

AMENDATORY SECTION

WAC 230-15-025 Hours of play. (1) Licensees ~~((must not))~~ may only allow the use of their premises for card playing between the hours of 2:00 a.m. and 6:00 a.m. ~~((unless we approve different hours))~~ with written approval from us.

~~(2) ((Licensees may request, in writing, different hours of operation. Once the request is received))~~ After we have received a written request, we will consult with the local law enforcement agency ~~((having))~~ with jurisdiction over the licensee's business and with other state agencies involved in regulation of the business. ~~((We may allow licensees to adjust closing hours, but licensees must:))~~

(3) After you have received written approval to operate between the hours of 2:00 a.m. and 6:00 p.m. you may change your hours of operation without further approval from us. Class F and house-banked card rooms must include their hours of operation in their internal controls.

(4) You must also meet the following requirements:

(a) Open the food and/or drink business being stimulated to the public for business any time licensees are conducting card games; and

~~(b) ((Have a licensed card room employee on duty and in the licensed card game area at all times during the hours of operation of a Class E, Class F, or house-banked card games; and~~

~~(e))~~ Observe a four-hour period of closure at the end of at least two business days a week before beginning the next period of operation; and

~~((d))~~ (c) Comply with any other terms and conditions we require.

~~((3))~~ (5) We may deny the request for extended hours or revoke hours already approved if:

(a) The local law enforcement agency or a state agency objects; or

(b) We determine that the licensee has violated any provisions of chapter 9.46 RCW, any other commission rule, or any of the terms ~~((set forth in subsection (1) of this section))~~ of our approval.

~~((4))~~ (6) Licensees must submit all objections to revocations of operating hours in writing.

~~((5))~~ (7) If requested, we allow the licensee an opportunity for a brief adjudicative proceeding (BAP) before denying or revoking the licensee's authorization for extended card game hours. An administrative law judge hears the BAP, under the provisions of Title 230 WAC and chapter 34.05 RCW.

[Statutory Authority: RCW 9.46.070. WSR 08-09-056 (Order 624), § 230-15-025, filed 4/14/08, effective 7/1/08; WSR 07-09-033 (Order 608), § 230-15-025, filed 4/10/07, effective 1/1/08.]

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WAC 230-15-111 Destruction and disposal of gambling chips. ~~((Licensees must submit internal controls to us outlining the procedures for destroying or disposing of gambling logo chips.~~

~~(1) Licensees' internal controls must set out the method for destroying logo chips that are damaged or worn. The internal controls must include, at least:~~

~~(a) That chips must be destroyed or mutilated in such a way that they are unusable for play; and~~

~~(b) The two departments, one of which must be the accounting department, that will be responsible for overseeing chip destruction; and~~

~~(c) Only licensed employees may perform chip destruction.~~

~~(2)) (1) Licensees must record all gambling chips they destroyed on a chip destruction log in the format we require.~~

~~((3)) (2) If a card room closes, the licensee or former licensee must:~~

~~(a) Sell or otherwise transfer gambling equipment to a licensed manufacturer or distributor; or~~

~~(b) Destroy the chips according to ((the)) their established ((internal controls)) procedures and provide the chip destruction log to us.~~

[Statutory Authority: RCW 9.46.070. WSR 07-21-116 (Order 617), § 230-15-111, filed 10/22/07, effective 1/1/08.]

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WAC 230-15-250 Recordkeeping for card tournaments. (1) Card game licensees must keep tournament records in the format we require.

(2) On the ~~((daily control sheet))~~ card tournament summary for the first day of a tournament, card game licensees must include the total gross gambling receipts (total tournament entry fees) and attach it to the ~~((record))~~ summary of participants, entry fees, and buy-ins.

(3) Class F licensees must attach the tournament records to the daily card game records for the date they awarded the majority of the prizes in the tournament.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-250, filed 4/10/07, effective 1/1/08.]

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WAC 230-15-335 Internal controls. Class F licensees must establish internal controls that ensure gambling activities are closely controlled and operated fairly.

(1) The internal controls must require, at a minimum:

- (a) Trained personnel; and
- (b) Segregation of duties for all employees involved in the operation(~~(; and~~
- ~~(c) Fee collection and funds safeguarding procedures; and~~
- ~~(d) Playing card and chip inventory)).~~

(2) Licensees must inform their card room employees of the internal controls related to the employees' respective areas of responsibility.

(3) Licensees and all card room employees must follow the internal controls at all times.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-335, filed 4/10/07, effective 1/1/08.]

