

## Meet our New Commissioner



Kelsey Gray has been appointed as a Gambling Commissioner by Governor Gregoire and attended her first Commission meeting in February 2012. Her term runs through June 30, 2017.

Commissioner Gray has a Ph.D. in Educational Leadership, a Master of Science in Urban Planning, and a BA in Political Science, and is a Certified Financial Manager.

She works for the William D. Ruckelshaus Center, a neutral policy consensus center operated by Washington State University and the University of Washington.

Commissioner Gray is a managing partner in an organization development firm working with profit and nonprofit organizations in addition to local, state, and federal governments, and has worked with law enforcement organizations around the country. Commissioner Gray views gambling as a major factor impacting the quality of life in our state.

## 2012 Legislative Summary

The 2012 legislature adjourned the regular “short” 60-day session on March 8 and reconvened on March 12 for a “special session.” The focus of the special session was primarily on passing the state budget.

- **Master Business Licensing Services**

SB 6046 The Gambling Commission requested a legislative change this year, to allow the Commission to issue licenses for up to 18 months, instead of 12 months, so we can further explore using Business Licensing Services (BLS), a program administered through the Department of Revenue.

All state and local government licenses issued through BLS have the same expiration date and use one renewal application. This makes tracking license expiration dates and renewing licenses easier for business owners.

The legislation passed and will become effective June 8. If the Commission finds using BLS is feasible, over 3,600 gambling licensees could use the system. Look for updates about BLS in future newsletters.

*(Continued on page 5)*

Washington State Gambling Commission

# Focus on Gambling

|  |  |
|--|--|
| <p><b>Commissioners</b><br/>         John Ellis, Chair<br/>         Mike Amos, Vice Chair<br/>         Keven Rojecki<br/>         Michael Reichert<br/>         Kelsey Gray</p> <p><b>Ex-Officio Members</b><br/>         Senator Margarita Prentice<br/>         Senator Jerome Delvin<br/>         Representative Gary Alexander<br/>         Representative Timm Ormsby</p> | <p><b>Inside this Issue:</b></p> <p><i>Page 2 New Online Processes</i><br/> <i>Page 3 Counterfeit Currency</i><br/> <i>Page 3 Underage Gambling Inspections</i><br/> <i>Page 4 Did you know...</i><br/> <i>Page 4 Digital Surveillance</i><br/> <i>Page 6 Rules Under Review</i><br/> <i>Page 7 2012 Commission Meeting Schedule</i><br/> <i>Page 8 Notice of Violation and Settlement</i><br/> <i>Page 9 Administrative Case Update</i><br/> <i>Page 11 Updated Rules</i></p> |
|--|--|

## Administration

Director - Rick Day  
Executive Assistant - Gail Grate  
Deputy Director - David Trujillo

## Human Resources

Administrator - Lisa Benavidez

## Business Operations Division

Acting Administrator - Judy Pittelkau

## Information Technology Division

Administrator - Tom Means

## Licensing Services Division

Assistant Director - Tina Griffin

## Communications and Legal Division

Administrator - Amy B. Hunter

## Tribal Gaming Unit

Assistant Director - Julie Lies

## Electronic Gambling Lab

Administrator - Paul Dasaro

## Field Operations

Assistant Director - Mark Harris

### Eastern Region - Spokane

Agent in Charge - Gary Drumheller

### Northwest Region - Everett

Agent in Charge - Greg Thomas

### Southwest Region - Tacoma

Agent in Charge - Jeannette Sugai



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## We are Happy to Announce Two New Online Processes

### New Online Application for Fund-Raising Events

By: Collene Engle, Licensing Supervisor

The online Fund-Raising Event (FRE) application was launched March 2012. This was the first of our organizational license applications to go live on our website.

The online FRE application was designed to help you easily prepare your application and reduce processing time.

Nonprofit organizations can fill out the application, pay licensing fees, and attach supporting documentation to their application during the online application process. Please follow the online instructions closely.

We would like to thank the nonprofit organizations who participated in the testing phase of this new online process. Our goal is to do business as simply as possible.

We are currently working on several other applications that will be available online in the near future. For those who choose to use our online applications, we welcome and appreciate your feedback.

For questions, please contact Collene Engle at [Collene.Engle@wsgc.wa.gov](mailto:Collene.Engle@wsgc.wa.gov) or (360) 486-3539.



