$33,409
Program Service Expense	\$75,000	68%	(\$3,409)	68%	\$71,591
Functional Expenses	\$110,000	100%	(\$5,000)	100%	\$105,000

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## AMENDATORY SECTION

**WAC 230-10-380 Relief reduction for minimum annual adjusted cash flow.**

- (1) If a bingo licensee fails to meet the minimum annual adjusted cash flow requirements for any ~~((license))~~ calendar year and has maintained a positive cash flow, the licensee may apply as a credit against the required adjusted cash flow up to forty-nine percent of gambling taxes paid to local governments.
  
- (2) If the licensee is still out of compliance, the director automatically grants relief, allowing ~~((a))~~ up to twenty-five percent reduction to the annual dollar amount of required adjusted cash flow for the year, excluding the relief available in subsection (1) of this section, in which the licensee is out of compliance.
  
- ~~((2))~~ (3) No licensee granted relief is eligible to receive relief for any of the four ~~((license))~~ years following the ~~((license))~~ calendar year for which the director granted the relief, pursuant to subsection (2) of this section.

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AMENDATORY SECTION

**WAC 230-11-014 Maximum raffle ticket price.**

Raffle tickets must not be sold for more than ~~((twenty-five))~~  
one hundred dollars each.

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## AMENDATORY SECTION

**WAC 230-13-080 Operating coin or token activated amusement games.**

- (1) Coin or token activated amusement games must have nonresetting coin-in meters, certified as accurate to within plus or minus one coin or token in one thousand plays, which stop play of the machine if the meter is removed or disconnected when operating at:
- (a) Amusement parks; or
  - (b) Regional shopping malls; or
  - (c) Movie theaters; or
  - (d) Bowling alleys; or
  - (e) Miniature golf course facilities; or
  - (f) Skating facilities; or
  - (g) ~~((Commercially operated))~~ Family sports ~~((complex, offering sports))~~ complexes.
    - (i) A "family sports complex" is a facility, at a permanent location, to which people go to play sports. A family sports complex must offer multiple sports activities, such as indoor ~~((and))~~ soccer, outdoor soccer, lacrosse, baseball, Frisbee, and lawn bowling and the gross receipts must be primarily from these sports activities.
    - (ii) A family sports complex does not include a facility owned or operated by a school or school district; or
  - (h) Amusement centers; or
  - (i) Restaurants; or
  - (j) Grocery or department stores. A "department or grocery store" means a business that offers the retail sale of a full line of clothing, accessories, and household goods, or a full line of dry grocery, canned goods, or nonfood items plus some perishable items, or a combination of these. A department or grocery store must have more than ten thousand square feet of retail and support space, not including the parking areas ~~(; or~~
  - ~~(k) Any premises that a charitable or nonprofit organization currently licensed to operate punch boards, pull-tabs, or bingo controls or operates).~~
- (2) All coin or token activated amusement games must have a coin acceptor capable of taking money for one play and may have an additional acceptor to include paper money.
- (3) Operators using amusement games that do not return change must have a change-making bill acceptor or the ability to get change in the immediate vicinity of such games. All amusement games using paper money acceptors must either:
- (a) Return change; or
  - (b) Clearly disclose to players before play that change is not returned and disclose to them where at the location they may get change.

AMENDATORY SECTION

**WAC 230-13-135 Maximum wagers and prize limitations at certain amusement game locations.**

The maximum wager is fifty cents and the maximum cost for a prize is two hundred fifty dollars if school-aged minors are allowed to play amusement games at the following locations:

- (1) Regional shopping centers; and
- (2) Movie theaters; and
- (3) Bowling alleys; and
- (4) Miniature golf course facilities; and
- (5) Skating facilities; and
- (6) ~~((Commercially operated))~~ Family sports (complex, offering sports) complexes.
  - (i) A "family sports complex" is a facility, at a permanent location, to which people go to play sports. A family sports complex must offer multiple sports activities, such as indoor ~~((and))~~ soccer, outdoor soccer, lacrosse, baseball, Frisbee, and lawn bowling and the gross receipts must be primarily from these sports activities.
  - (ii) A family sports complex does not include a facility owned or operated by a school or school district; and
- (7) Amusement centers; and
- (8) Grocery or department stores. A "department or grocery store" means a business that offers the retail sale of a full line of clothing, accessories, and household goods, or a full line of dry grocery, canned goods, or nonfood items plus some perishable items, or a combination of these. A department or grocery store must have more than ten thousand square feet of retail and support space, not including the parking areas; and
- (9) Any business whose primary activity is to provide food service for on premises consumption.