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WAC 230-15-355 Counting procedures for fees. (1) We do not require Class F licensees using the drop box method to collect fees to have a separate count room if they have a secure location to count and they meet all other commission requirements for surveillance and counting procedures in WAC 230-15-275. Class F licensees must:

- (a) Conduct the count at a specific time that licensees have reported to us; and
- (b) Count all fees at least once every twenty-four hours; and
- (c) Have at least two card room employees count and record the amount on the ~~((count))~~ card game control slip for each drop box; and
- (d) Make an entry in the daily card room record for each type of fee collected at each table. Licensees must retain card game control slips for each table with the daily records.

(2) If Class F licensees using the drop box method do not have a secure location to conduct the count, they must meet the count room requirements of WAC 230-15-605.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-355, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION

WAC 230-15-380 Seeding a player-supported jackpot. Class F or house-banked licensees may:

- (1) ~~((Provide up to five thousand dollars seed money from house funds to start a PSJ. Licensees must issue))~~ Seed a PSJ and replenish the PSJ when depleted by issuing a check or

~~((make))~~ making an electronic bank transfer from the licensee's business account ~~((for the seed money to the PSJ account to start the prize fund))~~; and

(2) ~~((Licensees may replenish the PSJ as funds are depleted with up to five thousand dollars at a time; and~~

~~(3))~~ Recover seed money by having the custodian issue a check or make an electronic bank transfer from the PSJ account to the licensee's business account.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-380, filed 4/10/07, effective 1/1/08.]

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WAC 230-15-385 Collecting funds for a player-supported jackpot. Class F or house-banked licensees may collect ~~((up to two dollars per hand or game))~~ funds from the pot for each player-supported jackpot. Licensees:

- (1) Must keep these funds separate from all other fees; and
- (2) Must use either the chip rack or drop box method to collect these funds.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-385, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION

WAC 230-15-400 Accounting for player-supported jackpot funds. Class F or house-banked licensees must:

(1) Maintain a separate bank account in a bank, mutual savings bank, or credit union in Washington state for holding player-supported jackpot (PSJ) funds; and

(2) Deposit only funds from PSJs into the account; and

(3) Not make payouts from the PSJ funds until licensees have first deposited the funds in the PSJ account. However, licensees may pay out prizes won during the gambling day and deduct administrative expenses before licensees deposit the funds; and

(4) Transfer or deposit the PSJ funds into the PSJ account or with an armored car service no later than the second banking day after the close of business; and

(5) Identify all deposits or transfers of PSJ funds by the type of PSJ fund and date of collection. Licensees must keep the validated deposit receipts or transfer information as a part of their required daily records or have online access to their player-supported jackpot bank accounts; and

(6) Transfer the amount from the PSJ account to the cage or general account before the end of the month if PSJ prizes are paid from the cage or general account. The licensee must keep the transfer information as part of the written records; and

(7) Reconcile the account balance in their bank statement to the PSJ prize balance on their PSJ prize fund accrual record each month. "Reconcile" means the licensee must compare the two balances, resolve any differences, and document the comparison and the differences in writing. Licensees must keep the reconciliation as part of their records.

[Statutory Authority: RCW 9.46.070. WSR 10-11-087 (Order 669), § 230-15-400, filed 5/17/10, effective 7/1/10; WSR 09-19-051 (Order 660), § 230-15-400, filed 9/11/09, effective 1/1/10; WSR 07-10-034 (Order 611), § 230-15-400, filed 4/24/07, effective 1/1/08.]

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WAC 230-15-430 Internal control requirements.

General accountability requirements.

(1) House-banked card game licensees must have a system of internal controls including, at least:

(a) **Accounting controls** - Include the licensee's plan, procedures, and records concerned with the safeguarding of assets and the reliability of financial records. Licensees must design these controls to provide reasonable assurance that((:

~~(i) Transactions are executed with management's general and specific authorization; and~~

~~(ii)) transactions are recorded so that financial statements are prepared in conformity with generally accepted accounting principles (GAAP), and so that accountability for assets is maintained; and~~

~~((iii) Access to assets is permitted only with management's authorization; and~~

~~(iv) Records are compared with existing assets at least annually and appropriate action is taken within five working days to correct any differences; and))~~

(b) **Administrative controls** - Include, at least, the ~~((licensee's plan, procedures, and records outlining decision-making processes that lead to authorization of transactions. These must provide for:~~

~~(i) Competent personnel with an understanding of internal control procedures; and~~

~~(ii)) segregation of incompatible functions so that no employee is in a position to commit and conceal errors or wrongdoings in the normal course of his or her duties.~~

Designating a general manager.

