

# WASHINGTON STATE GAMBLING COMMISSION

2nd Oldest Gambling Regulatory Agency in the Nation



## Agency Overview at a Glance

### Who We Are

The Washington State Constitution (Article II Section 24) prohibits all gambling activities unless the activity is specifically authorized in the State law.

In 1973, the State Legislature created the Gambling Commission to regulate and control authorized and illegal gambling activities, in response to gambling related corruption(RCW 9.46).

We are the second oldest gambling regulatory agency in the nation.

We are a law enforcement, regulatory and licensing agency.

- Five citizens are appointed by the Governor, with the consent of the Senate, to act as part-time Commissioners, for a single six-year term.
- Once appointed, a Commissioner can only be removed for cause by a subcommittee appointed by the Chief of the Supreme Court.
- This structure ensures the Commission maintains an arm's length distance from the political structure.
- Four members of the Legislature act as ex officio members and only vote to approve or amend Tribal-State Class III Gaming Compacts. They also serve an important liaison role between the Commission and legislature.
- The Commissioners appoint a director, who appoints staff. In 2012, we employed 146 staff, 83 of which were commissioned law enforcement officers.
- We are funded by licensing and regulatory fees paid by licensees and Tribal governments.
- No general fund tax dollars are used to fund the agency.

### What We Do

We regulate all gambling in Washington state, except horse racing and the lottery.



We regulate commercial and charitable/nonprofit card games, punch boards, pull-tabs, and amusement games.



We regulate charitable/nonprofit bingo, raffles, and fund-raising events.



We co-regulate 28 Tribal casinos with Tribal governments.

We have an Electronic Gambling Lab that tests gaming machines for compliance.

We have law enforcement authority to investigate gambling violations and illegal gambling related activities, such as:



- Theft
- Fraud
- Cheating
- Embezzlement
- Internet gambling
- Bookmaking
- Money laundering
- Loan sharking
- Animal fights

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

# What We Do

## Background Investigations

To ensure crime does not gain a foothold in Washington state, our background investigations are among the most thorough in the nation.



We conduct criminal background investigations on nearly everyone involved in a gambling business to ensure they don't have ties to criminal activities or organized crime.

In fiscal year 2013, we conducted background investigations on about 23,300 licensees and new applicants.

Of the 3,353 new applicants, 4.7% did not meet requirements and were not issued a license or Tribal certification.

- We licensed 3,400 commercial and charitable/nonprofit organizations.
- We licensed/certified 15,600 individuals (such as card dealers and representatives).

## Audits and On-site Investigations

We conduct in-depth audits and on-site "spot" checks, and work undercover to ensure games are legal and honest.



In fiscal year 2013, we investigated 500 complaints from the public and initiated 510 additional investigations.

As a result:

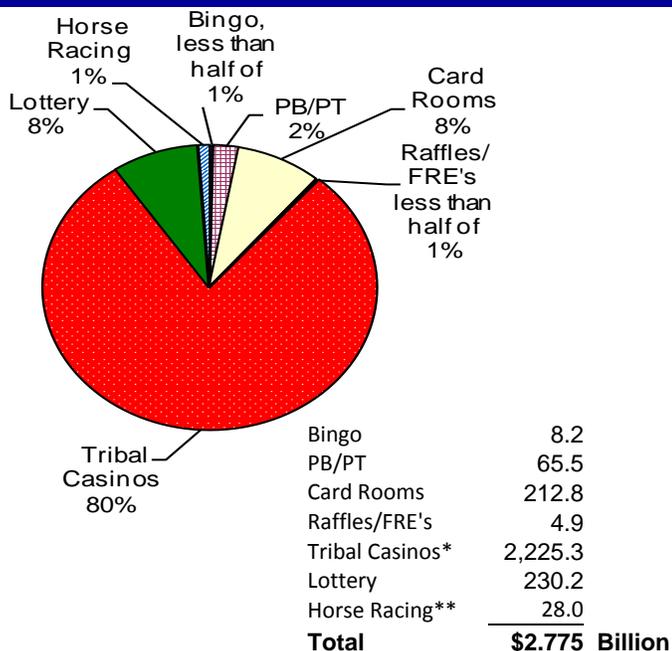
- 846 gambling rule/law violations were found.
- 229 criminal violations were found.
- 72 criminal cases were sent to prosecutors.
- An additional 32 cases were worked with other law enforcement agencies where they were the referring agency to the prosecutor's office.

**For commercial businesses,** we source funds to ensure money is from a legitimate source, without ties to criminal activities.

**For charitable/nonprofit organizations,** we ensure gambling proceeds are used to benefit their charitable purposes.

**Undercover agents** watch for improper or illegal gambling activities.

## Washington State 2013 Gambling Net Receipts



2013 = 6/12 to 6/13

2012 Total Net Receipts - \$2.678 Billion

2011 Total Net Receipts - \$2.509 Billion

Net Receipts = wagers minus prizes paid.

\* Estimated

\*\* Includes \$7.3 million paid to outside Advance Deposit Wagering firms.

Dollar amounts in millions, except where noted for total in billions.

PB/PT = Punchboards & Pull-Tabs

FRE = Fund Raising Events

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