### New Online Activity Reporting

By: Keith Schuster, Financial Investigations Unit

All licensed organizations should be able to report their gambling activity online this July. Instructions are available on our website.

In June 2012, we will mail out paper activity reports to licensees, as usual, for 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2012. In those mailings, we will include a notice that online reporting is available on an opt-in basis, beginning in July 2012.

We are continually looking for ways to streamline requirements and make operating a business easier. The licensees that helped test our new online reporting system liked it and said they looked forward to using it.

Please let us know if you have questions or problems with the new online activity reporting.

For questions, please contact:

- Cameron Baker at [Cameron.Baker@wsgc.wa.gov](mailto:Cameron.Baker@wsgc.wa.gov) or (360) 486-3476; or
- Ken DeKay at [Ken.Dekay@wsgc.wa.gov](mailto:Ken.Dekay@wsgc.wa.gov) or (360) 486-3477.



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Let us know what Tweets you would find useful!

# Is Counterfeit Currency Showing Up in Washington?

By: Special Agent Travis Vessey

The short answer is yes. Counterfeiting currency in the United States has been going on since the very beginning of the nation. Today modern counterfeiters are still having some success in the U.S. It is much faster and easier for counterfeiters to mass produce illegal currency today due to advanced technology. Nearly all counterfeit currency today uses some form of photochemical technology.

In 2010, we began taking a closer look at the flow of counterfeit currency into Tribal casinos, house-banked card rooms, and other licensed gambling facilities. Our research shows that many Tribal casinos and house-banked card rooms have counterfeit detection and reporting procedures in place to combat this crime. Gambling agents continue to distribute training material on the detection of counterfeit currency.

Over the last thirty years, counterfeit technology has evolved from the traditional offset printing press to color copy machines and now to the most modern day equipment, such as scanners, computers, and high quality inkjet printers.

The computer-generated counterfeiting industry has taken off because the equipment is readily available and the process can be performed by someone with a limited technological background.

Despite the use of modern technology, counterfeit currency is still detectable to the trained eye.

Today's counterfeit bills often appear with blurred resolution and can seem muddy and lifeless when compared to the crisp, precise, printing of genuine U.S. currency.



Counterfeiters also have yet to reproduce a convincing reproduction of the paper used for genuine currency. Counterfeit bills will often feel stiff and rigid compared to the softer paper used by the Federal Reserve. Some counterfeiters have found a way around this however, by bleaching genuine \$1 bills and reprinting them as counterfeit \$100 bank notes. A number of newer security features have been added to U.S. currency in recent years to make it harder to reproduce.

The most notable security features are the watermark portraits and authenticity strips that can only be seen when the bills are held up to a light. There are also specialized serial numbers and embedded blue and red fibers in modern currency that are difficult for counterfeiters to reproduce.

The United States Secret Service (USSS) is the primary investigative agency with the mission to safeguard payment and financial systems of the U.S., as well as enforcing the counterfeit statutes to preserve the integrity of U.S. currency, coin, and financial obligations.

The best casino practices for handling counterfeit currency is the use of the Counterfeit Note Reporting (CNR) procedures. If casinos have a suspect(s) with numerous bills on them when detained, the USSS would more than likely respond and interview the suspect(s) as this could indicate someone is close to the printer located where the counterfeit currency is coming from. Single bills will most likely be handled by local law enforcement.

#### Additional Resources:

- <http://en.wikipedia.org/wiki/counterfeiting>
- [http://www.associatedcontent.com/a\\_brief\\_history\\_of\\_counterfeiting\\_money](http://www.associatedcontent.com/a_brief_history_of_counterfeiting_money)
- <http://www.secretservice.gov>

## The Following Licensees *Successfully Passed Underage Gambling Inspections* October, November, and December 2011

### House-Banked Card Rooms

|                        |            |
|------------------------|------------|
| Cadillac Island Casino | Longview   |
| The Palace Casino      | LaCenter   |
| Caribbean Casino       | Kirkland   |
| Parkers                | Shoreline  |
| Silver Dollar Casino   | Renton     |
| Slo Pitch              | Bellingham |

### Punch Boards/Pull-Tabs

|                                |                 |
|--------------------------------|-----------------|
| Marcos Restaurant and Lounge   | Lynnwood        |
| Seattle Jr. Hockey Association | Mt Lake Terrace |
| Time Out                       | Federal Way     |
| Frankie's                      | Lacey           |

## Did you Know...

Did you know we are the second oldest gambling regulatory agency in the nation?