AMENDATORY SECTION

**WAC 230-13-150 Amusement game locations.**

- (1) Amusement game operators must obtain written permission to operate at any location from the person or organization owning the premises or sponsoring the event where the operator will hold the activity.
- (2) Operators may only conduct commercial amusement games at:
  - (a) Locations set out in RCW 9.46.0331; and
  - (b) ~~((Commercially operated))~~ Family sports (complex, offering sports) complexes.
    - (i) A "family sports complex" is a facility, at a permanent location, to which people go to play sports. A family sports complex must offer multiple sports activities, such as indoor ~~((and))~~ soccer, outdoor soccer, lacrosse, baseball, Frisbee, and lawn bowling and the gross receipts must be primarily from these sports activities.
    - (ii) A family sports complex does not include a facility owned or operated by a school or school district; and
  - (c) Skating facilities; and
  - (d) Grocery or department stores. A "department or grocery store" means a business that offers the retail sale of a full line of clothing, accessories, and household goods, or a full line of dry grocery, canned goods, or nonfood items plus some perishable items, or a combination of these. A department or grocery store must have more than ten thousand square feet of retail and support space, not including the parking areas.
- (3) Operators must conduct amusement games in conformance with local zoning, fire, health, and similar regulations.

## AMENDATORY SECTION

**WAC 230-14-065 ((One) Flares ((per)) for punch board or pull-tab series.**

- (1) Punch board and pull-tab licensees must have in public view only one flare per punch board or pull-tab series. Flares must have ~~((a Washington state identification))~~ an I.D. stamp number and series number on their face.
- (2) Cumulative prize pool pull-tab games must have a cumulative prize pool board and a unique flare for each series.

## AMENDATORY SECTION

**WAC 230-14-080 Prize limits and percentage of winners required.**

Punch board or pull-tab operators must not possess, display, put out for play, sell, or otherwise transfer punch boards or pull-tab series that:

- (1) Have a total payout of less than sixty percent of the total gross gambling receipts of the board or series ~~((or)), except in cumulative prize pool pull-tab games.~~ In cumulative prize pool pull-tab games, the sixty percent prize payout requirement will be calculated based on the total amount of prizes from the cumulative prize pool board and the instant winners from each series, divided by the number of series contained in the game; and
- (2) Offer boards or series, except for progressive series or carry-over jackpots, with a single cash prize that is more than twenty-five hundred dollars; or
- (3) Offer a single merchandise prize that is more than twenty-five hundred dollars including markup; or
- (4) Have a single pull-tab or punch with multiple winning combinations that are more than the prize limit; or
- (5) Offer prizes for purchasing the last pull-tab or last punch (last sale) that are more than:
  - (a) One hundred dollars cash; or
  - (b) Merchandise that costs the licensee more than one hundred dollars; or
  - (c) The highest prize offered, whichever is less; or
- (6) Series that have a key to any winning numbers or symbols.

## AMENDATORY SECTION

**WAC 230-14-265 Retention requirements for punch boards and pull-tab series.**

- (1) Punch board and pull-tab operators must keep all punch boards or pull-tab series removed from play, including, at least:
  - (a) All prize flares; and
  - (b) All unplayed tabs; and
  - (c) All winning punches or tabs.
- (2) Operators must make the items in subsection (1) of this section available on the licensed premises for us, local law enforcement, or local tax agencies to inspect.
- (3) If stored off premises, operators must produce the game for inspection on demand.
- (4) Operators must retain punch board or pull-tab series removed from play for:
  - (a) **Charitable or nonprofit operators** - Four months following the last day of the month in which the board or series was removed from play; and
  - (b) **Commercial operators** –
    - (i) Two months following the last day of the month in which they removed the board or series from play; and
    - (ii) Three months following the day they removed the board or series from play for winning punches or pull-tabs over twenty dollars. Operators must also retain the flare for these games; and
  - (c) **Carry-over jackpot series** - For four months after the last day of the month in which the carry-over jackpot was won; and
  - (d) **Progressive pull-tab series** - For one year. After the retention period, operators must destroy unsold progressive pull-tab series tabs in such a way that no one may find and use unopened winning tabs later; and
  - (e) **Cumulative prize pool pull-tab games** - for four months, following the last day of the month, in which the last seal is opened on the cumulative prize pull-tab game board.

## NEW SECTION

**WAC 230-14-320 Defining a cumulative prize pool pull-tab game.**

"Cumulative prize pool pull-tab game" means a pull-tab game that contains two or more series. Each series in the game has a unique serial number.

## NEW SECTION

**WAC 230-14-325 Defining a cumulative prize pool pull-tab game board.**

"Cumulative prize pool pull-tab game board" means the flare for a cumulative prize pool pull-tab game.

