



License Fee Restructure Update

In the last edition of this newsletter, we let you know that we were looking for your input and gathering information on restructuring gambling licensing fees. Thank you to those that responded; we appreciate your comments.

Staff will give a report and recommendation at the July 8, 2010, Commission meeting. The meeting will begin at 1:30 p.m. and be held at the John A. Cherberg Building on Capitol Campus, Olympia, Washington.

Commission meetings are open to the public and you are invited to attend.

After the July 2010 meeting, please visit our website at www.wsgc.wa.gov for an update.

Staff will give a report and recommendation at the July 8, 2010, Commission meeting.

Meet our New Commissioner



Rebecca Roe has been appointed as a Gambling Commissioner by Governor Gregoire and attended her first Commission meeting in April 2010. Commissioner Roe is a graduate of the University of Washington and the Seattle University School of Law.

Commissioner Roe served as a Senior Deputy Prosecutor in the King County Prosecuting Attorney's Office in Seattle from 1977 to 1994. Most of those years, she was the Supervising Attorney of the Special Assault Unit.

Commissioner Roe was a nationally recognized leader in the prosecution of crimes affecting women and children, including authoring the first nationwide manual for the prosecution of child abuse. In 1993, she was the first public sector attorney to receive the King County Bar Association Outstanding Lawyer Award.

Commissioner Roe joined Schroeter, Goldmark & Bender in 1994 where she focuses on personal injury cases for victims of violent crime and sexual assault, and employment law with particular emphasis on wage and hour class actions, sexual harassment, and discrimination.

<p>Commissioners John Ellis, Chair Keven Rojecki, Vice Chair Mike Amos Michael Reichert Rebecca Roe</p> <p>Ex-Officio Members Senator Margarita Prentice Senator Jerome Delvin Representative Geoff Simpson Representative Gary Alexander</p>	<p>Inside this Issue:</p> <p>Page 2 Reporting New Owners and Money Page 3 Final Legislative Update Page 3 Changing your Name? Page 3 Fund-Raising Events Page 4 Underage Gambling Public Service Announcement Page 5 Underage Gambling Inspections Page 5 Commission Meeting Dates and Locations Page 5 Online Gambling Rules and Laws Page 6 Rules Update Page 8 Notice of Violation and Settlement Page 9 Administrative Case Update Page 12 Updated Rules</p>
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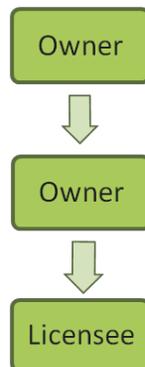
Reporting New Owners and Money

By: Keith Schuster, Special Agent Supervisor,
Financial Investigations Unit
Donna Khanhasa, Special Agent, Financial Investigations Unit
Stephanie Hamilton, Special Agent, Financial Investigations Unit

Licenses must report any change in ownership when the change would result in any person or organization becoming a substantial interest holder (WAC 230-06-107).

A substantial interest holder is any person who has actual or potential influence over the management or operation of any organization, association, or other business entity (WAC 230-03-045).

If you are part of a multi-level organization, where headquarters or another separate legal entity is above your licensed organization, you must report any change in ownership or influx of money into your organization and the organizations above you.



Question: What should you do if there are changes in ownership or an influx of money in the businesses that own your gambling business?

Answer: Report changes that occur at your level and at all levels above your licensed establishment.

In the example above, even though the entities above you do not hold a gambling license, they are substantial interest holders with influence over your gambling business and must follow the same reporting requirements as you.

The following changes must be reported to us, when:

- A person or organization becomes a substantial interest holder, if they were not a substantial interest holder immediately before the transaction; or
- A substantial interest holder purchases any additional stock.

Each notification must be submitted in writing within thirty days of the close of the change of ownership, with the required fee, on a form provided by us. The form is located on our website at:

- www.wsgc.wa.gov/forms/apps/4-321.pdf

The notification must include a copy of the meeting minutes detailing the change of ownership (if a corporation) or an amended Limited Liability Company (LLC) agreement that includes the new members (if applicable).