Did you know:

- We are responsible for licensing and regulating all authorized social gambling activities in Washington State, except for horse racing and the State Lottery.
- We investigate and control unauthorized and illegal gambling activities.
- We co-regulate Tribal gaming activities pursuant to agreements between the Tribes and State.

We accomplish these responsibilities through statewide regulation and enforcement programs in cooperation with other law enforcement agencies and Tribal authorities.

In 2011, while working to protect the public by ensuring that gambling is legal and honest we launched the following new online processes:

- Automated Clearing House or Online Checks for licensees as an additional online payment option.
- Non-profit Activity Reporting
- Card Room Employee Renewals
- Class III Employee Add/Transfer Employer

In 2011, we also:

- Conducted 4353 inspections of licensed organizations to ensure gambling is being operated in accordance with rules and laws.
- Completed 747 investigations, of those 400 were initiated by agency staff and 347 were the result of a complaint from the public. Of those cases 164 involved criminal violations, 583 involved administrative violations and we filed 60 criminal cases with prosecutors.
- Issued 3,535 new licenses.
- Renewed 12,919 licenses.
- Processed 22,007 criminal records checks.
- Discovered disqualifying or criminal history information leading to 330 applications being withdrawn, administrative closed, denied or revoked.

Speaking of disqualifying information and criminal history, have you ever wondered how criminal history affects someone's ability to get a gambling license? If so, click here for [Criminal History Frequently Asked Questions](#), which is posed on our website under Licensing.

## New Digital Surveillance Brochure

By: Special Agent Brian Lane

Before purchasing a new digital video recorder (DVR) or digital network video recorder (NVR), you should review all digital surveillance rules and our new digital surveillance [brochure](#) to help determine whether or not the equipment is capable of meeting all digital surveillance requirements.

Our Digital Surveillance Workgroup created a [brochure](#) to help card room operators and employees, and gambling service suppliers who work with digital surveillance systems better understand requirements for installing and reviewing new digital surveillance systems.



The brochure covers some basic system security requirements. For example:

- Digital surveillance files must be stored in a digital file format on a hard drive that can be easily accessed, manipulated, copied, and transported outside of the surveillance room;
- A closed circuit television system (CCTV) is a closed system which means the live signals are not publicly distributed or accessible (no wireless or Internet viewing);
- System operators must maintain tight security protocols to prevent possible corruption and/or loss of original recorded data. To help accomplish this, you must appoint a system administrator responsible for the overall maintenance and security of the digital CCTV system; and
- Each surveillance observer must have a unique login password with restricted access to system functions.

Other requirements are also outlined in the brochure.

For example:

- Maintaining original file formats that can be verified;
- Recording and displaying dates and times; and
- Minimum speed (frames per second) and resolution for recording and displaying images.

Remember, we don't pre-approve digital surveillance systems. Each system is approved based on each facility's installation.

Please contact your local gambling agent to discuss questions concerning digital surveillance.

The new Digital Surveillance brochure is posted on our website under [Publications/Brochures](#).

## 2012 Legislative Summary Continued

(Continued from page 1)

**The following three bills also passed and will become effective June 8, 2012:**

- **Raffles**

SB 6465 (Prime Sponsor: Senator Holmquist-Newbry)

This new law deals with “members only” raffles. Currently, charitable/nonprofit organizations can conduct unlicensed “members only” raffles, where liquor can be given away as a prize.



Unlicensed raffles cannot exceed \$5,000 in yearly gross revenues. This law allows “members only” raffles to exceed \$5,000 if the organization obtains a raffle license.

- **Filing Business Forms Electronically**

SB 6354 (Prime Sponsor: Senator Rolfes)

This law requires that state agencies that require a business to complete a document, form, or payment of fee in paper format provide the business with an option to complete such materials electronically.

The director or the director’s designee may exempt a document if there is a legal requirement for materials to be completed in paper format or it is not feasible for the materials to be completed electronically.

