

Washington State Gambling Commission

Strategic Plan



2011-2015



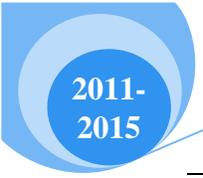
***Washington State
Gambling Commission***

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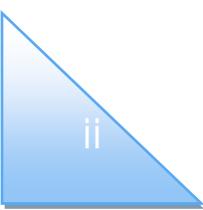
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"Planning for the future helps to ensure we take the time to consider each other's opinions, identify priorities, and move forward with a shared direction."



Director Rick Day

INTRODUCTION

MESSAGE FROM DIRECTOR RICK DAY...

Planning for the future helps to ensure we take the time to consider each other's opinions, identify priorities, and move forward with a shared direction. Developing a strategic plan provides the agency:

- a process by which we assess what we are about;
- a process by which we assess what we do; and
- a method to document and implement the results of that assessment.

We continue to use a planning process that offers staff and interested parties an opportunity to directly contribute to our future direction. Our strategic plan is designed to be a document that speaks plainly, means something to all of us, is flexible, and guides our decision making in the future.

Our strategic plan relies on goals and strategies implemented by actions or projects designed to help us accomplish our mission, vision, and values. Our actions define the kind of agency we work for and dictate our future success. As a result, the agency's priority projects include:

- Enhancing computer forensics;
- Implementing and completing a gambling crimes education and awareness program;
- Enhancing criminal investigations and intelligence gathering;
- Assessing the feasibility of and changing the license fee structure to identify a structure that more fairly distributes the burden on all licensees;
- Implementing Performance Management Confirmation (PMC) to strengthen our performance-based culture through improved evaluation and reward systems;
- Implementing a PC based learning system;
- Implementing online renewals; and
- Evaluating and identifying changes to the Tribal Regulatory Billing System through analysis and discussion with tribes.

The projects reinforce the need to use resources wisely by evaluating our processes and identifying improvements to increase our efficiency and effectiveness. This plan includes the message that, although we intend to follow through with legislative direction to strictly regulate and control gambling in Washington, we also plan to scrutinize our processes and rules to ensure they have value and don't place unnecessary burdens on business or tribal communities.



Teams are part of the daily activities of this agency and will continue to play a role in our future. Many of the agency's priority projects rely on teams to develop and, in some cases, even implement new solutions. Teams often challenge us to step outside our individual comfort zone and work together. Our experience has proven that we always arrive at a better solution or with a better product when we work together.

The planning process continues to require us to re-examine how we measure success. We have developed some indicators that may help us monitor progress toward each agency goal. In addition, the process has resulted in a longer-term effort to find credible ways to measure our progress.

Now that we have updated our strategic plan, the more challenging part lays before us. Strategic plans look good on paper and they fill a state budgeting requirement, but they often fall victim to neglect or to the constant pressure on public agencies to react, instead of maintaining a steady course. The job of staying the course falls directly on agency leadership. However, we have asked the dedicated members of our Strategic Planning Team to help us monitor progress, hold us accountable for the actions outlined in the plan, and propose modifications and new measurements as we move forward into the future.

Agency leadership is also taking on the challenge of ensuring that the strategic plan connects with each employee. Particularly, those who play a role in the success of our projects need to be aware of how we measure progress and how their work helps accomplish agency goals.

The agency's future is largely dependent on the quality of our employees. We are fortunate to have a skilled and experienced work force dedicated to ensuring that gambling is legal and honest in Washington.



"Teams are part of the daily activities of this agency and will continue to play a role in our future."



"Protect the public by ensuring that gambling is legal and honest."



MISSION, VISION, VALUES & GOALS

MISSION

Protect the public by ensuring that gambling is legal and honest.

VISION

We will maintain public confidence by:

- 2 Conducting a fair and effective gambling regulatory and enforcement program
- 2 Investigating illegal activities
- 2 Building positive partnerships and relationships
- 2 Providing a workplace that allows employees to excel at their jobs
- 2 Anticipating and responding to the evolving gambling industry

VALUES

We value integrity, professionalism, respect, and diversity.

GOALS

- 2 Detect and remove the criminal element from gambling
- 2 Maintain a regulatory environment that promotes compliance
- 2 Develop, retain, and value our employees
- 2 Provide accurate and timely information to the legislature, public, and other stakeholders
- 2 Pursue improvements and innovations in agency programs and processes

STATUTORY AUTHORITY

RCW 9.46.040 establishes the Washington State Gambling Commission, which consists of five members whom the Governor appoints with the consent of the Senate. The law also requires four ex officio members from the Legislature serve on the Commission: Two members of the Senate, one from each party; and two members of the House of Representatives, one from each party. The ex officio members are non-voting members, except for the purposes of approving tribal/state compacts (RCW 9.46.360).

RCW 9.46.080 states that the Commission must employ a full time Director, who is responsible for carrying out the purposes and provisions of the Gambling Act.

The Commission is a law enforcement agency with the power to investigate violations of the Gambling Act (RCW 9.46.210).

The Commission must put all revenues received into the gambling revolving fund and must pay all expenditures from the fund. The Commission is a non-appropriated agency. The Commission must authorize all disbursements from the gambling revolving fund (RCW 9.46.100).

Among its various powers and duties set forth in RCW 9.46.070, the Commission is authorized to issue licenses to bona fide charitable or nonprofit organizations, commercial stimulant businesses, and to individuals. In addition, the Commission is authorized to issue licenses to manufacturers, suppliers, or distributors of devices used in connection with gambling activities.

The Commission is required to establish fees that are adequate to cover all costs incurred by the Commission.

Commission Ex Officio members



*Senator
Jerome Delvin*



*Senator
Margarita Prentice*



*Representative
Gary Alexander*



*Representative
Geoff Simpson*

"The public policy of the state of Washington on gambling is to keep the criminal element out of gambling ..."

RCW 9.46.010



Commissioners



Mike Amos



John Ellis



Michael Reichert



Rebecca Roe



Keven Rojecki



AGENCY OVERVIEW

Commission – Five member citizens’ commission appointed by the Governor and four ex officio members from the Legislature.

Director’s Office – Administration for the Commission to carry out its powers and duties, including tribal compact negotiations.

The Washington State Gambling Commission is comprised of the following divisions:

Business Operations – Performs fiscal planning and budgeting, accounting, contracting, purchasing, vehicle fleet operations, payroll and employee benefits, and facilities management along with processing ID stamps.

Human Resources and Training – Provides comprehensive services in recruitment, hiring, agency training and development, employee accountability, firearms and use of force training, safety, classification, and compensation. Administers employee programs that include performance management, affirmative action, staff recognition, Americans with Disabilities Act (ADA), Family and Medical Leave Act (FMLA), and Fair Labor Standards Act (FLSA).

Information Technology – Provides agency-wide information technology support. Maintains mission essential databases, websites, computer and telecommunications systems, and network infrastructure.

Communications and Legal – Initiates and resolves administrative cases against applicants/licensees, provides legal guidance to teams and staff, and processes all rule changes. Responsible for agency’s media, communications, and legislative programs.

Legal – Reviews case reports submitted by special agents and initiates administrative action for noncompliance of laws and rules.

Communications – Creates two licensee newsletters (six issues each year), a weekly internal newsletter, and brochures. Responds to questions from the media and general public.

Rules Coordination – Coordinates changes to gambling rules and notifies stakeholders of proposed rule changes in cooperation with the agency Rules Team.

Legislation – Coordinates the agency Legislative Team, responds to questions from legislators, and publishes the legislative newsletter (two per year).

Licensing Operations – Administers the agency’s public disclosure and the approval process that requires all individuals and businesses apply for and obtain a license before engaging in a gambling activity. The process generates the funds necessary to cover costs of licensing and enforcement.

Licensing – Conducts pre-licensing reviews and processes initial, renewal, change applications, and changes to licensing records; maintains licensee records, updates agency forms, and issues gambling licenses to successful applicants.

Public Disclosure – Identifies and authorizes release of information associated with public records requests.

Investigations – Conducts pre-licensing financial investigations, financial reviews and source of funds investigations, criminal history investigations, post licensing investigations and charitable/nonprofit reviews and works in coordination with Tribal Gaming Agency licensing representatives.

Financial Reporting – Compiles and analyzes information from gambling activity reports. Prepares various reports for staff, management, the Legislature, and the public to inform them of gambling issues.

Field Operations – Regulates all non-tribal gambling activities by conducting inspections, reviews, and investigations.

Field Staff – Regulates licensed gambling and provides technical assistance to gambling operations, and works with numerous licensee groups and law enforcement agencies. Investigates criminal cases for the prosecution of illegal gambling activities and gambling related crimes.

Criminal Intelligence Unit – Collects, evaluates, collates, analyzes, and disseminates information on illegal gambling and other associated crimes. Responsible for computer forensic investigations and investigations of illegal internet gambling sites.

“The commission shall employ a full time director, who shall be the administrator for the commission in carrying out its powers and duties ... and shall supervise commission employees in carrying out the purposes and provisions of this chapter. In addition, the director shall employ a deputy director, not more than three assistant directors, together with such investigators and enforcement officers and such staff as the commission determines ...”

RCW 9.46.080





Tribal and Technical Gambling – Oversees Class III tribal gaming activities authorized in Tribal-State Compacts and reviews electronic equipment for compliance with Compacts and state rules and regulations.