Our Financial Investigations Unit conducts background and financial investigation checks on new substantial interest holders to ensure they

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2010 Final Legislative Update

The 2010 1st Special Session adjourned on April 12, 2010, and the state budget was passed.

No gambling related bills passed that affect Gambling Commission processes. However, a gambling related bill passed that only affects counties, cities, and towns. Engrossed Substitute House Bill 3179 changed how local governments can use gambling tax revenue. Previously, the funds were restricted to enforcement of the gambling act by the local law enforcement agency. Under the new law, the tax revenue can be used for “public safety.”

If you'd like to read more about this, or other bills, they are easy to access on the legislative home page at <http://apps.leg.wa.gov/billinfo/> click on “bill information” and put in the four digit bill number. If you have questions, please contact Amy B. Hunter, Legislative Liaison, at (360) 486-3463 or e-mail: AmyB@wsgc.wa.gov.

Changing your Name?

By: Cathee Gottfryd, Customer Service Specialist 3,
Licensing Operations Division

Licensed individuals (such as dealers and representatives) must report name changes to us within 30 days of the change, on a form provided by us.

The form is located on our website at:

- www.wsgc.wa.gov/forms/apps/4-011-f.pdf

You only need to fill out sections one and four of the form, and sign page four.

We also need copies of:

- Your updated driver's license; and
- Court documents recording your name change, such as a marriage certificate or divorce decree.



Send the form, the required documents, and \$27 to us. An updated license will be mailed to your employer(s).

You may change your name when renewing your license at no additional charge, if your renewal falls within the 30 day reporting requirement. Submit the required documents along with your renewal fee and renewal application.

If you have questions, please call us at (800) 345-2529 or (360) 486-3440, then press 2, then press 1.

Fund-Raising Events

By: Collene Engle, Licensing Supervisor,
Licensing Operation Division

If you are a Fund-Raising Event (FRE) Equipment Distributor, please remember that the charitable/nonprofit organizations you contract with must **first** qualify as a bona fide charitable nonprofit organization (see RCW 9.46.0209) and they must receive an FRE license **before** the event.

Only certain bona fide charitable nonprofit organizations may offer a FRE. We must receive applications for a FRE license at least 45 days before the FRE to give us time to determine if an organization qualifies to offer a FRE or not. If they do, they will receive their license before the event date.

Recently, we received several applications for FRE licenses from charitable/nonprofit organizations that had contracts with FRE Equipment Distributors and the event was scheduled to be held in a few days. The applicants did not qualify for a license so we could not issue them a license. They scrambled to find organizations that did qualify and asked them to sponsor the event. This put a great deal of pressure on the organizations that did not qualify, as the event was scheduled to be held in a few days, they advertised the event and had many people lined up to come, but they didn't have a license nor did they qualify for a license.

Our goal is to help you whenever we can. In this case, we were able to accommodate these organizations so they did not have to cancel their event and lose money.

Please ask your clients to call us right away, to see if they qualify for a FRE license and let them know we need 45 days to process their application.

If you have questions, please call us at (800) 345-2529 or (360) 486-3440, then press 2, then press 2.

Underage Gambling Public Service Announcement

Last Fall, we launched a six month statewide communications, education and awareness program for underage gambling and risks associated with it. We partnered with the Evergreen Council on Problem Gambling (ECPG) to get the word out that underage gambling:

- Is a civil infraction, with a \$125 fine, plus possible court costs, community service, and the minor would forfeit any winnings; and
- Can lead to problem gambling.



The campaign featured a fictional male teenager named “Zander” as a problem gambler. He was created for our target audience of mostly male 13-17 year olds. Zander is not part of a particular socio-demographic group. He could be the young man next door to anybody. The message was that young adults don’t want to be like Zander.