- **State Agencies Working with Tribal Governments**

SB 6175 (Prime Sponsor: Senator Pridemore)

This new law codifies practices the Gambling Commission has had for several years. The Commissioners voted to support the bill at their January meeting.

The law requires agencies to make reasonable efforts to collaborate with Indian Tribes in the development of policies, agreements, and program implementation that directly affect Indian Tribes and develop a consultation process.

It also requires agencies to designate a tribal liaison and ensure the Director and tribal liaison receive certain training.

Last, it requires agencies to make an annual report to the Governor on their activities.

### Other Bills

The following bills to allow machine gaming and consolidating the Gambling Commission and other agencies appear “dead” and not likely to be considered during the special session. None of these bills were scheduled for a hearing during the regular session.

- HB 2686 (Prime Sponsor: Representative Alexander, ex officio member of the Commission) - Consolidating the Gambling Commission, Horse Racing Commission, Lottery Commission, and Liquor Control Board.
- SB 6554 (Prime Sponsor: Senator Kastama) - Consolidating the Liquor Control Board into the Gambling Commission.
- HB 2786 (Prime Sponsor: Representative Alexander, ex officio member of the Commission)/SB 6601 (Prime Sponsor: Senator Delvin, ex officio member of the Commission) - Concerning the authorization and regulation of electronic scratch ticket machines for house-banked card room establishments and providing funding for education, health and human services, and public safety. (Introduced in the 2012 session).
- HB 2044 (Prime Sponsor: Representative Taylor)/SB 5918 (Prime Sponsor: Senator Delvin, ex officio member of the Commission) - Concerning equity and fairness through the creation and regulation of electronic scratch ticket machines for nontribal gambling establishments. (Introduced in the 2011 session).

The four machine bills are very similar and would allow house-banked card rooms (HBCR) to operate the same machines the Tribes have. The bills would authorize HBCR operating at least five card games to operate a total of 7,875 machines (no more than 200 machines per HBCR).

If you'd like to read more about these bills, they are easy to access on the legislative home page at <http://apps.leg.wa.gov/billinfo> just put in the 4 digit number.

If you have questions, please contact Amy B. Hunter, Legislative Liaison, at (360) 486-3463 or by e-mail at [Amy.Hunter@wsgc.wa.gov](mailto:Amy.Hunter@wsgc.wa.gov).

## Recently Adopted Rule Change

- **Raffle Yearly Prize Limit Increased**

Effective March 17, 2012

Administrative Order #677

WAC 230-11-065 Raffle prizes.

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

A petition from 50/50 Central, formerly licensed as a manufacturer, requesting that the yearly raffle prize limit be increased from \$80,000 to \$300,000 before Commission approval is required was approved. The \$80,000 limit has been in place since 1983.

See page 11 for the full text of this rule change.



## Petition from the Public Placed on Hold

- **Electronic Raffle Systems**

New Sections:

WAC 230-11-200 Defining “electronic raffle system.”

WAC 230-11-205 Operating requirements for electronic raffle systems.

WAC 230-11-210 Leasing electronic raffle systems.

WAC 230-16-152 Remote access of electronic raffle systems.

A petition from 50/50 Central, formerly licensed as a manufacturer, requesting approval for raffle tickets to be sold using electronic raffle systems was filed for discussion at the November 2011 Commission meeting and discussed at the January 2012 Commission meeting.

At their February 2012 meeting, the Commissioners voted to place the petition on hold until a manufacturer is licensed to offer the electronic raffle systems in Washington State.

## Petitions from the Public Denied

- **Connecting “Envy” and “Share the Wealth” “Bonus Features” at a House-Banked Card Room**  
WAC 230-15-040 Requirements for authorized card games.

A petition from Rockland Ridge, a licensed gambling service supplier, and Galaxy Gaming, a licensed manufacturer, requesting to connect “envy” and “share the wealth” “bonus features” between different card games and different tables within a house-banked card room was filed for discussion at the November 2011 Commission meeting and discussed at the January 2012 Commission meeting.

At their February 2012 meeting, the Commissioners denied the petition due to regulatory concerns.

- **Displaying Pull-Tab Merchandise Prizes**  
WAC 230-14-095 Displaying prizes.