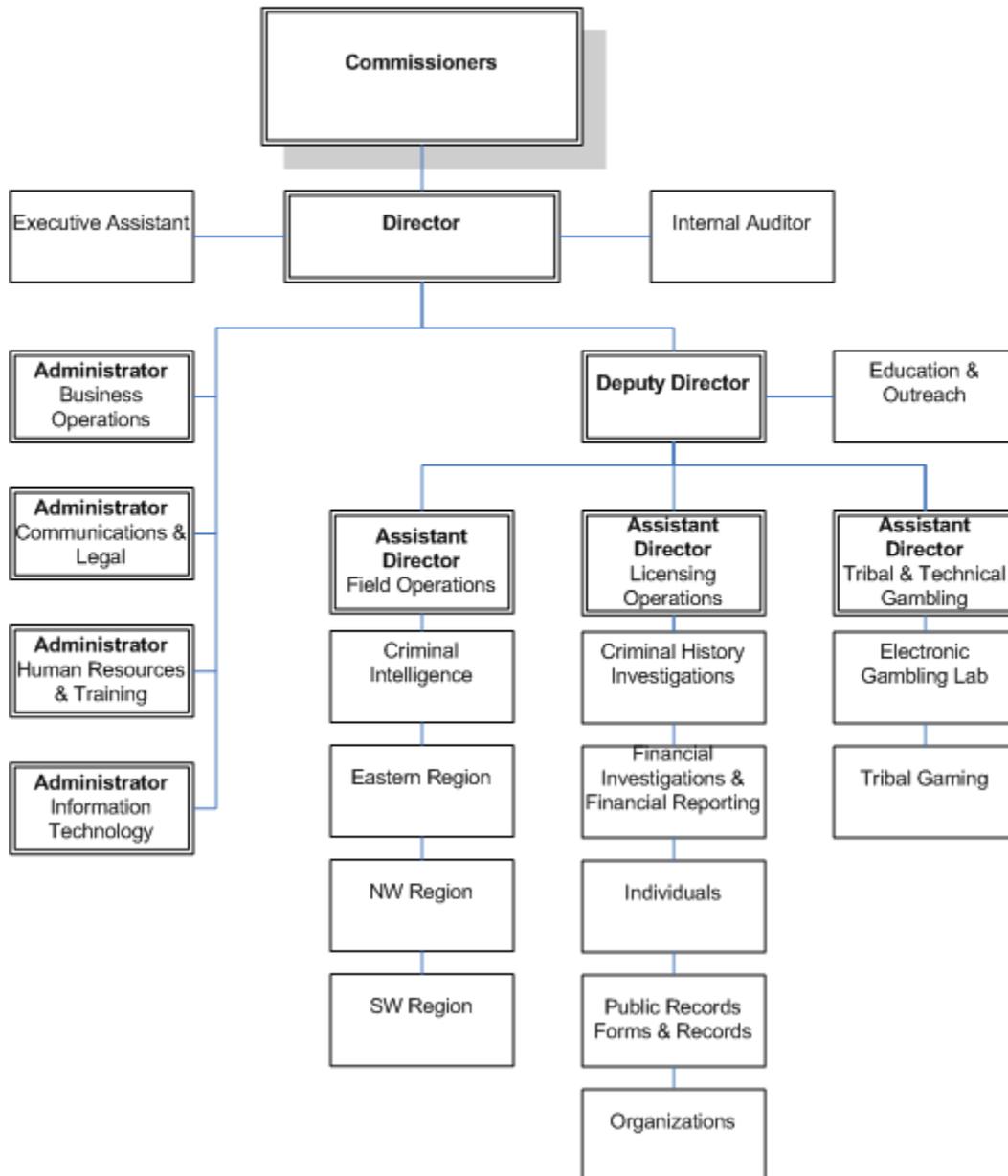
Tribal Gaming Unit – Works cooperatively with each tribe’s Tribal Gaming Agency to monitor Class III (Nevada/casino style) tribal gaming activities and ensure compact compliance. Provides gambling oversight training to regulators from within the state and across the country.

Electronic Gambling Lab – Tests electronic gambling equipment for compliance and integrity.



ORGANIZATIONAL CHART

Washington State Gambling Commission





WSGC HQ's

OFFICE LOCATIONS

<u>Lacey Headquarters</u>	
<u>Mailing Address</u>	<u>Physical Address*</u>
P.O. Box 42400 Olympia, WA 98504-2400	4565 7 th Avenue, S.E. Lacey, WA 98503
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<u>Web Page</u> www.wsgc.wa.gov	
<u>Field Offices</u>	
<u>Spokane</u> N. 901 Monroe, Room 240 Spokane, WA 99201 (509) 325-7900	<u>Yakima</u> 1703 Creekside Loop, Suite 120 Yakima, WA 98902 FAX (509) 575-2755
<u>Everett</u> 3501 Colby Avenue, Suite 102 Everett, WA 98201 (425) 304-6300	<u>Renton</u> 451 Southwest 10 th Street Plaza 451 Building, Suite 218 Renton, WA 98055 FAX (425) 277-7021
<u>Tacoma</u> 4301 Pine Street, Number 307 Tacoma, WA 98409-7206 (253) 671-6280	<u>Wenatchee</u> PO Box 2067 Wenatchee, WA 98807

*Physical address does not receive US Postal Service items. Use physical address only for delivery services that require the physical address such as Federal Express, UPS, etc.



HISTORY

Gambling in Washington – The Early Years

- 1889 Constitution prohibits all lotteries.
- 1933 Pari-mutuel betting on horse races authorized.
- 1937 Slot machines allowed for private clubs only.
- 1952 Washington State Supreme Court ruled the 1937 law allowing slot machines unconstitutional.
- 1950's & 60's Illegal gambling took place in various parts of the state, payoffs to police and government officials alleged in some jurisdictions. Known as "Tolerance Policy" period.
- 1971 "Tolerance Policies" end with King County Grand Jury issuing 34 indictments against 51 police officers and public officials alleging payoffs related to gambling.
- 1972 Senate Joint Resolution approved by voters, allowing gambling activities by a 60% vote of the Legislature or voters.

The 1973 Legislature passed the Gambling Act (Chapter 9.46 RCW) and created the Washington State Gambling Commission as a law enforcement agency in response to the corruption of the tolerance years. They tasked the agency with the responsibility of regulating authorized gambling activities and controlling illegal gambling and related activities.

In 1992, the Legislature added the responsibility to negotiate tribal/state compacts for casino gambling activities and to implement the terms of such agreements reached with tribes.

After the Nevada Gambling Control Board, the Washington State Gambling Commission is the oldest gambling regulatory agency in the nation.

"The 1973 Legislature passed the Gambling Act (Chapter 9.46 RCW) and created the Washington State Gambling Commission."





Gambling Activities Authorized by Legislature/Congress after 1973

- 1973 Bingo, Punchboards and Pull Tabs, Raffles, and Amusement Games
- 1974 Social Card Games
- 1977 “Reno Nights” for nonprofits
- 1982 State Lottery implemented
- 1988 Indian Gaming Regulatory Act passed by Congress
- 1992 First compacted tribal casino opens
- 1997 House-banked card games for non-tribal card rooms
- 1999 Tribes begin operating Tribal Lottery System machines
- 2007 Cash-in Tribal Lottery System machines & wager limit increases approved



GOALS AND PROJECTS

Project	Priority *	Lead Division	Start Date	End Date
Goal 1: Detect and remove the criminal element from gambling				
1.1	Law Enforcement Accreditation	Important	FOD	7-2010 6-2012
1.2	Enhanced Computer Forensics	Essential	FOD	8-2009 8-2011
1.3	Gambling Crimes Education & Awareness Program	Essential	ADMIN	10-2009 10-2011
1.4	Enhance Criminal Investigations & Intelligence Gathering	Essential	FOD	12-2009 12-2011
Goal 2: Maintain a regulatory environment that promotes compliance				
2.1	Change of License Fee Structure	Essential	BOD	5-2009 7-2012
2.2	Evaluation of Service Supplier License	Important	LOD	4-2008 7-2012
2.3	Review of Manufacturer & Distributor Fees	Essential	LOD	4-2008 7-2012
Goal 3: Develop, retain and value our employees				
3.1	Performance Management Confirmation	Essential	HRTD	7-2008 4-2012
3.2	Online Agency Training	Essential	HRTD	10-2009 10-2011
3.3	Internship Program	Beneficial	HRTD	3-2009 12-2011
3.4	Agency Conference	Beneficial	ALT	6-2012 6-2013
3.5	Internal Communication Plan	Essential	ALT	11-2009 8-2010
Goal 4: Provide accurate and timely information to the legislature, public and other stakeholders				
4.1	Public Opinion Survey	Important	CLD	7-2011 1-2012
4.2	Online Activity Reporting	Essential	LOD	12-2010 12-2012
4.3	Email Retention, Management & Disclosure	Important	LOD	1-2011 12-2012
Goal 5: Pursue improvements and innovations in agency programs and processes				
5.1	Online Processes for Licensees	Essential	LOD	7-2010 12-2015
5.2	Automated Tribal Review Program	Important	TTGD	7-2010 12-2011
5.3	Case System Enhancements	Important	ITD	1-2010 12-2011
5.4	GIMS Enhancements	Beneficial	ITD	1-2010 12-2013
5.5	Review of Cost Reimbursement & Billings	Essential	BOD	1-2009 12-2013
5.6	Scanning Assessment	Beneficial	ITD	7-2013 6-2014

* Priority Definitions

Essential - Highest level of commitment (this may require current activities to be adjusted)

Important - Very important (must be considered against other ongoing activities)

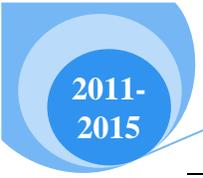
Beneficial - Only pursued if it doesn't infringe on higher-level priorities





PROJECT PROPOSALS





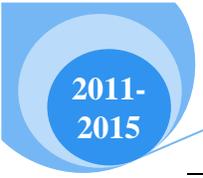
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“Detect and remove the criminal element from gambling.”

Projects for Goal 1
Detect and Remove the Criminal Element from Gambling





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“Accreditation is a dynamic process that provides the public, agency management, and staff a level of assurance that systems are in place to ensure the public’s business is being done properly. Accreditation symbolizes professionalism, excellence, and competence to other agencies, the public, and staff.”



Project: 1.1 Law Enforcement Accreditation

Priority: Important

Background: Accreditation is a dynamic process that provides the public, agency management, and staff a level of assurance that systems are in place to ensure the public’s business is being done properly. Accreditation symbolizes professionalism, excellence, and competence to other agencies, the public, and staff. The accreditation process mandates self-analysis and is reinforced by third party verification. We think we are the best; accreditation verifies and legitimizes the claim.

Solution: Seek accreditation by the Washington Association of Sheriffs and Police Chiefs (WASPC). Assign an Accreditation Officer, who will report to the Field Operations Division Assistant Director, to commence with the accreditation process.

Stakeholders: Licensees and general public

Lead Division(s): Field Operations Division

Participating Division(s): All Divisions/Units

Start Date: July 2010

Finish Date: June 2012

How Will You Measure Success?

- Become accredited by WASPC.

Who Is Responsible for Measuring Success?

- Agency Leadership Team

Project: 1.2 Enhanced Computer Forensics

Priority: Essential

Background: Past and current computer forensic work load is more than one computer forensics agent can handle. Other agency's computer forensic staff are also extremely backlogged and the work load is increasing. An additional computer forensics agent will help to reduce the agency's backlog and decrease the wait time for processing devices. It would also be beneficial to have one computer forensics agent on each side of the state so devices would not have to be sent across the state for processing.

Solution: Use Federal Forfeiture Funds to add a second computer forensics Special Agent position in western Washington to reduce the backlog, decrease the wait time to process the devices, and meet the need of having an expert on both sides of the state.

Stakeholders: Licensees and general public

Lead

Division(s): Field Operations and Criminal Intelligence Unit

Participating

Divisions(s): Field Operations and Criminal Intelligence Unit

Start Date: August 2009

Finish Date: August 2011

How Will You Measure Success?

- Decreased backlog and wait time for processing devices.

Who Is Responsible for Measuring Success?

- Field Operations Division





“Commission staff have often observed through day to day dealings with the public a general lack of awareness about what our agency does, which forms of gambling are allowed, and the risks of problem gambling.”



Project: 1.3 Gambling Crimes Education and Awareness

Priority: Essential

Background: Commission staff have often observed through day to day dealings with the public a general lack of awareness about what our agency does, which forms of gambling are allowed, and the risks of problem gambling. This lack of awareness was confirmed in a 2006 public opinion survey, in which fewer than 20 percent of those surveyed could identify the state agencies responsible for regulating common gambling activities, fewer than half knew that Internet gambling was not regulated, one quarter either stated they believed gambling in our state was not very or not at all honest or fair, and seven percent said they were concerned about the amount of time and money they were spending gambling.