Information about underage gambling and links to Facebook, Twitter, and YouTube are on www.NotaZander.com. In March, there were 65 Facebook fans and 53 Twitter followers. Interestingly enough, 65% of Facebook fans are females ages 35-54; however, this is not surprising as research has shown that when mothers of teens understand the risks associated with underage gambling, they want to get involved.

The NotaZander campaign has received three awards:

- Gold Award in the MarCom Awards. MarCom is an international competition for marketing. The organization consists of several thousand marketing, communication, advertising, and media production professionals. Only 18% of 5,000 entries receive a Gold Award.

- Platinum Award for an Integrated Campaign in the Hermes Creative Awards Competition. Hermes Creative Awards represent an international competition in marketing and communications for concept, writing, and design of traditional materials and programs, and emerging technologies. The Hermes Creative Awards are administered and judged by the Association of Marketing and Communication Professionals.
- Communicator Award from the International Academy of the Visual Arts, in the category of Distinction for Integrated Campaigns.



During this six month program, we received 200 requests for information packets on underage/problem gambling.

Together with the ECPG, we gave 20 joint presentations to various youth groups and civic clubs.

Though the formal contract is over, we continue working with the ECPG to get the word out about underage gambling and the risks associated with it.

This public service announcement was funded by seizure/forfeiture money we received for our role in the investigating illegal Internet gambling activities.

More information is available:

- About the Gambling Commission: www.wsgc.wa.gov
- About underage gambling: www.notazander.com
- For parents about teen problem gambling: www.notagame.org
- For teens about gambling and other addictive behaviors: www.addictionisagamble.com
- For more problem gambling resources: www.evergreenCPG.org

**House-Banked Card Rooms that
Successfully Passed Underage
Gambling Inspections during
2009's 4th Quarter & 2010's 1st Quarter**

Bremerton Lanes	Bremerton
Cadillac Casino	Longview
Chip's Casino	Lakewood
Chip's Casino	Bremerton
Diamond Lil's Casino	Renton
Element	Oak Harbor
Freddie's Club of Fife	Fife
Great American Casino	Tukwila
Great American Casino	Lakewood
Happy Days Casino	Lakewood
Hawks Prairie Casino	Lacey
Hooter's	Renton
Iron Horse Casino	Auburn
Last Frontier	LaCenter
Palace Casino	Lakewood
Palace Casino	LaCenter
Riverside	Tukwila
Silver Dollar Casino	Tukwila
Silver Dollar Casino	SeaTac
Slo Pitch	Bellingham
Tony's Tavern	Custer
Westside Lanes Casino	Olympia

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

August 12 & 13

Vancouver Heathman Lodge
7801 Greenwood Drive
Vancouver, WA 98662
(360) 254-3100

September 9 & 10

State Investment Board
2100 Evergreen Park Drive SW
Olympia, WA 98504
(360) 956-4600

October 14 & 15

Red Lion Hotel at the Park
303 W. North River Drive
Spokane, WA 99201
(509) 326-8000

November 18 & 19

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

December - No Meeting

**Gambling Rules and Laws
Available Online**

Gambling rules and laws are available online.
Visit our website at www.wsgc.wa.gov:

- Select Rules and Laws
- On the top gray tool bar are Gambling Rules and Gambling Laws.

This is a quick and easy way to read the most current version of a gambling rule and/or law.

Recently Adopted Rule Changes

These changes became effective July 1, 2010

Nonprofits Reporting Annual Progress

WAC 230-07-145

This rule change restored:

- 1) The 120-day reporting requirement for our largest charitable and nonprofit licensees to report the required annual progress after the end of each fiscal year; and
- 2) A licensee's ability to request more than 120 days to submit the forms, due to a hardship.

These items were inadvertently omitted when the rule was rewritten during the Rules Simplification Project.

Large Raffle Prizes

WAC 230-11-065, 230-11-067

A new rule provides guidelines for organizations to use when requesting approval to offer raffle prizes exceeding forty thousand dollars per prize or eighty thousand dollars annually.