At the March 2012 Commission meeting, a petition from Pat Tompkins, a licensed service supplier, requesting that pull-tab merchandise prizes no longer be displayed due to theft and security concerns was up for possible filing. Mr. Tompkins’ concern was primarily about small electronic devices. At the meeting, the Commissioners did not make a motion to file the petition; this means the petition was denied.

At the meeting, the Commissioners stated they had concerns the proposed language may conflict with state law and asked staff to work with Mr. Tompkins to develop alternative language that would not conflict with state law.

- **On-Duty Card Room Employees Collecting Player-Supported Jackpot Prizes**

WAC 230-15-410 Owners, prize fund custodians, and card room employees participating in player-supported jackpots.

At the March 2012 Commission meeting, a petition from Cory Thompson, a licensed card room employee and licensed gambling service supplier, and Brian Keller, formerly a licensed card room employee, requesting that on-duty card room employees be allowed to collect player-supported jackpots (PSJ) was up for possible filing.

At the meeting, the Commissioners stated they had concerns about on-duty card room employees winning PSJs. The Commission denied a similar petition in 2006.

## Petitions from the Public Up for Discussion and Possible Filing April 2012 Commission Meeting

- **Carryover Pots for House-Banked Card Games**  
WAC 230-15-040 Requirements for authorized card games.

ShuffleMaster, a licensed manufacturer, is requesting authorization to offer carryover pots for house-banked card games.

Currently, a player's win or loss must be determined during a single card game and pots cannot be carried over. The petitioner is requesting to carryover pots for up to ten games.

- **Connecting "Envy" and "Share the Wealth" "Bonus Features" at a House-Banked Card Room**  
WAC 230-15-040 Requirements for authorized card games.

Rockland Ridge, a licensed gambling service supplier, and Galaxy Gaming, a licensed manufacturer, have submitted a new petition requesting to connect "envy" and "share the wealth" "bonus features" between different card games and different tables at a house-banked card room.

A similar petition was denied at the February 2012 meeting. The petitioners have revised proposed language in the rule and resubmitted their request.

## Washington State Gambling Commission 2012 Commission Meeting Schedule

Find the most up-to-date 2012 meeting schedule on our website under public meetings.

**April 12 (One Day- Thursday)**  
**Comfort Inn Conference Center**  
1620 74th Avenue SW  
Tumwater, WA 98501  
(360) 352-0691

**May 10 & 11**  
**Ramada at the Airport**  
8909 Airport Road  
Spokane, WA 99219  
(509) 838-5211

**June NO MEETING**

**July 12 & 13**  
**DoubleTree Guest Suites – Southcenter** (*tentative*)  
16500 Southcenter Parkway  
Seattle, WA 98188  
(206) 575-8220

**August 9 & 10**  
**Vancouver Heathman Lodge** (*tentative*)  
7801 NE Greenwood Drive  
Vancouver, WA 98662  
(360) 254-3100

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## Tell Us!

The Commissioners want to know if you support or oppose proposed rule changes. If you can't attend a public meeting, please send your comments to:

Washington State Gambling Commission  
Attention: Rules Coordinator  
P.O. Box 42400, Olympia, WA 98504  
E-mail: [RulesTeam@wsgc.wa.gov](mailto:RulesTeam@wsgc.wa.gov)

For details about proposed rule changes, visit our website at [www.wsgc.wa.gov](http://www.wsgc.wa.gov) and select Public Meetings. Meeting agendas are posted about ten days before each meeting.

Sign-up to get an e-mail notification when Commission meeting agendas are posted on our website; Select the Public Meetings tab, then choose "sign up to receive notice of when meeting agendas are posted."

## 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 field agent to a licensee at the time of the violation. The written notice outlines the violation and how to correct it. Fines range between \$200 and \$500.