Solution: The Gambling Crimes Education and Awareness Program was created in October, 2009 to make effective use of federal forfeiture funds to increase public awareness of: the history, mission, structure and duties of the Washington State Gambling Commission (WSGC); Washington’s gambling laws, including the new underage gambling statute; and the dangers of problem gambling. An additional goal of the program is to increase awareness of gambling crimes among prosecutors and law enforcement agencies in order to increase gambling crimes enforcement and prosecutions. Two special agents were appointed for a 1-2 year period to implement the program.

Stakeholders: Tribes, licensees, general public, law enforcement community, prosecutors, state Department of Social and Health Service/Division of Behavioral Health and Recovery (DSHS/DBHR), problem gambling educators and treatment providers such as the Evergreen Council on Problem Gambling and tribal problem gambling programs, Horse Racing and Lottery Commissions, and the WSGC commissioners and staff.

Lead Division(s): Administration

Participating Divisions(s): Field Operations Division, Tribal & Technical Gambling Division, other divisions as needed.

Start Date: October 2009

Finish Date: October 2011

How Will You Measure Success?

- Conducting at least 50 meetings with local law enforcement, prosecutors and other state and federal regulators to assess varying needs for gambling crimes education and awareness.
- Conducting at least 20 meetings with Tribes to assess varying needs for gambling crimes education and awareness.
- Consulting with the Recreational Gaming Association to assess varying needs for gambling crimes education and awareness.
- Attend at least four Gambling Commission study sessions to consult with licensees to assess varying needs for gambling crimes education and awareness.
- Coordinate at least 10 presentations with Evergreen Council on Problem Gambling.
- Publish a Gambling Crimes Guide.
- Measure the approximate number of citizens contacted through any of the following means: meetings, presentations, training sessions, advertisements, articles published, news stories, increased web traffic, literature distributed, and by increased referrals and/or reports of gambling violations, including requests for assistance by law enforcement.
- Measure the increase in information available to the public at the end of the program versus at the beginning.

Who Is Responsible for Measuring Success?

- Administration





“Additional agents will help reduce the number of cases waiting to have an investigation completed due to time and manpower constraints. It will help to facilitate the intelligence process in discovering illegal activities including money laundering, bookmaking, underage gambling, and the infiltration of organized criminal enterprises. It will also enhance the Agency’s capability to address these illegal activities, and inform the public.”



Project: 1.4 Enhance Criminal Investigations & Intelligence Gathering

Priority: Essential

Background: Past and current work load is currently more than Criminal Intelligence Unit (CIU) staff can reasonably handle within its current staffing level. Additional agents will help reduce the number of cases waiting to have an investigation completed due to time and manpower constraints. It will help to facilitate the intelligence process in discovering illegal activities including money laundering, bookmaking, underage gambling, and the infiltration of organized criminal enterprises. It will also enhance the Agency’s capability to address these illegal activities, and inform the public.

Solution: Use Federal Forfeiture Funds to add two Special Agent positions to CIU to reduce the backlog and help facilitate the intelligence process.

Stakeholders: Licensees and general public

Lead

Division(s): Field Operations and Criminal Intelligence Unit

Participating

Divisions(s): Field Operations and Criminal Intelligence Unit

Start Date: December 2009

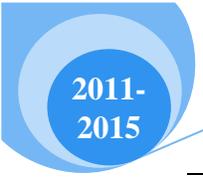
Finish Date: December 2011

How Will You Measure Success?

- Number of criminal cases referred to prosecutor or Assistant United States Attorney (AUSA).
- Number of cases referred for administrative actions.
- Percentage of Information Reports received that result in an investigation.

Who Is Responsible for Measuring Success?

- Field Operations Division



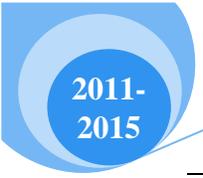
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“Maintain a regulatory environment that promotes compliance”

Projects for Goal 2
Maintain a Regulatory Environment that Promotes Compliance





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"A fee schedule will be developed that fairly distributes fees amongst activities based on factors such as risk and workload. A review and analysis will be conducted to determine what our regulatory and enforcement approach will be as an agency in the future."



Project: 2.1 Change of License Fee Structure

Priority: Essential

Background: The Gambling Commission's regulation and enforcement priorities have shifted often over thirty-five years due to changes in rules, statutes, and introduction of new gambling activities. However, the Gambling Commission's fee structure has remained largely unchanged since the agency's inception in 1974. Most organizational licenses are based on classes. These classes provide minimum and maximum gross receipts a licensee can make to be within a particular license class for that activity.

In addition, our regulatory and enforcement approach has varied significantly over the history of the agency, with no specific formal review on how the utilization of resources should change. For example, the Commission had moved in the late 1990's from a Field Operations' focus on large charitable/nonprofit bingo operations to house-banked card rooms. However, there was no formal documentation on specific resources needed for this operation and the costs surrounding the change in regulation.

As a result, the license class system has also resulted in a wide variance of how much different licensed activities and different classes within each activity pay in license fees in comparison to their net gambling receipts. For instance, commercial punch board/pull-tab licensees pay nearly 5% of their net in licensee fees; house-banked card rooms pay .75%; and manufacturers pay about .15% (of gross).

The Gambling Commission is the only state agency that has a system primarily based on license classes within activities and gross receipts. Most agencies have a flat fee for a license or a percentage fee or tax.

Solution: A fee schedule will be developed that fairly distributes fees amongst activities based on factors such as risk and workload. A review and analysis will be conducted to determine what our regulatory and enforcement approach will be as an agency in the future. Licensees should be involved in discussions to come up with final recommendations to the Commission.

Stakeholders: Agency Leadership Team, Licensing Operations Division, Business Operations Division, licensees

Lead

Division(s): Business Operations Division, Licensing Operations Division, Field Operations Division, and Tribal & Technical Gambling Division

Participating

Division(s): All Divisions/Units

Start Date: May 2009

Finish Date: July 2012

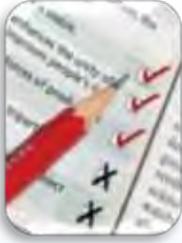
How Will You Measure Success?

- Number of stakeholder meetings.
- Licensee survey/questionnaire results.
- Percentage of license classes reduced.

Who Is Responsible for Measuring Success?

- Business Operations Division
- Agency Leadership Team





"Because of the many activities under the Service Supplier definition, ample regulation or consistent pre-licensing and post-licensing investigations is difficult."



Project: 2.2 Evaluation of Service Supplier License

Priority: Important

Background: We have 95 gambling Service Supplier Licensees or applicants. This license applicant category continues to increase and accounts for many diverse activities including at least:

- Onsite management of gambling activities;
- Consulting;
- Financing;
- Receiving income from the development of a game;
- Dealer school (training);
- Digital surveillance;
- Game endorsements/royalties;
- Leasing gambling equipment;
- Being a lending agent, loan servicer, or placement agent as defined in WAC 230-03-211; or
- Assembling components of gambling equipment

Because of the many activities under the Service Supplier definition, ample regulation or consistent pre-licensing and post-licensing investigations is difficult. License fees are not based on the number of different services provided or revenue levels of the Service Supplier.

- Solution:**
- 1) Examine the pre-licensing process and consider either separating the existing Service Supplier License into license classes based on revenue or add endorsements to the license for each service provided. Either one of these approaches would facilitate a licensing approach that considers assessing risk on the type of service provided and/or the amount of revenue generated by the licensee and not the license type.
 - 2) Examine the post-licensing function to determine if more on-site regulation is needed to determine continuing suitability.
 - 3) Examine the licensee fee structure.
 - 4) Consider implementing an activity reporting requirement.

Stakeholders: Licensing Operations Division, Field Operations Division, Business Operations Division, licensees, and applicants.

Lead**Division(s):** Licensing Operations Division**Participating****Division(s):** Business Operations Division, Field Operations Division, Tribal & Technical Gambling Division**Start Date:** April 2008**Finish Date:** July 2012**How Will You Measure Success?**

- Ease with which staff, licensees and the public can identify the gambling services provided by licensee.
- Increased on-site regulation or monitoring activities.
- Increased contact with applicants and licensees.

Who Is Responsible for Measuring Success?

- Licensing Operations Division





"The Gambling Commission's fee structure for manufacturers and distributors has remained unchanged since the agency's inception in 1974."



Project: 2.3 Review of Manufacturer and Distributor Fees

Priority: Essential

Background: The Gambling Commission's fee structure for manufacturers and distributors has remained unchanged since the agency's inception in 1974. These classes provide minimum and maximum gross receipts a licensee can make to be within a particular license class for that activity. In the highest class there is a minimum level but a licensee can make several times that minimum amount and still pay the same fee. It is rather clear that in the case of the manufacturers, the agency did not foresee the amount of gross receipts or sales being made by these activities as some licensees are making over ten times the amount in the highest class of that activity.

As an activity, the manufacturers appear to be paying much less in license fees in comparison to revenue than other activities. For instance, commercial punch board/pull-tab licensees pay nearly 5% of their net in licensee fees; house-banked card rooms pay .75%; and manufacturers pay about .15% (of gross).

In addition to the revenue made by the larger manufacturers, electronic gambling equipment and other forms of new equipment had an impact on agency workload and operations. Licensed manufacturers over the past ten years have more complex organizational structures than those in the past, with several layers of management and organizations within their hierarchy. As a result of these factors and increased risk, more time is spent on licensing and regulatory functions to determine qualification and compliance of manufacturers and their key personnel.

There is also an opportunity in reviewing fee structures for manufacturers to also review the structure of distributors and better define activity to be reported under manufacturing versus distributing functions. The agency may also be able to review other rules or fees that affect these two licensee types.

Solution: Establish a fee schedule that more readily reflects risk and workload, while fairly distributing costs amongst licensed

activities. The agency should also ensure rules clearly define reporting requirements for distributors and manufacturers. A review and analysis should be conducted to determine our future regulatory, licensing, and enforcement priorities and workload. Stakeholder meetings should be held to involve licensees in discussions to come up with final recommendations to the Commission.

Stakeholders: Agency Leadership Team, Licensed Manufacturers and Distributors

Lead

Division(s): Business Operations Division, Licensing Operations Division, Field Operations Division, and Tribal & Technical Gambling Division

Participating

Division(s): All Divisions/Units

Start Date: April 2008

Finish Date: July 2012

How Will You Measure Success?

- Number of stakeholder meetings.
- Licensee survey/questionnaire results.
- Fee structure changes adopted.

Who Is Responsible for Measuring Success?