## NEW SECTION

**WAC 230-14-330 Defining a cumulative prize pool pull-tab series.**

"Cumulative prize pool pull-tab series" means individually packaged groups of pull-tabs that make up a cumulative prize pool pull-tab game.

## NEW SECTION

**WAC 230-14-335 Operating requirements for cumulative prize pool pull-tab games.**

- (1) Operators must conduct cumulative prize pool pull-tab games in the same way as other pull-tab series and must follow these additional requirements:
  - (a) Cumulative prize pool pull-tab game boards must be displayed until the game is permanently pulled from play.
  - (b) Once a seal card winner from each series is revealed, the seal card winner will pick one unopened seal from the cumulative prize pool pull-tab game board.
  - (c) If a player buys out a series, their name will be placed on all remaining empty lines on the list displayed on the series flare.
  - (d) Must not use substitute flares.
- (2) Operators may have more than one series in play at the same time, but may not commingle pull-tab series.
- (3) Operators must prominently post house rules of how the winner of a series will be chosen if the operator removes a series from play before the list on the series flare is completed. For example, once the seal is open and a player's name is not on that line, house rules could indicate that the name above the winning line would be declared the winner of the series.

AMENDATORY SECTION

**WAC 230-15-040 Requirements for authorized card games.**

- (1) In order for a game to be authorized, the game must:
  - (a) Be played with standard playing cards or with electronic card facsimiles approved by the director or the director's designee; and
  - (b) Offer no more than ~~((three))~~ four separate games with a single hand of cards. However, no more than three of the games may offer a wager that exceeds five dollars each. We consider bonus features and progressive jackpots separate games. If a player does not have to place a separate wager to participate, we do not consider it a separate game. An example of this is an "envy" or "share the wealth" pay out when another player achieves a specific hand; and
  - (c) Not allow side bets between players.
- (2) Card game licensees may use more than one deck of cards for a specific game. They also may remove cards to comply with rules of a specific game, such as Pinochle or Spanish 21.
- (3) Players must:
  - (a) Compete against all other players on an equal basis for nonhouse-banked games or against the house for house-banked games. All players must compete solely as a player in the card game; and
  - (b) Receive their own hand of cards and be responsible for decisions regarding such hand, such as whether to fold, discard, draw additional cards, or raise the wager; and
  - (c) Not place wagers on any other player's or the house's hand or make side wagers with other players, except for:
    - (i) An insurance wager placed in the game of Blackjack; or
    - (ii) An "envy" or "share the wealth" wager which allows a player to receive a prize if another player wins a jackpot or odds-based wager; or
    - (iii) A tip wager made on behalf of a dealer.
- (4) Mini-Baccarat is authorized when operated in the manner explained for Baccarat in the most current version of *The New Complete Hoyle, Revised* or *Hoyle's Encyclopedia of Card Games*, or similar authoritative book on card games we have approved. However:
  - (a) Card game licensees may make immaterial modifications to the game; and
  - (b) Subsection (3) of this section does not apply; and
  - (c) The number of players is limited under WAC 230-15-055.
- (5) A player's win or loss must be determined during the course of play of a single card game.

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; and in nonhouse-banked card games to pay fees.
- (2) Players may use dimes and nickels in any game that allows a commission to be charged.

NEW SECTION

**WAC 230-15-267 Remote access of closed circuit television surveillance systems.**

Licensed gambling service suppliers that install and maintain closed circuit television (CCTV) surveillance systems may remotely access digital CCTV systems for maintenance or repair under the following provisions:

- (1) The card room licensee must notify us before the remote access occurs; and
- (2) The card room licensee must document any remote access in their surveillance log; and
- (3) Remote access will only be enabled for the duration of the maintenance or repair and the connection terminated immediately after.

AMENDATORY SECTION

**WAC 230-15-135 Wagering limits for nonhouse-banked card games.**

Card room licensees must not exceed these wagering limits:

- (1) **Poker -**
  - (a) There must be no more than five betting rounds in any one game; and
  - (b) There must be no more than four wagers in any betting round, for example, the initial wager plus three raises; and
  - (c) The maximum amount of a single wager must not exceed forty dollars ~~((, except that an all-in wager in the game of Texas Hold'em may not exceed five hundred dollars for house-banked card game licensees meeting the surveillance requirements specified in WAC 230-15-280; and~~
  - (d) ~~An all-in wager is when a player wagers with all of their remaining chips on the current hand));~~
- (2) **Games based on achieving a specific number of points -**  
Each point must not exceed five cents in value;
- (3) **Ante -** No more than the maximum wager allowed for the first betting round for any game, except for Panguingue (Pan). The ante may, by house rule:
  - (a) Be made by one or more players, but the total ante may not exceed the maximum wager allowed for the first betting round; and
  - (b) Be used as part of a player's wager;
- (4) **Panguingue (Pan) -** The maximum value of a chip must not exceed ten dollars. An ante must not exceed one chip. We prohibit doubling of conditions. Players going out may collect no more than two additional chips for going out from each participating player.