Pull-Tab Prizes

WAC 230-14-090

This change restored the requirement that punch board and pull-tab operators must pay pull-tab prizes in either cash or merchandise. The word "cash" was inadvertently left out when the rule was rewritten during the Rules Simplification Project. Furthermore, players have been allowed to trade in winning pull-tabs for additional pull-tabs. Language has been added to include this current practice in our rules.

Using Online Banking to Verify Card Room Jackpot Deposits

WAC 230-15-400, 230-15-720

Licensees and special agents can now use Internet access to bank accounts to verify player-supported jackpot funds and progressive jackpot prize funds.



Up for Filing at the July 9, 2010, Commission Meeting

Card Games: Petition for Rule Change

WAC 230-15-040

Shuffle Master, Inc. is requesting that players be allowed to wager on the house's hand in the card game "Pai Gow'd", a game that is a derivative of "Pai Gow".

Punch Board/Pull-Tab Service Businesses: Petition for Rule Change

WAC 230-03-020, 230-03-210

Currently, a punch board/pull-tab (PB/PT) service business can have gross billings up to \$25,000 each year. The initial permit fee for these businesses is \$236, with an annual renewal fee of \$56. If they go over \$25,000 in annual gross billings, they must get a gambling service supplier license, which costs \$687 each year.

Casey's Deadgame Service is requesting that the billing threshold be increased from \$25,000 to \$30,000.

Texas Hold'em Wager Increase Pilot Program

We have been meeting with stakeholder groups since October 2009 to discuss various aspects of Texas Hold'em poker.

The Work Group will present a proposal to create a pilot program to increase wager limits from \$40 to \$100 for the game of Texas Hold'em. The program would last for 18 months.

The pilot program would be used to test the regulatory and economic impacts of higher wager limits for the game of Texas Hold'em poker. In addition, it would help determine whether there is a demand for higher wagering limits for Texas Hold'em poker.

There will be discussion as to which card rooms would be able to participate in the test program:

Alternative #1: All card game licensees; or

Alternative #2: House-banked and Class F card game licensees; or

Alternative #3: House-banked card game licensees.

Number of licensees affected by the three Alternatives:

Alternative #1: 362

Alternative #2: 76

Alternative #3: 71

If a pilot program is established, at the end of the 18 months, the Commission will evaluate the information and determine whether the wager increase should be made permanent.

Up for Final Action at the August 13, 2010, Commission Meeting

Temporary Licenses

WAC 230-03-080

This rule needs to be updated to match state law (RCW 9.46.070) which allows our agency director to temporarily issue or suspend licenses subject to final approval by the Commission.

Card Games: Petition for Rule Change

WAC 230-15-695

Great American Casino, Inc. is requesting that card room operators be allowed to move seed money from one progressive jackpot prize to a different progressive jackpot prize.



Up for Filing at the August 13, 2010, Commission Meeting

Amusement Games

WAC 230-13-005, 230-13-080, 230-13-140

The proposed change would allow cards issued by amusement game operators to be used to track tickets won by players. The winning tickets tracked on the card could not be used for additional plays.

Send Us Your Comments

The Commission appreciates hearing if you support or oppose a proposed rule change.

Your comments help give the Commission as much information as possible before deciding to approve or deny a rule change. If you can't attend a meeting, please send your comments to:

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

For detailed information about proposed rule changes, visit our website at www.wsgc.wa.gov and select Public Meetings.

Meeting agendas and information are posted about ten days before each meeting.



How Rule Changes Are Made

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 typically held 10:30 a.m. to noon Thursday mornings before Commission meetings.

Proposed rule changes are discussed at Study Sessions before they are Up for Filing by the Gambling Commissioners.

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.

Study Sessions and Commission meetings are open the public and you are invited to attend. If you are unable to attend and would like to comment on a proposed rule change, please see the article "Send Us Your Comments" on this page for further information.

NOVAS - Notice of Violation and Settlement

The Notice of Violation and Settlement (NOVAS) is a way to resolve some gambling rule violations without going through the full administrative process. A NOVAS is issued directly by a Gambling Commission field agent to a licensee at the time of the violation. The written notice documents the violation, states how to correct it, and provides immediate information about the penalty.