- Business Operations Division
- Agency Leadership Team

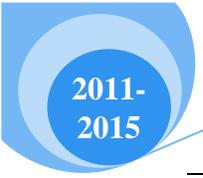


“Develop, retain, and value our employees”

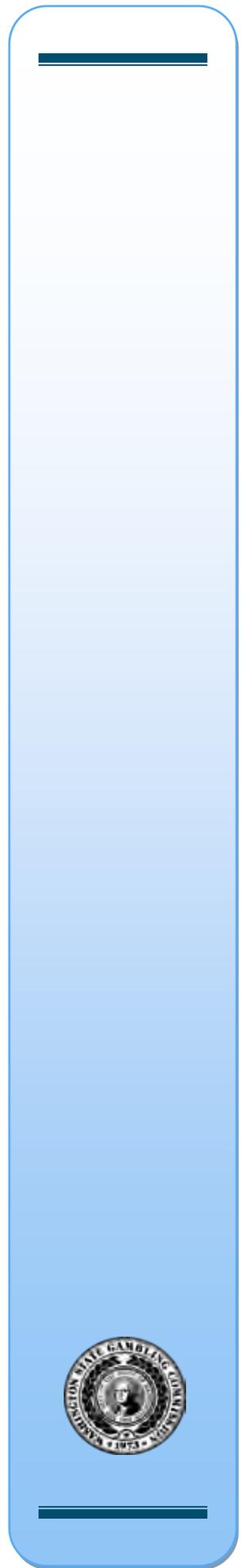
Projects for Goal 3

Develop, Retain, and Value our Employees





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"PMC can be used as a tool to evaluate and reward an employee's performance and achievement in a positive, performance-based culture. It fosters employee competence and productivity, supports achievement of organizational goals and objectives, and provides documentation of employee's strengths and areas in need of improvement."



Project: 3.1 Performance Management Confirmation

Priority: Essential

Background: In 2005 the Department of Personnel (DOP) adopted rules (WAC 357-37) to provide agencies with the opportunity to receive Performance Management Confirmation (PMC). PMC can be used as a tool to evaluate and reward an employee's performance and achievement in a positive, performance-based culture. It fosters employee competence and productivity, supports achievement of organizational goals and objectives, and provides documentation of employee's strengths and areas in need of improvement. Specifically, receiving PMC; 1) requires the agency to explain to employees their responsibilities and requirements to be successful; 2) requires the agency to assess how well the employee contributed to the agency's success; and 3) allows the agency to recognize a job well done, or to identify areas of job performance that need to be changed. This recognition can come in the form of lump sum recognition pay or recognition leave.

Solution: The Human Resources and Training Division will submit a draft Implementation Plan to the Agency Leadership Team. The plan will outline the key policy and program decisions, action steps and timelines required to apply for Performance Management Confirmation. The plan will also outline the agency's process for providing feedback to employees on their performance and will outline the process to determine who will be granted leave or pay recognition.

In order to receive Performance Management Confirmation the agency must follow the specific process outlined by DOP and must submit an application to DOP for consideration. In addition, the agency must present their plan to the Director of DOP and the Performance Management Confirmation Committee. DOP will evaluate an agency's readiness to fairly and objectively factor performance into compensation and layoff decisions and decide whether or not an agency will be granted Performance Management Confirmation.

Confirmation Criteria has been developed by DOP and is as follows:

- **Executive Commitment and Directive** – Demonstrate that the executive has communicated the importance of a performance-based culture to all affected employees and that the new culture links individual performance with the organization’s strategic goals and expected outcome.
- **Readiness Assessment** – Assess the agency’s readiness to implement performance management principles.
- **Roles and Responsibilities** – Clearly outline the roles and responsibilities of managers, supervisors, employees, human resource staff and others with PMC responsibility.
- **Management Accountability** – Implement a performance management program that includes processes and procedures for maintaining management accountability.
- **Internal Policies and Procedures** – Establish and communicate performance management system policies and procedures, including how performance may be used for pay, leave and/or layoff.
- **Communication Plan** – Create a communication plan that delivers timely and clear information to all employees including policies, procedures, timelines and how they will be affected.
- **Performance Management Orientation and Training** – Ensure that managers and supervisors attend orientation and training in performance management theory, application, performance-based compensation, and/or layoff policies, procedures, and tools.
- **Performance and Development Plan Implementation** – The organization must:
 - Integrate the performance appraisal process within the performance management culture.
 - Provide orientation and training on the Performance Development Plan (PDP) or approved alternative to all affected supervisors.
 - Implement the PDP or approved alternative for all employees impacted by PMC.
 - Establish a review process that ensures performance assessments occur for those subject to performance factored decisions.





- **Funding Approach for Performance-Based Compensation** – Develop a funding approach that enables funding for the performance-based pay practices.
- **Monitoring and Measuring Success** – Establish a process to monitor and measure the success of the performance management system.

Stakeholders: All Staff

Lead

Division(s): Human Resources & Training Division

Participating

Division(s): Cross-representation of agency leaders

Start Date: July 2008

Finish Date: April 2012

How Will You Measure Success?

- Timeline objectives met.
- Confirmation Criteria completed.

Who Is Responsible for Measuring Success?

- Human Resources & Training Division



Project: 3.2 Online Agency Training

Priority: Essential

Background: Currently training provided to staff consists of in house instructor led training, contracting with outside instructors, or attending training courses through the Department of Personnel or other public and private training providers. There is no other efficient way to train agency staff on limited subject areas such as new or updated agency policies.

Solution: Develop a computer based training system that will allow the creation of online training courses and allow staff to take the courses in a self paced, on demand format from their desktop or laptop computers. Include a learning management system that will track course attendance and pass/fail status of attendees. The result would be an efficient way for staff to receive training, and allow Human Resources to track training attended and ensure that all staff has received appropriate training.

Stakeholders: Agency staff

Lead Division(s): Human Resources & Training Division

Participating Division(s): All Divisions/Units

Start Date: October 2009

Finish Date: October 2011

How Will You Measure Success?

- Percentage of staff who successfully complete a module.

Who Is Responsible for Measuring Success?

- Human Resources & Training Division



“Develop a computer based training system that will allow the creation of online training courses and allow staff to take the courses in a self paced, on demand format from their desktop or laptop computers.”





"As part of the 2006 Diversity Audit recommendations, the Diversity Team was tasked by the Agency Leadership Team (ALT) to work with Human Resources & Training Division (HR&T) to broaden advertisement of internships and to identify schools with larger populations of students in underrepresented groups."



Project:	3.3 Internship Program
Priority:	Beneficial
Background:	<p>As part of the 2006 Diversity Audit recommendations, the Diversity Team was tasked by the Agency Leadership Team (ALT) to work with Human Resources & Training Division (HR&T) to broaden advertisement of internships and to identify schools with larger populations of students in underrepresented groups.</p> <p>The Diversity Team conducted demographic research of colleges to determine those with large populations of minority students that were in the vicinity of agency offices. The Team then contacted these colleges to determine if they had degree programs that aligned with our mission (i.e. criminal justice and/or accounting), and if they had active internship programs for these degrees. Based on this information, the Team contacted colleges to determine internship opportunities. Although the team identified four colleges as those to pursue internships programs between the agency and students, internship opportunities could extend to other colleges, community colleges, and high schools in the state.</p> <p>The Diversity Team provided this information to ALT in the fall of 2007 and recommended that the primary goals of the internship program be to generate interest in the agency as a potential employer for graduating college students and encourage internship opportunities for diverse students attending Washington schools.</p> <p>ALT determined that the Internship Program should be a concerted, agency-wide effort and recommended that it be added as a project within the 2009-13 Strategic Plan.</p>
Solution:	The Diversity Team and the Human Resources & Training Division will develop agency-wide processes, procedures, goals, and measures surrounding use of interns.
Stakeholders	Agency Leadership Team, Human Resources & Training Division, Diversity Team
Lead Division(s):	Human Resources & Training Division

Participating

Division(s): All Divisions/Units

Start Date: March 2009

Finish Date: December 2011

How Will You Measure Success?

- Number of internships offered.
- Improved agency diversity performance measures.

Who Is Responsible for Measuring Success?

- Human Resources & Training Division
- Diversity Team





"The agency plans and hosts a bi-annual conference for all agency employees. Typically, it is a 2-day event with a focus on communication, team building, diversity, employee recognition and various training activities."

Project: 3.4 Agency Conference

Priority: Beneficial

Background: The agency plans and hosts a bi-annual conference for all agency employees. Typically, it is a 2-day event with a focus on communication, team building, diversity, employee recognition and various training activities.

Solution: The Agency Leadership Team will form a Conference Team using the 2007 Conference Team Charter as a guide for membership and setting objectives.

Stakeholders: All Staff

Lead Division(s): Agency Leadership Team

Participating Division(s): All Divisions/Units

Start Date: June 2012

Finish Date: June 2013

How Will You Measure Success?

- Agency conference evaluations.

Who Is Responsible for Measuring Success?

- Agency Leadership Team



Project: 3.5 Internal Communication Plan

Priority: Essential

Background: Concern was expressed by leadership and staff about the need to have a formal communication plan to handle issues with agency-wide impact where time is an important factor. The Agency Leadership Team (ALT) assigned a working group to evaluate the issue and put together a charter for a team to develop an agency internal communication plan. The charter was approved by ALT and the team was formed to create a plan to ensure effective internal communication throughout the agency. The agency's ability to provide an internal communication plan will assist in providing timely and accurate information to employees.

Solution: The internal communication team has been tasked with developing a plan which facilitates the flow of information between agency decision makers and staff on important high impact issues in a timely, accurate, and consistent manner.

Stakeholders: All agency personnel

Lead

Division(s): All Divisions/Units

Participating

Divisions(s): All Divisions/Units

Start Date: November 2009

Finish Date: August 2010

How Will You Measure Success?

- Approval of an internal communication plan by ALT.
- Implementation of the plan within the agency.
- Acceptance of the plan by agency staff.
- Inclusion of effective internal communication practices within the agency's culture.

Who Is Responsible for Measuring Success?

- ALT and agency staff



"Concern was expressed by leadership and staff about the need to have a formal communication plan to handle issues with agency-wide impact where time is an important factor."

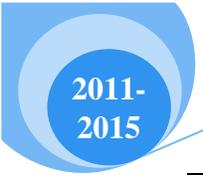


“Provide Accurate and timely information to the Legislature, public, and other stakeholders”

Projects for Goal 4

Provide Accurate and Timely Information to the Legislature, Public, and other Stakeholders





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"In 2005, the Commission entered into an inter-agency agreement with Washington State University for a public opinion survey. This was the first statewide survey done of this kind. The survey was of 500 Washington residents."



Project: 4.1 Public Opinion Survey

Priority: Important

Background: In 2005, the Commission entered into an inter-agency agreement with Washington State University for a public opinion survey. This was the first statewide survey done of this kind. The survey was of 500 Washington residents.

The questions ranged from what gambling activities the person participated in to policy-related questions (for example, how concerned they were about the risk of minors gambling). There were also questions to determine if the public knew whether gambling was regulated and if so, which agency/agencies regulated it.

The results of the survey were used for several purposes, including forming the basis for working on legislation to create penalties for underage gamblers, pursuing Internet gambling investigations, etc.

Five years have passed since the study, and it would be helpful to do a comparative study now to see whether opinions have changed.

Solution: Pursuant to RCW 9.46.090, execute an inter-agency agreement with Washington State University for a second public opinion survey.