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

### Following are NOVAS Issued During October, November, and December 2011

#### ORGANIZATIONS

##### Failure to timely submit activity report

|                               |              |
|-------------------------------|--------------|
| El Nopal Mexican Restaurant   | Ferndale     |
| Kelly's Restaurant and Lounge | Newport      |
| LOOM 00493                    | Bellingham   |
| Silver Lake Lounge            | Medical Lake |

##### Failure to maintain required records

|                    |           |
|--------------------|-----------|
| Magic Distributing | Arlington |
|--------------------|-----------|

##### Failure to renew license in a timely manner

|             |          |
|-------------|----------|
| Sunset Café | Cle Elum |
|-------------|----------|

#### HOUSE-BANKED CARD ROOMS

##### Allowed a minor to gamble

|              |           |
|--------------|-----------|
| Aces Casino  | Arlington |
| Royal Casino | Everett   |

##### House-Banked card game operational violation

|  |         |
|--|---------|
| Roman Casino                             | Seattle |
| Roman Casino (2 <sup>nd</sup> violation) | Seattle |

##### Allowed a Card Room Employee to work without a current license

|                       |      |
|-----------------------|------|
| Great American Casino | Kent |
|-----------------------|------|

##### Failure to follow internal controls regarding player-supported jackpot

|                        |         |
|------------------------|---------|
| Lilac Lanes and Casino | Spokane |
|------------------------|---------|

#### CARD ROOM EMPLOYEES

##### Allowed a minor to gamble

|                  |                        |
|------------------|------------------------|
| Jarad S Robinson | Aces Casino, Arlington |
|------------------|------------------------|

##### Working without a current license

|               |                          |
|---------------|--------------------------|
| Jacob A Gefre | Casino Caribbean, Yakima |
|---------------|--------------------------|

##### Making false entries or statements on a Card Room Employee renewal application

|             |  |
|-------------|--|
| Guang H Pan | Casino Caribbean, Kirkland<br>Great American Casino, Tukwila |
|-------------|--|

## Administrative Case Update

A Statement of Administrative Charges or Order of Summary Suspension was issued to the following licensees.

| Name  | Violation  | Case Outcome   |
|---|--|--|
| Julio Alberto, of Federal Way, Class III employee, (formerly employed by the Muckleshoot Tribe)   | <ul style="list-style-type: none"> <li>• Fraudulent Comps.</li> </ul>                                  | <ul style="list-style-type: none"> <li>• The Class III employee requested a hearing.</li> <li>• A prehearing conference was held November 17, 2011.</li> <li>• Prior to hearing, Mr. Alberto surrendered his certification.</li> </ul>   |
| Chaplin & Friends Bar & Grill, d/b/a Aces Sports Bar and Casino, Spokane                          | <ul style="list-style-type: none"> <li>• Underage Gambling.</li> </ul>                                 | <ul style="list-style-type: none"> <li>• The licensee requested a hearing.</li> <li>• Prior to hearing, the licensee agreed to a five-day suspension, with four days deferred for one year, and one day served.</li> </ul>   |
| Drift on Inn Roadhouse Casino, Shoreline  | <ul style="list-style-type: none"> <li>• Undisclosed loans and internal control violations.</li> </ul> | <ul style="list-style-type: none"> <li>• The licensee requested a hearing.</li> <li>• Prior to hearing, the licensee agreed to surrender its licenses.</li> </ul>  |
| Jaymee M. Mitchell, of Renton, Card Room Employee (CRE), (formerly employed by Red Dragon Casino) | <ul style="list-style-type: none"> <li>• Criminal History.</li> </ul>                                  | <ul style="list-style-type: none"> <li>• An administrative hearing was scheduled for December 21, 2011.</li> <li>• Prior to the hearing, Ms. Mitchell surrendered her license.</li> </ul>  |
| Dustin Hamilton, of Kennewick, CRE, (formerly employed by the Crazy Moose Casino)                 | <ul style="list-style-type: none"> <li>• Pending Criminal History.</li> </ul>                          | <ul style="list-style-type: none"> <li>• The licensee requested a stay hearing and an administrative hearing.</li> <li>• The stay hearing was held October 11, 2011; the Administrative Law Judge (ALJ) denied the request of stay.</li> <li>• An administrative hearing was held November 21, 2011.</li> <li>• On December 6, 2011, the ALJ issued an Initial Order revoking Mr. Hamilton's license.</li> </ul> |
| Ha T. Nguyen, of Seattle, CRE, (formerly employed by Wizards Casino)                              | <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.</li> <li>• The Commissioners entered a Default Order revoking his license.</li> </ul>  |
| Troy O. Swinton, of Lynnwood, Class III employee, (formerly employed by the Tulalip Tribe)        | <ul style="list-style-type: none"> <li>• Theft.</li> </ul>   | <ul style="list-style-type: none"> <li>• The Class III employee failed to timely request a hearing.</li> <li>• The Commissioners entered a Default Order revoking his certification.</li> </ul>  |
| Jet Bar & Grill, Mill Creek   | <ul style="list-style-type: none"> <li>• Criminal history of a substantial interest holder.</li> </ul> | <ul style="list-style-type: none"> <li>• An administrative hearing was held September 20, 2011.</li> <li>• On October 27, 2011, the ALJ issued an Initial Order revoking the license.</li> <li>• The licensee filed a Petition for Review.</li> <li>• The Commissioners upheld the ALJ's Initial Order.</li> </ul>   |
| Shantai Martinez, of Zillah, Class III employee, (formerly employed by Yakama Nation)             | <ul style="list-style-type: none"> <li>• Pending Criminal Charges.</li> </ul>                          | <ul style="list-style-type: none"> <li>• The Class III Employee failed to timely request a hearing.</li> <li>• The Commissioners entered a Default Order revoking her certification.</li> </ul>  |
| Prospector's Steak & Ale, Gold Bar  | <ul style="list-style-type: none"> <li>• Late Quarterly Activity Reports.</li> </ul>                   | <ul style="list-style-type: none"> <li>• The licensee failed to timely request a hearing.</li> <li>• The Commissioners entered a Default Order revoking the licenses.</li> <li>• The licensee filed a Motion to Vacate the Default Order.</li> <li>• The Commissioners denied the Motion to Vacate and revoked the licenses.</li> </ul>  |