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

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

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

NOVAS Issued During January, February, and March 2010

Failed to Submit Activity Report on Time	
Alki Tavern	Seattle
Bobby Lee's A Pub and Eatery	Everson
Bubba's Roadhouse	Sultan
Cascade Amusements	Portland, Oregon
Chronis Restaurant	Vancouver
Clearview Café	Snohomish
Country Corner Restaurant	Castle Rock
Elmer's Pub	Burien
Fizzie Mulligan's	Spokane
Henderson's Restaurant	Oak Harbor
Kozy Tavern	Everett
LOOM #493	Bellingham
Mazatlan Mexican Restaurant	Kenmore
Midland Tavern	Tacoma
New Grove	Everett
Old Mill	Spokane
Pioneer Roadhouse	Arlington
Ron's Sports Page	Vancouver
Skidder's Bar and Grill	Darrington
Tracey's Place	Everett
VFW # 239	Bremerton
Yo Yo's Restaurant	Oroville

Failed to Properly Delete Prizes from Punch Board/Pull-Tab Flare	
Desanto's Restaurant	Orting
FOE #3480	Orting
Internal Controls Violation	
FOE #564	Tenino
Sea Galley	Union Gap

HOUSE-BANKED CARD ROOMS	
Multiple Internal Controls Violations	
Joker's Casino	Richland
Allowed a Card Room Employee to work with an Expired License	
Buzz Inn Steakhouse	East Wenatchee
Lancer Lanes	Clarkston
Failed to have an on-site Surveillance Administrator	
Classic Island Casino	Kennewick

DISTRIBUTORS	
Distributed Pull-Tabs to an Unlicensed Operator	
Larry Brantner	Gasperetti's Distributing
Mark Delzer	McCoy's Distributing

Administrative Case Update

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

Name	Violation	Case Outcome
Alberta Youckton of Olympia, Class III Employee, (formerly employed by the Nisqually Tribe).	<ul style="list-style-type: none"> • Criminal History. 	<ul style="list-style-type: none"> • The Class III Employee failed to respond to the charges. • The Commissioners entered a Default Order revoking her certification.
Chantha C. Khuy of Auburn, Class III Employee, (formerly employed by the Muckleshoot Indian Tribe).	<ul style="list-style-type: none"> • Criminal History. 	<ul style="list-style-type: none"> • An Order of Summary Suspension was issued. • The Class III Employee failed to respond to the charges. • The Commissioners entered a Default Order revoking his certification.
Coleen Solomon of Bellingham, Class III Employee, (formerly employed by the Lummi Nation).	<ul style="list-style-type: none"> • Criminal History. 	<ul style="list-style-type: none"> • The Class III Employee failed to respond to the charges. • The Commissioners entered a Default Order revoking her certification.
Cameron Hollis of Vancouver, Card Room Employee (CRE), (formerly employed by The Palace).	<ul style="list-style-type: none"> • Criminal History. 	<ul style="list-style-type: none"> • The Administrative Law Judge (ALJ) revoked his license.
Daniel Garrison of Lynnwood, CRE, formerly employed by Silver Dollar Casino.	<ul style="list-style-type: none"> • Criminal History 	<ul style="list-style-type: none"> • An Order of Summary Suspension was issued. • The ALJ revoked his license.
Marianne C. Tholmer of Edmonds, Charitable Non-Profit Gambling Manager, (formerly employed by The Fraternal Order of Eagles #4122).	<ul style="list-style-type: none"> • Failure to: <ol style="list-style-type: none"> a) Accurately and timely deposit pull-tab revenue. b) Accurately complete deposit records and Monthly Income Summaries. c) Safeguard gambling revenue from misuse or theft. 	<ul style="list-style-type: none"> • The licensee failed to respond to the charges. • The Commissioners entered a Default Order revoking her license
Silas Cleveland of Winnebago, Nebraska, Class III Employee, (applicant with the Yakama Nation).	<ul style="list-style-type: none"> • Failure to disclose material fact on application. 	<ul style="list-style-type: none"> • The Class III employee agreed to surrender his certification.
Shauna C. Dillon of Lakewood, CRE, (formerly employed by the Macau Casino).	<ul style="list-style-type: none"> • Fraudulent Player Record Certificates (“comps”). 	<ul style="list-style-type: none"> • The ALJ did not take action against her license.
Arthur Andy of Yakima, Class III employee, (formerly employed by the Yakama Nation).	<ul style="list-style-type: none"> • Outstanding Court Fines and Fees. 	<ul style="list-style-type: none"> • The Class III Employee failed to respond to the charges. • The Commissioners entered a Default Order revoking his certification.
Matthew A. Moore of University Place, CRE, (employed by Bowlero Lanes Restaurant & Lounge).	<ul style="list-style-type: none"> • Outstanding Court Fines and Fees. 	<ul style="list-style-type: none"> • The licensee paid in full his court ordered fines and fees. • The licensee agreed to a 10-day suspension, with all 10 days deferred for one year.