Stakeholders: Licensees, legislators, state and local officials, law enforcement, and organizations providing support services for problem gambling (including DSHS and the Evergreen Council on Problem Gambling)

Lead Division(s): Communications and Legal Division

Participating Divisions(s): Commissioners, Director, Agency Leadership Team

Start Date: July 2011

Finish Date: January 2012

How Will You Measure Success?

If the Commissioners choose to proceed with the survey, we would measure success by:

- Quality of the research (depth of the information gathered for each topic; number of respondents contacted; range demographic groups responding).
- Clarity of the report and results.
- Measuring how public perception may have changed during the past five years and comparing results to the 2005 study.
- The extent that the report can help us identify public outreach needs.

Who Is Responsible for Measuring Success?

- Agency Director and Commissioners





“With the increasing availability of internet access and other governmental agencies offering organizations to submit reports online, there is an increasing demand to expand our online services.”



Project: 4.2 Online Activity Reporting

Priority: Essential

Background: The agency currently processes approximately 5,000 activity reports per fiscal year. The agency generates these reports using the licensee’s information and mails them to the licensee. The Financial Reporting Services (FRS), which has only two people, inputs the information into our agency’s database, verifies the accuracy of the inputted information, and maintains all the actual paper reports for 12 years, in accordance with the agency’s records retention schedule.

These are informational reports; licensees do not submit any money with the report. The information reported is used to verify the licensee is operating in the correct license class and has paid the correct license fees. In addition, the information is used to provide summary information of the gambling industry in the state to the public, staff, legislature, and other governmental entities.

Solution: With the increasing availability of internet access and other governmental agencies offering organizations to submit reports online, there is an increasing demand to expand our online services.

It is envisioned that the system would allow for some error checking prior to the licensee submitting the activity report. Once submitted, the information would be automatically entered into the FRS portion of Gambling Information Management System (GIMS), our licensing database. This should allow for more accurate and timely reporting by licensees. It also is anticipated that this would provide a more efficient way for FRS to compile their reports.

Stakeholders: Licensees

Lead Division(s): Licensing Operations Division

Participating Division(s): Information Technology Division and Communications and Legal Division

Start Date: December 2010

Finish Date: December 2012

How Will You Measure Success?

- Number of licensees taking advantage of online activity reporting.

Who Is Responsible for Measuring Success?

- Licensing Operations Division





"The primary objective of this project is to obtain a program that will properly retain emails, in their native format, that are public records. In addition to this, the program should be searchable and accessible to specific staff in order to retrieve records for public disclosure purposes."



Project: 4.3 Email Retention, Management and Disclosure

Priority: Important

Background: Every employee within our agency sends and receives hundreds of emails each week. Many of these emails are considered public records and should be retained in accordance with RCW 40.14. At this time, the agency has no systematic method for the retention and disposition of these emails. Each user within the agency is tasked with reviewing every email and deciphering whether or not it is a public record. Once they designate an email as a public record, they are required to retain it for the specific retention period as described in the Agency's Unique Retention Schedule or the Washington State's General Schedule. The process of saving these records has become cumbersome due to the vast amount of emails being sent and received each day. In addition, the agency often receives public records requests that include emails. If the user has failed to maintain and properly disclose those email records, the agency could face liability under RCW 42.56.

Solution: The primary objective of this project is to obtain a program that will properly retain emails, in their native format, that are public records. In addition to this, the program should be searchable and accessible to specific staff in order to retrieve records for public disclosure purposes. This program can also help to relieve the user of having to create and maintain independent filing systems in order to manage their emails. A retention and disposition program for emails would alleviate liability, save staff time and help our agency to come into compliance with state law regarding public records

Stakeholders: All agency staff and requestors of public records.

Lead Division(s): Licensing Operations Division

Participating Division(s): Information Technology Division

Start Date: January 2011

Finish Date: December 2012

How Will You Measure Success?

- Number of days to complete public records requests.

Who Is Responsible for Measuring Success?

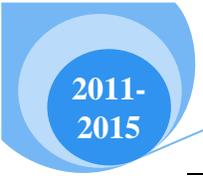
- Licensing Operations Division



"Pursue improvements and innovations in agency programs and processes"

Projects for Goal 5
Pursue Improvements and Innovations in Agency Programs and Processes





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"With the increasing availability of internet access, many individuals and corporations who may not have had the ability to conduct transactions online before may now have the capability. Due to this, there is a greater demand from our licensees and the Tribes to be able to conduct business with the agency through online means."



Project: 5.1 Online Processes for Licensees

Priority: Essential

Background: With the increasing availability of internet access, many individuals and corporations who may not have had the ability to conduct transactions online before may now have the capability. Due to this, there is a greater demand from our licensees and the Tribes to be able to conduct business with the agency through online means.

The agency has begun the process of offering more online services to our licensees, such as online personnel termination notices and online employee transfers with payment being accepted online. We would like to be able to offer all of our new and renewal applications online with payment.

Solution: The primary objective to this project is to implement the following additional services to our licensees, which includes:

- Develop an online system for applicants to submit any of our approximately 30 applications to us with payment. Due to the complex nature of the information required for some of our applications, the application process may need to be modified so this supplemental information is requested after the initial application and fees are received online. This would still facilitate timelier processing for new applicants.
- Develop an online system for licensees and Tribes to submit renewals along with payments. Again, not all the information needed at renewal may be able to be submitted online, but it would facilitate timelier processing for the licensee to at least begin the renewal process.
- Develop an online system for licensees and Tribes to submit change applications along with payments. We currently have approximately 20 change applications.

While we currently are able to collect payments online, we will need to submit an Economic Impact Study (Study) to the State Treasurer's Office for their approval to collecting online payments for new and renewal applications prior to beginning the internal process of this project. We anticipate it will take at least a year to complete the Study. This will

require a cross-Division team to be formed to complete this Study, which will be comprised of members of the Business Operations Division, Information Technology Division (ITD) and headed by Licensing Operations Division (LOD) staff.

Once approval is received to accept online payments for all new and renewal applications processed by the Commission, other teams will be formed with ITD and LOD staff to work on the screens and implementation for each respective application and renewal used by the agency.

If the agency does not receive approval to accept online payment from the State Treasurer's Office, the agency will not be able to pursue this project.

Stakeholders: Potential and existing licensees and Tribal Gaming Agencies

Lead Division(s): Licensing Operations Division

Participating Division(s): Information Technology Division and Business Operations Division

Start Date: July 2010

Finish Date: December 2015

How Will You Measure Success?

- Percentage of applications submitted online.
- Percentage of licensees renewing online.

Who Is Responsible for Measuring Success?

- Licensing Operations Division





“Utilizing an automated program to complete the TRP will increase efficiency of TTGD. It will allow agents to complete sections of the program and associated reports while onsite at the casinos and will decrease the number of hours needed to complete the program. This will allow agents more time to address criminal investigations, submissions and complaints from the public.”



- Project:** 5.2 Automated Tribal Review Program
- Priority:** Important
- Background:** The Tribal and Technical Gaming Division (TTGD) changed their regulatory approach and implemented a Tribal Review Program (TRP) 2 years ago. The program is a compilation of checklists specific to each section of the tribal-state compact. It is a comprehensive tool designed to fulfill the WSGC mission statement of protecting the public through comprehensive and independent analysis of the tribal-state compact and the gaming operation.
- Utilizing an automated program to complete the TRP will increase efficiency of TTGD. It will allow agents to complete sections of the program and associated reports while onsite at the casinos and will decrease the number of hours needed to complete the program. This will allow agents more time to address criminal investigations, submissions and complaints from the public.
- Solution:** Create an automated database designed to store compact language and associated amendments, specific to each unique tribal-state compact. It will utilize a web based interface located on the agencies intranet where agents select a specific section of the TRP to be performed and the location of the review. At the conclusion of the agent’s work they may print a supplemental report that could be scanned as an attachment to the existing case system.
- The system should provide a means of tracking and storing specific references to each individual compact or amendment. The database should provide a means to easily administer changes in checklists or compacts. It should allow for better tracking of the results of the TRP allowing the Tribal Gaming Unit to track trends in violations from year to year.
- Stakeholders:** Tribal & Technical Gambling Division, Communications & Legal Division, Information Technology Division, Tribes
- Lead Division(s):** Tribal & Technical Gambling Division
- Participating Division(s):** Information Technology Division, Communications & Legal Division

Start Date: July 2010

Finish Date: December 2011

How Will You Measure Success?

- Hours to complete the review. This measure should show a decrease in review hours after full implementation of the automated program.
- Number of duplicate entries reduced. This measure will show that connecting the automated program to the case system will decrease the number of times agents need to re-enter the same information.

Who Is Responsible for Measuring Success?

- Tribal & Technical Gambling Division





"The Automated Case Reporting System was launched in 2004. It has served the agency well over the years, but it could use some refinements."

Project: 5.3 Case System Enhancements

Priority: Important

Background: The Automated Case Reporting System was launched in 2004. It has served the agency well over the years, but it could use some refinements.

Solution: Evaluate the feasibility of incorporating the case system into the Gambling Information Management System (GIMS). If that is not feasible, look into the possibility of redesigning it to make it more user friendly.

Stakeholders: Agency staff

Lead Division(s): Information Technology Division

Participating Division(s): Field Operations Division, Tribal Gaming Unit, Communications & Legal Division, Licensing Operations Division

Start Date: January 2010

Finish Date: December 2011

How Will You Measure Success?

- Customer satisfaction rate based on user survey.

Who Is Responsible for Measuring Success?

- Field Operations Division
- Tribal Gaming Unit
- Communications & Legal Division
- Licensing Operations Division



Project: 5.4 GIMS Enhancements

Priority: Beneficial

Background: The Gambling Information Management System (GIMS) was designed to integrate various disparate databases into one cohesive database. Because of the complexity of the system and the agency business processes, it has become necessary to reduce the scope of the system somewhat. This has caused a slight delay in the implementation of GIMS across the agency.

Solution: As the Information Technology Division (ITD) works with the contractor to fix the remaining bugs in GIMS, we will begin implementing various modules as they become ready for production. Once GIMS is fully implemented, we will analyze and determine what enhancements that were not initially incorporated into the system can be added.

Stakeholders Agency staff

Lead Division(s): Information Technology Division

Participating Division(s): All Divisions/Units

Start Date: January 2010

Finish Date: December 2013

How Will You Measure Success?

- Number of enhancements to GIMS made.

Who Is Responsible for Measuring Success?

- Information Technology Division



"The Gambling Information Management System (GIMS) was designed to integrate various disparate databases into one cohesive database."





"The Commission and compacted state Tribes established a structure for the Commission to fund Class III regulation through reimbursement of time."



Project: 5.5 Review of Cost Reimbursements and Billings

Priority: Essential

Background: The Commission and compacted state Tribes established a structure for the Commission to fund Class III regulation through reimbursement of time. This requires that the Tribes reimburse the Commission based on the hours spent regulating their casino(s) in the previous year multiplied by a billing rate. This structure is supposed to ensure all costs of regulating Class III activities are reimbursed to the Commission.