## Administrative Case Update

A Statement of Administrative Charges or Order of Summary Suspension was issued to the following licensees.

| Name  | Violation  | Case Outcome   |
|---|--|--|
| Splits, Kelso   | <ul style="list-style-type: none"> <li>Late Quarterly Activity Reports</li> </ul>                    | <ul style="list-style-type: none"> <li>The licensee failed to timely request a hearing.</li> <li>The Commissioners entered a Default Order for a 30-day suspension.</li> </ul>   |
| Vanna Tiv, of Burien, CRE, (formerly employed by Magic Lanes Restaurant and Roxy's Bar & Grill)         | <ul style="list-style-type: none"> <li>Criminal Charges.</li> </ul>                                  | <ul style="list-style-type: none"> <li>The licensee failed to timely request a hearing.</li> <li>The Commissioners entered a Default Order revoking her license.</li> </ul>  |
| Xuanhuy K. Vo, of Everett, CRE, (formerly employed by Great American Casino/Everett)                    | <ul style="list-style-type: none"> <li>Pending Criminal Charges.</li> </ul>                          | <ul style="list-style-type: none"> <li>The licensee requested a stay hearing and an administrative hearing.</li> <li>The stay hearing was held February 21, 2012.</li> <li>Prior to the administrative hearing, an Order for Dismissal was entered for all pending criminal charges against the licensee.</li> <li>The ALJ issued an Order Dismissing Summary Suspension without Prejudice.</li> </ul>   |
| William R. Wagner, of Kennewick, CRE, (formerly employed by Coyote Bob's Casino and Crazy Moose Casino) | <ul style="list-style-type: none"> <li>Pending Criminal Charges.</li> </ul>                          | <ul style="list-style-type: none"> <li>The licensee requested a stay hearing and an administrative hearing.</li> <li>The stay hearing was held September 9, 2011; the ALJ denied the request to stay the Summary Suspension.</li> <li>A prehearing conference was held November 8, 2011.</li> <li>An administrative hearing was scheduled for February 13, 2012.</li> <li>Prior to the hearing, the licensee agreed to surrender his license.</li> </ul> |
| Roman Casino, Unincorporated King County  | <ul style="list-style-type: none"> <li>Progressive Jackpot Violations.</li> </ul>                    | <ul style="list-style-type: none"> <li>The licensee agreed to a ten-day suspension, with nine days deferred for one year, and one day vacated by payment of fines and costs totaling \$10,846.</li> </ul>  |
| Arik Goldsmit, of Vancouver, CRE, (formerly employed by Cadillac Island Casino)                         | <ul style="list-style-type: none"> <li>Theft.</li> </ul>   | <ul style="list-style-type: none"> <li>The licensee requested a hearing.</li> <li>Prior to the hearing, the licensee agreed to surrender his license.</li> </ul>   |
| Jay S. Hines, of Olympia, Service Supplier Representative (employed by Southwest Surveillance Systems)  | <ul style="list-style-type: none"> <li>Fines and Fees.</li> <li>Failures to Appear.</li> </ul>       | <ul style="list-style-type: none"> <li>The licensee requested a hearing.</li> <li>Prior to the hearing, the licensee made a substantial payment towards his fines and fees. The licensee also agreed to a ten-day suspension, with three days deferred, and seven days served.</li> </ul>  |
| Jack's Pub & Grill, Renton, Applicant   | <ul style="list-style-type: none"> <li>Criminal history of a substantial interest holder.</li> </ul> | <ul style="list-style-type: none"> <li>The applicant requested a hearing.</li> <li>Prior to the hearing, the applicant agreed to modify its ownership structure and divest the unqualified substantial interest holder.</li> </ul>   |