AMENDATORY SECTION

**WAC 230-15-400 Accounting for player-supported jackpot funds.**

Class F or house-banked licensees must:

- (1) Maintain a separate bank account in a bank, mutual savings bank, or credit union in Washington state for holding player-supported jackpot (PSJ) funds; and
- (2) Deposit only funds from PSJs into the account; and
- (3) Not make payouts from the PSJ funds until licensees have first deposited the funds in the PSJ account. However, licensees may pay out prizes won during the gambling day and deduct administrative expenses before licensees deposit the funds; and
- (4) Transfer or deposit the PSJ funds into the PSJ account or with an armored car service no later than the second banking day after the close of business; and
- (5) Identify all deposits or transfers of PSJ funds by the type of PSJ fund and date of collection. Licensees must keep the validated deposit receipts or transfer information as a part of their required daily records; and
- (6) Transfer the amount from the PSJ account to the cage or general account before the end of the month if PSJ prizes are paid from the cage or general account. The licensee must keep the transfer information as part of the written records; and
- (7) Reconcile the account balance in their bank statement to the PSJ prize balance on their PSJ fund accrual record each month. "Reconcile" means the licensee must compare the two balances, resolve any differences, and document the comparison and the differences in writing. Licensees must keep the reconciliation as part of their records.

AMENDATORY SECTION

**WAC 230-15-455 Keeping funds to pay prizes, progressive jackpot prizes, and odds-based wager prizes.**

- (1) House-banked card game licensees must ensure that they have sufficient funds available to pay prizes, progressive jackpot prizes and odds-based wager prizes. An "odds-based wager" means a wager where the player wins an amount over and above the amount he or she wagered if a fixed pattern or combination of cards occurs, for example, a royal flush, four aces, or a pair.
- (2) Licensees must not offer card games until they have met all of these requirements:
  - (a) Progressive jackpot prizes.
    - (i) Keep a separate bank account for progressive jackpot prizes ~~((and odds-based wager prizes))~~. The account must be kept in a bank, mutual savings bank, or credit union located in Washington state; ~~((and~~
    - ~~(b) Keep in the account an amount equal to all individual odds-based wager prizes offered which are greater than twenty-five thousand dollars and all progressive jackpot prize funds; and~~
    - ~~(c) Use the highest wager they allow to calculate the individual odds-based wager prize amount and determine the deposit requirement; and~~
    - ~~(d)) (ii) Deposit ((at least weekly)) all funds accrued for progressive jackpot prizes at least weekly; and~~
    - ~~(iii) If the prize bank account is reduced below the level required, licensees must immediately stop operating games until they are in compliance.~~
  - (b) Odds-based wager prizes.
    - (i) Licensees offering more than one individual odds-based wager prize greater than twenty-five thousand dollars must keep an amount equal to the second highest odds-based wager prize offered in a bank, mutual savings bank, or a credit union located in Washington state; or possess a verifiable line of credit from a Washington state financial institution for at least the amount required; and
    - (ii) Use the highest wager they allow to calculate the individual odds-based wager prize amount to determine the amount for this requirement.
- (3) Licensees may limit pay outs by using table and/or individual player aggregates.
- (4) ~~((If the prize bank account is reduced below the level required, licensees must immediately stop operating games until they are in compliance.~~
- ~~(5))~~ A licensee's failure to keep funds as required in this rule is prima facie evidence of defrauding the public and a violation of RCW 9.46.190.

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## AMENDATORY SECTION

**WAC 230-16-052 Standards for flares.**

Flares must clearly display the:

- (1) Manufacturer of the punch board or pull-tab series. A stamp, seal or label identifying the manufacturer may be substituted if we have been informed; and
- (2) Manufacturer assigned series number; and
- (3) I.D. stamp; and
- (4) Cost of each punch or pull-tab; and
- (5) Total number of punches or pull-tabs in the series. For any newly designed flare or any previously designed flare for pull-tab series with a ticket count over six thousand, which has not yet been packaged, the number of pull-tabs must be printed in one-half inch size lettering; and
- (6) Prizes available and the winning number or symbols. For prizes over twenty dollars, the winning numbers or symbols must be printed so each can be permanently and conspicuously deleted off the flare as each prize is won.
  - (a) A progressive jackpot meter board, for progressive jackpot series, is a supplement to the flare; and
  - (b) For cumulative prize pool pull-tab games, the seal card prizes from the cumulative prize pool board are not required to be printed on the series flares.