However, Compacts also allow Tribes to get discounts on early payment and credits, which make it very difficult to predict revenues and to actually cover costs of Class III regulation. In addition, the structure actually can deter Tribes from asking for appropriate assistance from the state due to concerns over increased billing hours. This could have a negative impact on State-Tribal relations and negatively affect the effective regulation of gambling in Washington State.

The Commission has begun discussions with the Washington Indian Gaming Association (WIGA) on a review of the Cost Allocation Model that is used to determine the billing rate for Tribes. This model was developed by an independent contractor hired by the Commission, but the Tribe is asking for another independent party to review the model to verify it for reasonableness. In addition, the Commission staff continues to work with individual Tribes on billing concerns.

The information gleaned from the review and meetings with both individual Tribes and WIGA could be the springboard for changing the billing structure to something that provides the Tribes with the fairness, consistency, and transparency that they seek, while at the same time providing the Commission adequate funds to cover its costs, requires less administrative time, and is consistent with its mission.

- Solution:** Work with the Tribes to establish an alternative billing structure. In addition, review any other agency cost reimbursements/billings for improvement. The following criteria will be considered for any change in the billing structure:
- Consistent and supports agency licensing, regulation, and enforcement efforts.
 - Ensures full reimbursement of costs.
 - Reduces administrative time for agency staff and stakeholders.
 - Increases transparency to stakeholders and the public
 - Consistent and fair application.
 - Flexibility to be updated as changes occur.
 - Provides adequate supporting information to staff and stakeholders to support amounts charged.

Stakeholders: Compacted Tribes, Licensees

Lead

Division(s): Business Operations Division

Participating

Division(s): Tribal and Technical Gambling Division, Licensing Operations Division, Field Operations Division, Director's Office

Start Date: January 2009

Finish Date: December 2013

How Will You Measure Success?

- Number of stakeholder meetings.
- Reduction in accounts receivable.

Who Is Responsible for Measuring Success?

- Business Operations Division
- Agency Leadership Team





“The current scanning system in the Licensing Operations Division (LOD) has been in place for over ten years. The system is currently used to scan individual files. These electronic files are used by licensing staff and operations staff to review information in order to make licensing and other determinations.”



Project: 5.6 Scanning Assessment

Priority: Beneficial

Background: The current scanning system in the Licensing Operations Division (LOD) has been in place for over ten years. The system is currently used to scan individual files. These electronic files are used by licensing staff and operations staff to review information in order to make licensing and other determinations.

Solution: Because the system is fairly dated, it is recommended that a scanning assessment be conducted by an independent consultant. The purpose would be to determine: 1) whether our current scanning system is adequate to support our current and future business processes, 2) whether the current system can be modified to meet LOD’s expectations, 3) whether a new system would be required to meet LOD’s expectations, or 4) whether it is worthwhile to continue with any kind of scanning system.

Beginning in the FY13-14 biennium, the agency will issue a Request for Proposal (RFP) to find qualified vendors to conduct the assessment. Upon completion of the contract, the vendor will provide the agency with recommendations related to the criteria listed above.

Stakeholders: All staff

Lead Division(s): Information Technology Division and Licensing Operations Division

Participating Division(s): Field Operations Division and Tribal & Technical Gambling Division

Start Date: July 2013

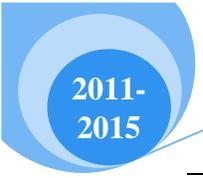
Finish Date: June 2014

How Will You Measure Success?

- Successful completion of assessment with recommendations.

Who Is Responsible for Measuring Success?

- Licensing Operations Division



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“Some strategies support goals involving employee retention, development, and positive work environment. The agency believes a well trained and experienced staff working in a positive environment is critical in accomplishing the agency mission and state priorities.”



CURRENT STRATEGIES

The Gambling Commission is a limited jurisdiction law enforcement agency with a mission to protect the public by ensuring gambling is legal and honest. As such, the strategies and goals stated in this plan relate to the Governor’s Priority of Government to “Improve the Safety of People and Property.”

Some strategies support goals involving employee retention, development, and positive work environment. The agency believes a well trained and experienced staff working in a positive environment is critical in accomplishing the agency mission and state priorities. Other strategies support goals on improving processes and conducting business as simply as possible. These strategies will help ensure the agency is more efficient and spends time on the most important functions needed to improve public safety. Lastly, there are strategies that support voluntary regulatory compliance, strengthening relationships, and keeping the criminal element out of gambling. These goals focus on ensuring we work in partnership with licensees, other law enforcement/regulatory agencies, the public, and other stakeholders to ensure gambling is legal and honest and improve the safety of people and property.

Strategy: The Washington State Gambling Commission is committed to detecting and removing criminal activities from gambling. This will be accomplished by:

- Referring cases for criminal and administrative prosecution.
- Cooperating with, and coordinating investigations with, other local, state, and federal regulators and law enforcement agencies.
- Increasing public awareness of gambling crimes, regulation, and enforcement.
- Increasing the effectiveness of the criminal intelligence function by adding an automated criminal intelligence system for case management and telephone toll analysis.
- Using an automated fingerprint scanning system in conducting criminal background investigations of license applicants.
- Conducting undercover inspections and investigations to detect administrative and criminal violations.
- Investigating the source of funds of national and international funds used to invest in gambling businesses.
- Distributing internal and external criminal intelligence information bulletins.

Strategy: To create an environment that promotes regulatory compliance. This will be accomplished by:

- Researching policies in gambling regulation and control.

- Conducting training classes for licensees in order to provide an orientation on the rules and laws regarding gambling.
- Conducting follow-up inspections as part of administrative settlement agreements.
- Providing assistance to licensees using as many venues as possible.
- Posting of information in an agency newsletter of changes to rules.
- Conducting regulatory inspections at licensees and tribal casinos.
- Conducting enforcement patrols, developing information sharing programs.

Strategy: Guide the Washington State Gambling Commission in developing, retaining, and valuing our employees. This will be accomplished by:

- Providing staff with opportunities for general and specialized training.
- Recognizing and celebrating employees agency wide.
- Developing teams with membership designed to encourage a broad spectrum of representation to work on issues important to staff.
- Enhancing agency technology and equipment in order to allow the staff to work as efficiently as possible.
- Maintaining and celebrating our diverse work force.
- Establishing an active Safety Committee which encourages healthy living and provides ergonomic evaluations of working spaces.
- Providing a partnership program for new staff that broadens their knowledge of agency divisions and programs by attending staff briefings and participating in leadership and Commission meetings.
- Helping staff become more efficient in finding information and producing a quarterly licensee newsletter with relevant information to assist licensees in complying with gambling laws and rules.
- Encouraging staff to participate in action teams and projects.

Strategy: The Washington State Gambling Commission is committed to providing accurate and timely information to the legislature, public, and other stakeholders. This will be accomplished by:

- Holding study sessions to allow stakeholders to voice opinions and ask questions before formal Gambling Commission meetings.
- Creating customer satisfaction questionnaires.
- Holding and participating in meetings with other law enforcement agencies to share ideas and information.
- Creating training programs for customers and employees.
- Building teamwork and increasing internal cooperation.
- Developing strategies for communicating effectively with employees, customers, and stakeholders.





Strategy: To identify areas where the Washington State Gambling Commission can make improvements in programs and processes through the pursuit of innovative ideas. This will be accomplished by:

- Conducting internal audits of systems and internal controls.
- Developing more efficient licensing systems.
- Enhancing the effectiveness of certain specialized units.
- Seeking state law enforcement accreditation to improve the delivery of law enforcement services.
- Creating electronic business processes allowing for greater efficiency.
- Reviewing the licensing fee structure and regulatory fees.
- Enhancing the agency internal and external web site to allow downloading of license application forms, and provide information to licensees, legislators, the media, and general public.
- Evaluating ongoing licensing processes.
- Simplifying license applications to ensure they are understood.



PERFORMANCE MEASURES

Lead Division (s)	Performance Measures
Goal 1: Detect and remove the criminal element from gambling	
FOD & TTGD	Percentage of criminal cases referred for prosecution
LOD	Number of criminal background investigations completed
LOD	Number of licenses or applications revoked, surrendered, withdrawn or denied due to criminal history or criminal activity
LOD	Percentage of applications received that were withdrawn, denied or administratively closed due to disqualifying factors
Goal 2: Maintain a regulatory environment that promotes compliance	
FOD	Percentage of inspection frequency guideline completed
TTGD	Number of compliance visits conducted at tribal casinos
FOD	Percentage of inspections performed resulting in a case report being issued
FOD	Percentage of inspections & investigations resulting in a NOVAS or administrative charges
FOD	Percentage of underage compliance inspections resulting in a violation
TTGD	Percentage of case reports worked with the Tribal Gaming Agency
TTGD	Number of compact violations found in tribal casinos
TTGD	Percentage of new equipment submissions found out of compliance
Goal 3: Develop, retain and value our employees	
HRTD	Percentage of staff taking advantage of training
HRTD	Percentage of staff leaving the agency
HRTD	Number of promotions available filled by agency personnel
Quality	Number of Star awards issued
Goal 4: Provide accurate and timely information to the legislature, public and other stakeholders	
ITD	Average number of page views on WSGC webpage per month
ALT	Number of individuals attending agency sponsored training
ALT	Number of outreach visits by agency leadership team to law enforcement agencies, regulatory agencies, units of local government, and legislative staff
ALT	Number of individuals attending Commission study sessions, licensee training, and licensee group meetings
Goal 5: Pursue improvements and innovations in agency programs and processes	
LOD	Number of improvements implemented to current tribal licensing procedures
ITD	Number of organizations using online processes
ITD	Number of individuals using online processes





"There are many factors outside of Gambling Commission's control that have significant impacts on the agency's ability to complete its mission. In order to operate effectively and efficiently, management must identify the key external factors impacting the agency."



ASSESSMENT OF EXTERNAL CHALLENGES AND OPPORTUNITIES

There are many factors outside of Gambling Commission's control that have significant impacts on the agency's ability to complete its mission. In order to operate effectively and efficiently, management must identify the key external factors impacting the agency. The external factors most impacting the Gambling Commission are:

TECHNOLOGY

Technology impacts the activity being regulated (gambling) and the tools and methodology used to regulate the activity. Changes in technology will be one of the most important factors impacting the agency's programs over the next few years. Key areas include:

- Innovations in information technology that will change the way we do our work (investigations, monitoring, collection and dissemination of public information, communication with licensees and law enforcement);
- Automation of records and reports of regulated activities;
- Advances in Internet technology and the availability of illegal online gambling;
- The use of the Internet by staff and licensees to share and access information;
- Online transactions with the agency to apply for licenses, renew licenses, submit activity reports, and pay fees via credit/debit cards, electronic checks, or electronic funds transfer;
- The increasing amount of data transferred electronically, which will create storage challenges for the agency;
- Legislation that requires agencies to consult with the Department of Information Services any time an information technology service, product, or asset is to be acquired; and
- Legislative or executive action to consolidate technology staff and services into the Department of Information Services.