## AMENDATORY SECTION

## WAC 230-11-065 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,~~) or three hundred thousand dollars in total raffle prizes in a license year, except as authorized in WAC 230-11-067.

## AMENDATORY SECTION

WAC 230-11-067 Requesting commission approval prior to ~~((offer))~~ offering raffle prizes exceeding forty thousand dollars per prize or ~~((eighty))~~ three hundred thousand dollars ~~((annually))~~ in a license year.

- (1) The commissioners may vote to approve a licensee to exceed raffle prize limits ~~((on specific occasions))~~ if a licensee shows good cause in writing.
- (2) Prior to offering raffle prizes that exceed forty thousand dollars per prize, the licensee must submit a raffle plan to us that includes at least the following information:
  - ~~((1))~~ (a) The organization's goals for conducting the raffle; and
  - ~~((2))~~ (b) A brief overview of the licensee's mission and vision including the type of programs supported by the licensee and clients served; and
  - ~~((3))~~ (c) Specific details of the raffle rules including:
    - ~~((a))~~ (i) Date of the drawing; and
    - ~~((b))~~ (ii) Cost of raffle tickets; and
    - ~~((c))~~ (iii) Prizes available; and
    - ~~((d))~~ (iv) Security of prizes; and
    - ~~((e))~~ (v) Plans for selling raffle tickets; and
    - ~~((f))~~ (vi) Description of how the licensee protects the integrity of the raffle; and
  - ~~((4))~~ (d) An explanation of how the proceeds from the raffle will be used; and
  - ~~((5))~~ (e) A plan to protect the licensee in the event of low ticket sales and other risks; and
  - ~~((6))~~ (f) An explanation of how the licensee will purchase the prize(s) for the raffle; and
  - ~~((7))~~ (g) A projected budget including:
    - ~~((a))~~ (i) Estimated gross gambling receipts, expenses, and net income for the raffle; and
    - ~~((b))~~ (ii) Minimum number of projected ticket sales to break even; and
    - ~~((c))~~ (iii) Corresponding sales and prize levels with projected revenues and expenses for each level; and
    - ~~((d))~~ (iv) Minimum and maximum prizes available; and
    - ~~((e))~~ (h) Any other information that we request or any information the licensee wishes to submit.
- (3) Prior to offering raffle prizes that exceed three hundred thousand dollars in a license year, the licensee must submit a raffle plan that includes:
  - (a) The organization's goals for conducting raffles; and
  - (b) A brief overview of the licensee's mission and vision including the type of programs supported by the licensee and clients served; and
  - (c) Plans for selling raffle tickets; and
  - (d) Brief overview of prizes awarded; and
  - (e) Estimated gross gambling receipts, expenses, and net income for the raffles; and
  - (f) Any other information that we request or any information the licensee wishes to submit.

**Washington State Gambling Commission**

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

|           |                |           |                |
|-----------|----------------|-----------|----------------|
| Everett   | (425) 304-6300 | Tacoma    | (253) 671-6280 |
| Kennewick | (509) 734-7412 | Vancouver | (360) 576-6012 |
| Renton    | (425) 277-7022 | Wenatchee | (509) 663-9660 |
| Spokane   | (509) 325-7900 | Yakima    | (509) 728-2087 |

**Headquarters – Lacey**  
**Toll-free in-state (800) 345-2529 (360) 486-3440 TDD: (360) 486-3637**

| <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.**