Administrative Case Update

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

Name	Violation	Case Outcome
Jason B. Evans of Spokane Valley, CRE, (employed by Papa's Casino Restaurant & Lounge)	<ul style="list-style-type: none"> • Outstanding Warrant. 	<ul style="list-style-type: none"> • The licensee quashed the outstanding warrant. • The licensee agreed to a 21-day suspension, with seven days deferred and 14 days served.
Christopher Ingrum of Mount Vernon, Class III Employee, (formerly employed by the Stillaguamish Tribe)	<ul style="list-style-type: none"> • Theft/Fraud. • While playing cards as a patron, he admittedly took another player's chips. 	<ul style="list-style-type: none"> • An Order of Summary Suspension was issued. • The ALJ revoked his Class III certification.
Gregory Mykland of Tacoma, Distributor Representative, (formerly employed by Tabs Plus and Gasperetti's Distributing)	<ul style="list-style-type: none"> • Theft/Fraud. <ul style="list-style-type: none"> a) Sold pull-tabs to customers for cash and kept the money. b) Misuse of employer gas charge card. 	<ul style="list-style-type: none"> • The licensee surrendered his license.
American Legion #00176, Vancouver	<ul style="list-style-type: none"> • Failure to timely submit Annual Financial Statements. 	<ul style="list-style-type: none"> • The licensee submitted the required documents. • The licensee agreed to a 10-day suspension, with three days deferred for one year, and seven days vacated by fines and costs totaling \$2,000.
VFW #2100, Everett	<ul style="list-style-type: none"> • Failure to maintain an independent management control structure that protected gambling revenue. 	<ul style="list-style-type: none"> • The licensee agreed to 15-day suspension, with five days deferred for one year, and ten days vacated by fines and a portion of costs totaling \$4,144.
Aces Casino & Sports Bar, Arlington	<ul style="list-style-type: none"> • Surveillance Violations 	<ul style="list-style-type: none"> • The licensee agreed to a five-day suspension, with four days deferred and one day served.
Walstead Enterprises Inc., d/b/a Lake Pateros Sports Bar and Grill, Pateros; and d/b/a Wagon Wheel Bar and Grill, Mallott	<ul style="list-style-type: none"> • Wagon Wheel Bar and Grill operated after its license lapsed. 	<ul style="list-style-type: none"> • Because Wagon Wheel Bar and Grill does not have an active license, Lake Pateros Sports Bar and Grill served a 30-day suspension.
New Grove, Everett	<ul style="list-style-type: none"> • Failure to: <ul style="list-style-type: none"> a) Provide loan, source of funds, and purchase and sale documents. b) Pay gambling taxes. 	<ul style="list-style-type: none"> • The ALJ revoked its licenses. • The licensee filed a Petition for Review. • The Commissioners upheld the ALJ's Order revoking the licenses.

Correction from the Focus on Gambling Newsletter: January-March 2010 edition.