GOVERNMENT

The agency can be impacted by the decisions of other governmental and judicial bodies. Those that have the potential for the greatest impact are:

- Judicial decisions at the state or federal level may interpret the law in a manner that expands or restricts the scope of gambling activities in Washington;
- Tax revenues from new or existing gambling activities may be an attractive option for state and local governments that need to make up for budgetary shortfalls;

- Cities and counties may allow or prohibit authorized gambling activities;
- Tribal governments are seeking alternatives to current billing methods and the state's current regulatory role;
- Congress may change the Indian Gaming Regulatory Act, restrictions against Internet Gambling, or other federal laws or federal rules that impact gambling in Washington;
- Litigation is expected to continue or increase related to machine gambling and other regulatory issues;
- Legislative or executive action to centralize some agency accounting services into the Office of Financial Management and/or Human Resources functions into the Department of Personnel; and
- Initiative 960 requires legislative approval of state agency fee increases effective December 6, 2007.

CENTENNIAL ACCORD

The agency participates in all Tribal-State Centennial Accord meetings and is committed to consulting with tribes on all issues that affect our respective governments. Under the terms of the Class III gambling compacts, the tribal gaming agencies and our staff co-regulate the Tribal Class III gambling operations.

MARKET TRENDS

Various market trends impact the agency's ability to complete its mission. Among those are:

- Continued pressure from gambling industry competitors to obtain authorization for new forms of electronic gambling;
- Bingo revenue, though declining before the advent of machine gambling, has experienced an even bigger drop and is projected to continue to decline;
- Pull-tab license fees, the agency's largest revenue source, are expected to continue to decline;
- The number of house-banked card rooms has dropped nearly 20% since the beginning of FY 2008, and we expect the number to continue to decline;
- Public awareness of problem/pathological gambling and utilization of related services is expected to increase;
- Internet gambling activities have increased;
- Televised coverage of high stakes poker events has increased popularity of private poker games;
- Tribal casinos are increasingly popular for gambling;
- Illegal and legal gambling equipment and related activities have proliferated; and
- Gambling has increased in popularity among young people.





STATE ECONOMY

Washington State's unemployment rate is continuing at high rates (10%) not seen since the great depression and the economy is showing only small signs of improvement. Statewide total gambling receipts continued to increase in Fiscal Year 2009, but we expect a decline in receipts for Fiscal Year 2010. However, as the state's economy improves we expect those numbers to begin to increase again.

OPPORTUNITIES

The high unemployment rate and expected layoffs of local and state government personnel may provide a solid pool of diverse and well qualified applicants. Improving and cooperative enforcement methods may provide an increased opportunity to reduce the availability of illegal online gambling. Consolidation studies and proposals may identify new areas of cooperation with other agencies to improve efficiency and control costs.



ASSESSMENT OF INTERNAL CAPACITY AND FINANCIAL HEALTH

INTERNAL CAPACITY

Many factors affect the agency's internal capacity and its ability to accomplish its mission, goals, and objectives. Among these is the agency's ability to:

- Recruit, train, and retain a diverse and knowledgeable workforce;
- Utilize technology to more fully automate business processes;
- Offer online transaction options for our licensees; and
- Maintain up-to-date technology.

FINANCIAL HEALTH

Since the Gambling Commission is a non-appropriated agency, its financial health is directly related to maintaining sufficient revenue and working capital balance to ensure it can cover expenses during periods of revenue fluctuation, and absorb any statewide changes such as salary and benefit increases. Therefore, it is critical that the agency ensures an adequate level of funding from its primary revenue sources like license fees and tribal regulation reimbursements.

The agency has been experiencing a decrease in revenues as a result of the economic downturn and competition amongst gambling operations. Therefore, the agency has taken commensurate steps to reduce expenditures in order to ensure working capital balance is maintained at levels necessary to fund operations, while ensuring the Gambling Revolving Fund does not go into a cash deficit.

The agency has historically been able to increase fees administratively through its statutory authority in RCW 9.46.070. However, the implementation of Initiative 960 (I-960) requires the agency to seek legislative approval to raise fees. This requires the agency to begin actions at least 18 months in advance of the requested fee increase implementation date and increases financial risk of critical fee increases not being approved.

The Commission will continue to work with the legislature and the Office of Financial Management on budget-related issues to ensure the agency's long-term financial health.



"Many factors affect the agency's internal capacity and its ability to accomplish its mission, goals, and objectives."





"The Washington State Gambling Commission's actual performance is on-target with what we expected at this point. We continually reassess our performance measures to ensure that they are meaningful and actually tell the story of how the agency is performing."

PERFORMANCE ANALYSIS

The Washington State Gambling Commission's actual performance is on-target with what we expected at this point. We continually reassess our performance measures to ensure that they are meaningful and actually tell the story of how the agency is performing. The agency's implementation of an internal Government Management Accountability and Performance (GMAP) process allows the agency to better measure its performance in relationship to what our customers and stakeholders expect.

The agency has been using an internal GMAP process for several years now. Through this process we have been able to identify a number of performance improvement opportunities. As we become more proficient with the process, it is expected that more opportunities will present themselves.

In 2008 the agency submitted an application for the Washington State Quality Award (WSQA) Lite Assessment, as required by RCW 43.17.390. The agency spent many hours preparing the assessment application. The assessment evaluates the effectiveness of all elements of an agency's management, accountability, and performance system, including: Leadership, strategic planning, customer focus, analysis and information, employee performance management, and process improvement. We received the results of the assessment in early 2009. The results have provided the agency with additional information on how to further improve our processes as we move forward.

The 2009 Legislature tasked the Office of Financial Management (OFM) with conducting a study on alternatives for consolidating or transferring activities and responsibilities of the Gambling Commission, Horse Racing Commission, Liquor Control Board and Lottery Commission. OFM's final report to the Legislature concluded that because the agencies have few licensees or activities in common that consolidation would not provide time or cost savings for most clients or licensees. However, the report also determined that engaging in cooperative efforts such as training, coordinating shared office spaces, and utilizing specialized skills in the various agencies would potentially yield benefits. The commission is working with the other agencies to evaluate these suggestions for possible implementation.



ACCOMPLISHMENTS

PERFORMANCE MEASURES

The 2009-2013 Strategic Plan included twenty measures that would be established to evaluate agency progress in achieving the seven goals included in that plan. Considerable progress has been made in collecting data and defining and reporting on many of those measures. Although the Agency is making steady progress in implementing these measures, more work is needed to ensure the measures are meaningful and a part of normal reporting routines.

PROJECTS

The 2009-2013 Strategic Plan included sixteen projects that were established to help meet each of the seven agency goals. The projects were designed to strengthen agency programs, processes, and service. Each project was designated as either essential (having the highest level of commitment), important (deemed as being very important but had to be considered against other ongoing activities), or beneficial (to be pursued if it did not infringe on higher-level priorities).

Considerable progress has been made in completing agency projects.

2009 ACCOMPLISHMENTS

- Closed three agency offices by working cooperatively with the Department of General Administration, landlords, and agency staff to ensure a smooth transition of staff to home offices, while saving \$160,000 per biennium.
- Assisted local law enforcement with the service of five (5) search warrants involving suspects involved in illegal animal fighting. Six (6) suspects were arrested and charged with animal fighting and 159 roosters were seized during the warrants.
- Conducted 839 investigations; 487 were initiated by agency staff and 352 were complaints from the public, 143 involved criminal violations and 696 involved administrative violations.
- Received a clean Financial Compliance Audit from the State Auditor for the eighth (8th) consecutive year.
- Trained 144 Tribal Gaming Agents, State Gaming Agents, Department of Licensing staff, and regulatory staff from other states (Navajo Nation) in cooperation with Tribal Gaming Agencies. The training received an average evaluation score of 4.44 out of a possible 5, which is higher than the previous year (4.33).



"The 2009-2013 Strategic Plan included twenty measures that would be established to evaluate agency progress in achieving the seven goals included in that plan. Considerable progress has been made in collecting data and defining and reporting on many of those measures."





- Achieved a major milestone by implementing the licensing module of the new Gambling Information Management System (GIMS).
- Implemented a new internet connection for the Yakima field office that saves the agency \$12,000 annually in communications costs.
- Issued approximately 3,150 new licenses and renewed 15,320 licenses, certifications, permits, and letters of eligibility.
- Responded to 464 public records requests, including a public records request for over 14,000 records related to an illegal internet gambling case that took months to gather, review, copy, and disseminate.
- Received a clean Information Technology Security Audit from the State Auditor.
- Launched a redesigned Maverick (intranet website) that makes finding information easier for staff and has a cleaner look and feel.
- Worked with tribal representatives to cooperatively select a neutral party to conduct a cost allocation review, which resulted in the auditor confirming the accuracy and fairness of the hourly rates charged by the agency to recoup regulatory costs.
- Strengthened the employee performance evaluation process by training all agency supervisors in writing clear position descriptions, developing a shared understanding of performance and behavior expectations, and conducting effective assessments of employee performance.
- Initiated approximately 197 license application withdrawals, administrative closures, and denials/revocations, which included identifying 34 criminal history record cases and recommending 24 statements of charges to deny or revoke the licenses.
- Processed 50 new rule change proposals and implemented 45 changes, including 24 petitions for rule-making, 12 of which were from the public.
- Public Information Office responded to 150 media calls, 500 website inquiries, and about 800 general calls from the public for assistance.
- Released a Public Service Announcement regarding internet gambling that resulted in 25 media interviews (10 newspapers, 1 live radio, 7 taped radio, and 1 taped television).
- Had 65 meetings with legislators, tracked 18 gambling-related bills or bills with direct impacts on the Commission and 119 general government bills, prepared 7 fiscal notes, attended about 40 hearings, and testified at approximately 14 hearings on 8 different bills.
- Conducted card room employee training for 52 card rooms, registered 11 card rooms with the online add/transfer, renewal reprint process, and registered 19 new card rooms/tribes for the online process notifying the Commission of personnel terminations.

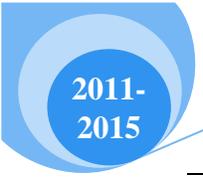


- Provided onsite criminal history record information training to 59% of the house-banked card rooms across the state.
- Tested and approved two Tribal Lottery Systems that are complex computer networks composed of various servers, network hardware, databases, player terminals, and custom software programs from two manufacturers new to the Washington market. This detailed analysis of system compliance, security, and independent lab results identified three major non-compliant features subsequently corrected by manufacturers before the equipment was put into play for the public.
- Developed new security configuration standards, internal control recommendations, inspection procedures, and training programs for regulatory personnel based on information gained through testing of Tribal Lottery Systems.
- Completed testing of over 500 electronic equipment submissions, inspections, and system incident investigations, and found 17 major non-compliant components and features that could have made it possible to compromise the system and/or hide criminal activity.
- Received, reviewed, and approved 477 submissions from 22 tribes, including changes to internal controls, game rules, Appendix revisions, or similar modifications.
- Completed a review of 14 tribal casinos (12 tribes) and identified and in partnership with tribes are working to correct 132 compact and internal control violations.
- Responded to 82 complaints and 258 inquiries from the public regarding tribal gambling. Investigated 139 criminal cases and filed 47 with prosecutors.
- Completed 113 Underage Compliance Inspections of house-banked card rooms and large pull-tab operators and improved the success rate for those licensees not allowing an underage person to gamble to 81%.
- Conducted 5,426 inspections of licensed organizations to ensure gambling was operated in accordance with the laws, rules, and regulations.
- Investigated 352 complaints from the public that involved 104 criminal violations and 248 administrative violations.
- Conducted investigations of 11 businesses that were operating illegal gambling devices and seized 25 illegal gambling devices from these locations and completed 24 seizure actions.
- Worked on state and federal internet gambling task forces with representatives from the IRS, US Secret Service, the Eastern District Assistant US Attorney, and local Sheriff and Police departments to investigate 45 illegal internet gambling and major internet gambling sites.