## NEW SECTION

**WAC 230-16-102 Cumulative prize pool pull-tab games.**

- (1) Manufacturers of cumulative prize pool pull-tab games must meet all standards of pull-tab construction, including the seals on the board; and
- (2) A cumulative prize pool pull-tab game board must include at a minimum:
  - (a) All seal card prizes; and
  - (b) Manufacturer's name or logo; and
  - (c) Each cumulative prize pool pull-tab series number; and
  - (d) Form number; and
  - (e) Cost per play; and
  - (f) Game name; and
- (3) A cumulative prize pool pull-tab game board must have the same number of seals as the number of series in the game.

## NEW SECTION

**WAC 230-16-104 Cumulative prize pool pull-tab series flare.**

A cumulative prize pool pull-tab series flare must meet the requirements of WAC 230-16-052 and include at a minimum:

- (1) A perforated window or seal; and
- (2) A list for players to write their name on for the chance to open a seal on the cumulative prize pool pull-tab board.

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## AMENDATORY SECTION

**WAC 230-17-137 Guidelines for imposing penalties in disciplinary actions.**

- (1) Without in any manner limiting the authority granted to the commission under chapter 9.46 RCW or other applicable law to impose the level and type of discipline it may deem appropriate, at the request of any party, the presiding officer may consider the following factors, along with such others as he or she deems relevant, in determining the administrative penalty to be assessed for the violation of a statute or rule:
  - (a) The risk posed to the public health, safety, or welfare by the violation;
  - (b) Whether there are special policy implications relating to the violation, for example, those regarding underage gambling;
  - (c) Whether, and how, the violations impacted players, for example, failure to pay a player, and player-supported jackpot violations;
  - (d) Whether the applicant, licensee, or permittee:
    - (i) Knew, or reasonably should have known, the action complained of was a violation of any law, regulation, or condition of their license;
    - (ii) Previously received a verbal warning, written warning, notice of infraction, notice of violation and settlement (NOVAS), or administrative charges from the commission for similar violations;
    - (iii) Made, or attempted to make, a financial gain from the violation;
    - (iv) Had an existing compliance program related to the violation; or
    - (v) Has subsequently initiated remedial measures to prevent similar violations from reoccurring;
  - (e) Whether the violations were intentional, willful, or grossly negligent;
  - (f) Whether requiring the applicant, licensee or permittee to implement a written self-enforcement and compliance program would assist in ensuring future compliance with relevant laws, regulations, and license conditions;
  - (g) If the violation was caused by an officer or employee of the applicant, licensee, or permittee:
    - (i) Whether the individual who caused the violation acted within the scope of authority granted to him or her by the applicant, licensee or permittee; or
    - (ii) Whether the individual violated company policies, procedures, or other standards;
  - (h) The adequacy of any relevant training programs the applicant, licensee or permittee previously offered or made available to its employees;
  - (i) Whether and the extent to which the applicant, licensee or permittee cooperated with the commission during the investigation of the violation;
  - (j) The penalties imposed on other applicants, licensees or permittees for similar violations;
  - (k) Whether the applicant, licensee, or permittee reasonably relied upon professional advice from an accountant or other recognized professional, which was relevant to the conduct or action resulting in the violation; or
    - (l) (1) Any other aggravating or mitigating circumstances the ~~((commissioners))~~ presiding officer deems relevant.
- (2) A party intending to rely on any aggravating or mitigating factors must raise them at the initial hearing before the presiding officer in order to preserve them for any subsequent hearings before a reviewing officer.
- (3) In the spring of 2011, staff will report to the commission on the impacts of this rule, if any.

**Washington State Gambling Commission**

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<b>Division</b>	<b>Extension</b>	<b>Division</b>	<b>Extension</b>
Administration	3453	Mandatory Training Schedule	3440
Administrative Charges/Hearings	3465	Media Questions	3466 or 3463
Commission Meeting Agenda	3453	Newsletter	3466
Electronic Gambling Equipment Review	3504	Problem Gambling	3468
Human Resources (Personnel)	3456	Public Disclosure Requests	3529
ID Stamps (Business Office)	3489	Record Keeping Forms	3440
Licensee Activity Reports	3476	Rule Changes	3466
License Application Requests & Status	3440	Tribal Negotiations	3468
Licensing Investigations	3559 or 3571	Tribal Regulation / Implementation	3586

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