The Club in Everett had the following two violations dismissed:

1) Failure to maintain documentation for financial transactions; and 2) Failure to report cash contributions.

Below are the corrected violations for The Club.

The Club, Everett	<ul style="list-style-type: none">• Failure to:<ul style="list-style-type: none">a) Pay gambling taxes.b) Timely submit its financial statement.c) Safeguard its poker card inventory.d) Maintain a poker card destruction log.• This is also a violation of a previous Settlement Order.	<ul style="list-style-type: none">• The ALJ revoked its licenses.• The licensee filed a Petition for Review.• The Commissioners upheld the ALJ's Order revoking the licenses.• The licensee filed a Petition for Judicial Review and Stay of State's Final Order of Petition for Review.• The Stay was denied.• The licensee withdrew its Petition for Judicial Review.
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Reporting New Owners and Money Continued

(Continued from page 2)

qualify to have influence over your gambling operation. If they do not, they should remove themselves as a substantial interest holder or your license may be revoked.

If you have questions, please call us at (800) 345-2529 or (360) 486-3440, then press 2, then press 2.

AMENDATORY SECTION

WAC 230-07-145 Reporting annual progress.

Charitable or nonprofit licensees in Groups III, IV, and V must report annually their progress toward meeting their stated purpose in the format we prescribe.

~~((This))~~ (1) The report must explain the type and scope of activities which licensees conducted during their last annual fiscal accounting period~~((-In addition,))~~; and

(2) The report must include, at least:

~~((1))~~ (a) A brief history of the licensed organization, including its stated charitable or nonprofit purpose(s); and

~~((2))~~ (b) A written statement setting out their goals for meeting their stated charitable or nonprofit purpose(s) in the future; and

~~((3))~~ (c) The number of full and regular members; and

~~((4))~~ (d) A list of contributions, scholarships, grants, or sponsorships made during the period. This list must include:

~~((a))~~ (i) The name of each organization or individual receiving a contribution from the licensee. The licensee may use the phrase "individual contribution" in place of the recipient. If the recipient is not named in the report, the licensee must maintain records to verify and identify the recipient of each individual contribution; and

~~((b))~~ (ii) Whether funds awarded were from gambling income or other funds; ~~and~~

~~((5))~~ (e) Gross income from all nongambling activities and the source of the income; and

~~((6))~~ (f) The revenue and expenses for any nongambling sales activities, presented separately, when conducted primarily in conjunction with gambling activities; and

~~((7))~~ (g) Total expenses for both charitable or nonprofit services; and

~~((8))~~ (h) The percentage or extent to which the licensee used net gambling income for charitable as distinguished from nonprofit purposes; and

~~((9))~~ (i) The details of any loans, contracts, or other business transactions with related parties that accumulatively exceed one thousand dollars during the period. "Related parties" means officers, board members, key employees, or members of the licensed organization, including direct relatives of each~~((-))~~; and

(3) The report must be submitted no later than one hundred twenty days following the end of the organization's fiscal year.

(4) We may grant an organization additional time to submit the report if a written request is received before the due date. The president of the organization must sign any request for additional time and include a statement explaining the hardship causing the delay, and the expected date the required report(s) will be submitted.

AMENDATORY SECTION

WAC 230-11-065 ((Own prizes for raffles before drawing date:)) Raffle prizes.

- (1) Organizations must own the prizes offered to winners before the date of the drawing. However, if the winner has an option to receive a cash prize instead of the merchandise, the organization may enter into a contract to purchase the merchandise prize after the winner chooses his or her option. The organization must have the funds to make the purchase on account before the date of the drawing.
- (2) At the time and date of any raffle drawing, the organization must have on deposit an unencumbered amount of money that is equal to or greater than all cash prizes being offered in the raffle. The organization must have these funds deposited in the gambling receipts account, if required, or in a recognized Washington state depository authorized to receive funds. The organization must not reduce the balance of funds available from this account below the required amount before awarding the prize(s).
- (3) Raffle prizes must:
 - (a) Be available at the time and place of the drawing; and
 - (b) If cash, be United States currency or an equivalent amount of negotiable instruments; and
 - (c) For licensees, not exceed forty thousand dollars per prize or eighty thousand dollars in total raffle prizes in a license year(~~The commissioners may vote to permit licensees to exceed these limits on specific occasions if the licensees show good cause in writing~~), except as authorized in WAC 230-11-067.