APPENDICES





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DEFINITIONS

Strategic Plan – The Strategic Plan identifies agency’s goals and the actions needed to achieve them. It serves to determine the approximate priority and resources allocated to projects that are brought forward to support the overall direction of the agency. Our strategic plan incorporates a mission, a vision, values, goals, strategies, objectives and performance measures developed by Commission staff.

Goal – Long-term aim or purpose to attain or reach an overall direction.

Marketplace & Environmental Decisions – Factors that are expected to affect the agency over the next few years. All other licensed gambling activities will slightly decline as other forms of gambling continue to increase.

Performance Measures – Performance measures are created to determine whether the individual goal or strategy selected is making the difference the agency expected. Measures should be set at the beginning of the goal or strategy and taken at the end when it is completed.

Mission Statement – A mission describes our main purpose for existing: Who we are, what we do, why we do it, and for whom we do it. It is usually grounded in statute.

Vision Statement – What we aspire to be: A vision encompasses the ideals, hopes, and dreams of the people within the agency. A vision is a long-term commitment.

Value Statement – Values express the core principles for the conduct of the agency in carrying out its mission. Values describe behaviors and are the preferred cultural norms for the interactions within the agency.

Strategies – Strategies are statements of the methods for achieving goals. While goals and objectives state what the organization wants to achieve, strategies state how goals will be achieved. Strategies guide the activities the agency uses to achieve goals and objectives.

Projects – Projects are the individual actions that support the goals. Projects have specific timelines, performance measures and expected outcomes. Projects are prioritized in the overall strategic plan and usually have staggered start dates to ensure proper resource allocation.

Essential Project – Projects with the agency’s highest level of commitment.



Important Project – Projects that are very important, but must be considered against other ongoing projects and activities if funds are not sufficient.

Beneficial Project – Projects that are beneficial to the agency's programs, but will only be pursued if they don't infringe on the higher level priorities.

Common acronyms used in this document

ALT – Agency Leadership Team

BOD – Business Operations Division

CIU – Criminal Intelligence Unit

CLD – Communications and Legal Division

EGL – Electronic Gambling Lab

FIU – Financial Investigations Unit

FOD – Field Operations Division

FRS – Financial Reporting Services

HRTD – Human Resources and Training Division

ITD – Information Technology Division

LOD – Licensing Operations Division

TGU – Tribal Gaming Unit

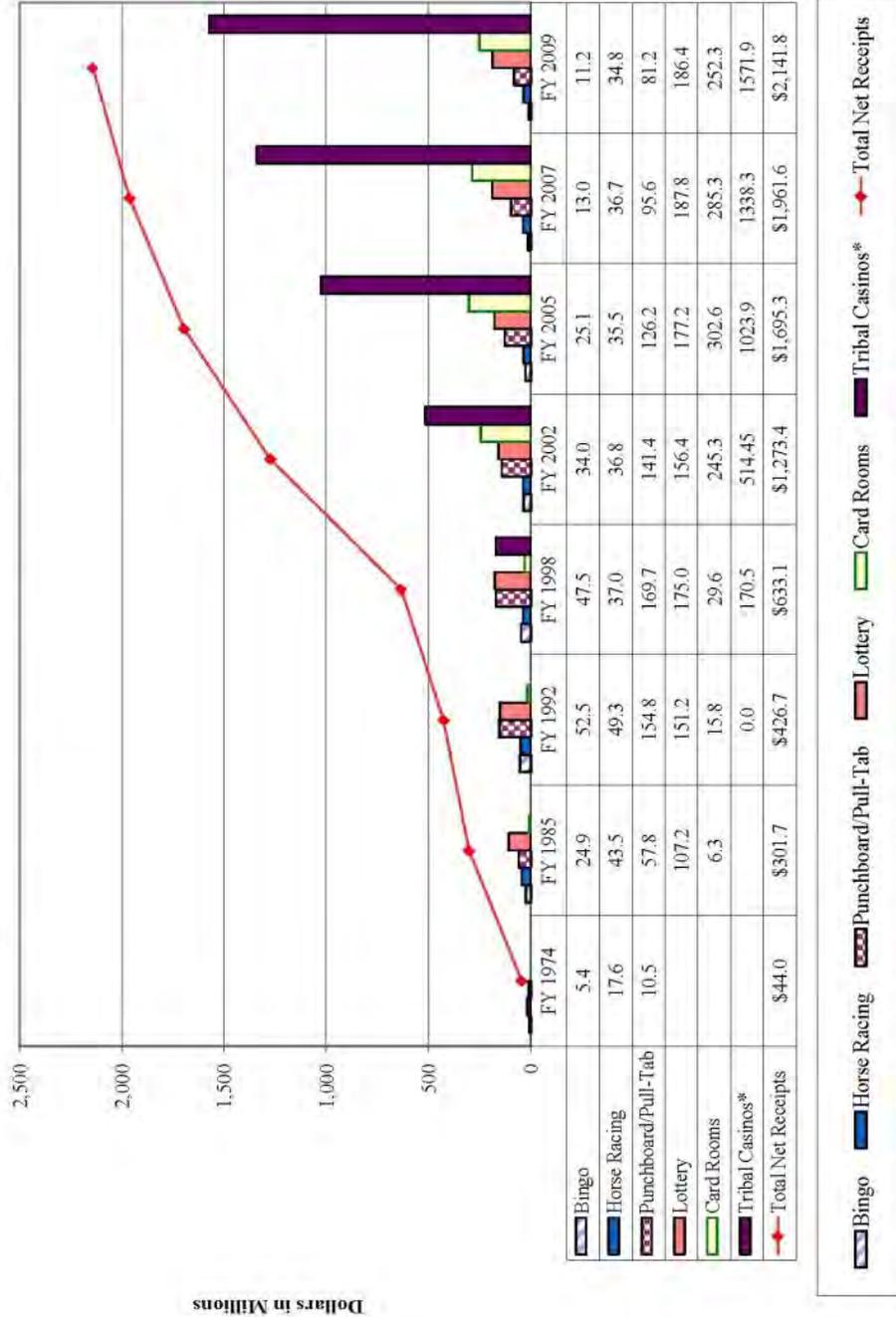
TTGD – Tribal and Technical Gambling Division





NET RECEIPTS COMPARISON

Fiscal Year Net Receipts Comparison
 [Net Receipts = amount wagered minus amount paid out as prizes]



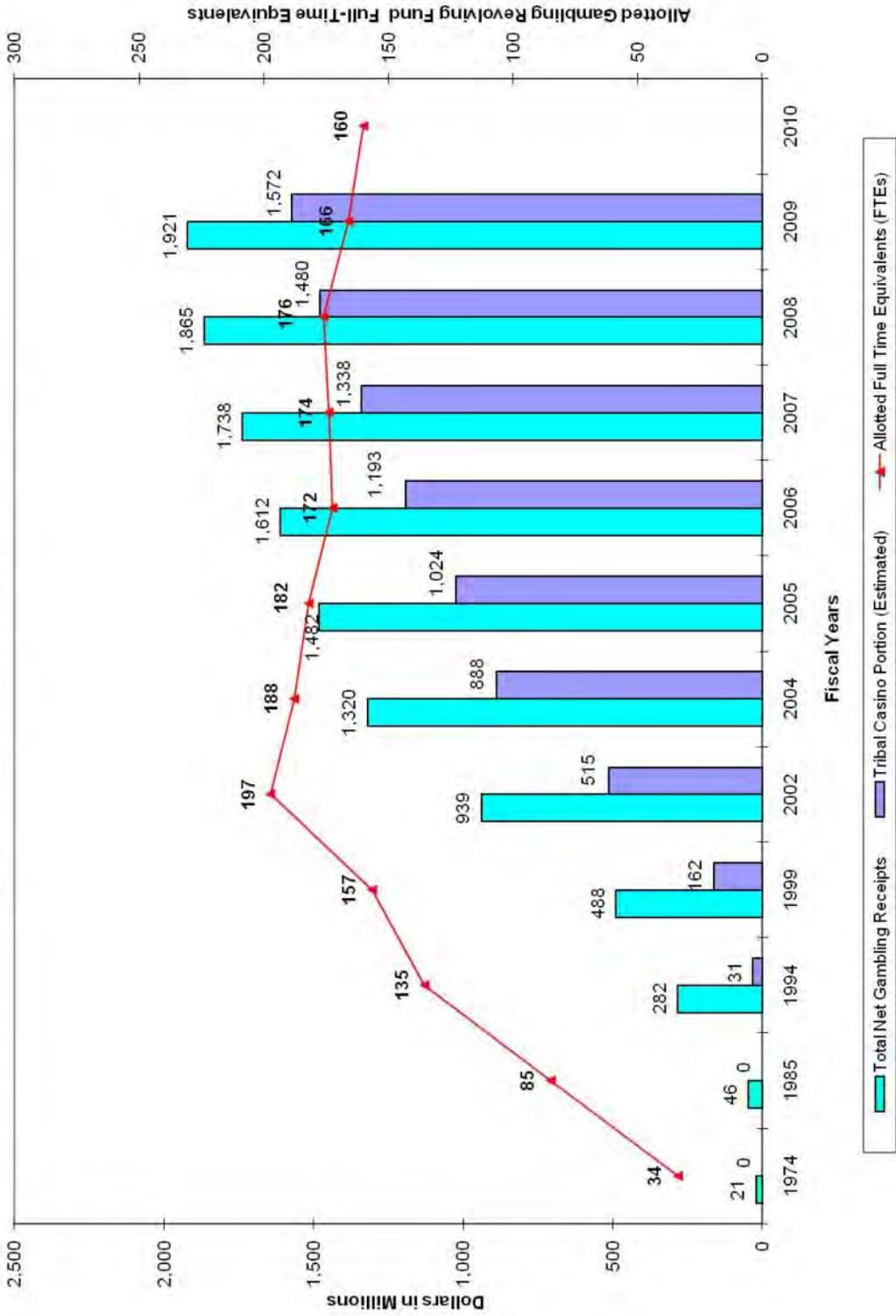
Source: Washington State Gambling Commission

* = Estimated

NET GAMBLING RECEIPTS

Net Gambling Receipts* Growth Compared to FTEs

[Net = amount wagered minus amount paid out as prizes]





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