NEW SECTION

WAC 230-11-067 Requesting approval to offer raffle prizes exceeding forty thousand dollars per prize or eighty thousand dollars annually.

The commissioners may vote to approve a licensee to exceed raffle prize limits on specific occasions if a licensee shows good cause in writing.

The licensee must submit a raffle plan to us that includes at least the following information:

- (1) The organization's goals for conducting the raffle;
and
- (2) A brief overview of the licensee's mission and vision including the type of programs supported by the licensee and clients served; and
- (3) Specific details of the raffle rules including:
 - (a) Date of the drawing; and
 - (b) Cost of raffle tickets; and
 - (c) Prizes available; and
 - (d) Security of prizes; and
 - (e) Plans for selling raffle tickets; and
 - (f) Description of how the licensee protects the integrity of the raffle; and
- (4) An explanation of how the proceeds from the raffle will be used; and
- (5) A plan to protect the licensee in the event of low ticket sales and other risks; and
- (6) An explanation of how the licensee will purchase the prize(s) for the raffle; and
- (7) A projected budget including:
 - (a) Estimated gross gambling receipts, expenses, and net income for the raffle; and
 - (b) Minimum number of projected ticket sales to break even; and
 - (c) Corresponding sales and prize levels with projected revenues and expenses for each level; and
 - (d) Minimum and maximum prizes available; and
- (8) Any other information that we request or any information the licensee wishes to submit.

AMENDATORY SECTION

WAC 230-14-090 Controlling prizes.

Punch board and pull-tab operators must:

- (1) Protect players from fraud and game manipulation.
- (2) Award all prizes won.
- (3) Only award cash or merchandise as prizes. A player who has won a cash prize may make a request to the person redeeming the winning pull-tab that the player be given additional pull-tabs instead of cash. An operator may agree to such a request.
- (4) Not offer to pay cash instead of merchandise prizes.
- ~~((4))~~ (5) Not award additional punches or tabs as a prize. Prizes, however, may involve the opportunity to advance and win a larger prize on the same punch board or pull-tab series. Operators must award an immediate additional opportunity to advance called a bonus prize when offered in a bonus pull-tab series or a step-up prize when offered on a punch board.

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Remove these updated rules from the newsletter
and put them in your
Washington State Gambling Commission Rules Manual

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 or have on-line access to their player-supported jackpot bank accounts; 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 230-15-720 Deposit and reconciliation requirements for progressive jackpot prizes.

- (1) House-banked card game licensees must deposit all progressive jackpot funds in a separate bank account at least weekly.
- (2) Licensees must:
 - (a) Keep a record of all deposits; and
 - (b) For each progressive prize, identify the deposits by game name and number and dates of collection; and
 - (c) Maintain validated deposit slips as part of their records or have on-line access to their progressive jackpot prize bank accounts.
- (3) At the end of the month, licensees must:
 - (a) Reconcile the account balance with the bank statement to the progressive jackpot fund balances. "Reconcile" means the licensee must compare the two balances, resolve any differences, and document the comparison and the differences in writing; and
 - (b) Keep the reconciliation as part of their records.

AMENDATORY SECTION

RCW 9.46.113

Taxation of gambling activities — Disbursement.

Any county, city or town which collects a tax on gambling activities authorized pursuant to RCW 9.46.110 (~~shall~~) must use the revenue from such tax primarily for the purpose of (~~enforcement of the provisions of this chapter by the county, city or town law enforcement agency~~) public safety.

Remove this page and put it in your January 2008 Rules Manual.

Washington State Gambling Commission

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