(2) The owner, partners, or board of directors for the licensee must designate an individual with overall responsibility for the business, called the "general manager." The general manager may also perform the duties of a gambling operations department manager; and

Establish separate departments or functions.

(3) Licensees must establish separate departments or functions which must be independent from each other. At a minimum, these must include:

- (a) Surveillance;
- (b) Security;
- (c) Gambling; and
- (d) Accounting.

Surveillance department requirements.

(4) The surveillance department manager must ensure that surveillance employees follow all requirements of the surveillance WACs, including, at least:

- (a) Closely and clandestinely observing the operation of the card games, the cashier's cage, and count room; and
- ~~(b) ((Recording video and audio of the activities in the count room; and~~
~~(e)))~~ Monitoring for cheating, theft, embezzlement, and other illegal activities on the licensed premises; and
- ~~((d))~~ (c) Recording video of unusual or suspected illegal activities; and
- ~~((e))~~ (d) Notifying appropriate supervisors and us, within three working days, when they detect cheating, theft, embezzlement, or other illegal activities related to gambling; and
- ~~((f))~~ (e) Giving our agents or law enforcement personnel immediate access to the surveillance room~~((; and~~
- ~~(g) Ensuring that each dealer is evaluated to determine if he or she follows all required dealer procedures set out in the house banked card game licensee's approved internal controls; and~~
- ~~(h) Documenting procedures about how winning wagers, jackpots, or bonus pay outs will be verified; and~~
- ~~(i) Ensuring that all surveillance employees have demonstrated a knowledge of:~~
 - ~~(i) Operating surveillance systems; and~~
 - ~~(ii) Rules of play and procedures for the games being played; and~~
 - ~~(iii) Overall procedures relating to the duties of all employees of the house banked card room, including dealers, shift managers, floor supervisors, cage cashiers and count team members)).~~

Security department requirements.

(5) The security department manager must ensure that security employees control~~((; (a)))~~ the transfer of cash and chips to and from the gambling tables, cage, and count room~~((; and~~

~~(b) Dealing shoes and new and used cards, when not in use or when held in evidence; and~~

~~(c) Disposing of or destroying used cards and dealing shoes, and observing accounting department employees when they destroy damaged chips when removed from service)).~~

Gambling operations department requirements.

(6) The gambling operations department manager, or general manager, is responsible for house-banked card games and must ensure that~~((:(a))~~ the dealers operate card games at assigned gambling tables~~((; and~~

~~(b) Cards and dealing shoes are properly accounted for when in use on the gambling floor; and~~

~~(c) There is adequate supervision on the business premises)).~~

Accounting department requirements.

(7) The accounting department must be supervised by a person who reports directly to the general manager. The accounting department must, at least:

(a) Implement and monitor accounting controls; and

(b) Control processes in the count room and cashier's cage; and

(c) Supervise the count room personnel and cashier's cage personnel; and

(d) Control the inventory of unused forms; and

(e) Reconcile the used and unused forms; and

(f) Prepare, control, and store records and data we require~~((; and~~

~~(g) Oversee, with the help of the security department, the destruction of damaged chips removed from service)).~~

[Statutory Authority: RCW 9.46.070. WSR 07-10-034 (Order 611), § 230-15-430, filed 4/24/07, effective 1/1/08.]

AMENDATORY SECTION

WAC 230-15-465 Dealing all house-banked card games from a dealing shoe.

House-banked card game licensees must deal all house-banked card games from a dealing shoe or a shuffling device we have approved with the exception of single and double deck card games which may be dealt by hand.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-465, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION

WAC 230-15-480 Commissions on winning hands. The only direct or indirect fee (commission) licensees may collect is a ~~((maximum of five percent))~~ percentage from a winning hand in house-banked card games.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-480, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION

WAC 230-15-505 Selling gambling chips to players. House-banked card game licensees must accurately account for all chips and cash when they sell chips to players. Licensees must sell chips only at the gambling table. ~~((The dealer must:~~

~~(1) Spread the cash on the top of the gambling table so that the player, floor supervisor, and surveillance have a full view of the sale;~~

~~(2) Announce the amount loudly enough to be heard by the player and the floor supervisor assigned to the table;~~

~~(3) Have the floor supervisor verify all cash sales of one hundred dollars or more;~~

~~(4) Prove the denomination and the number of chips to the player, floor supervisor, and surveillance before giving the chips to the player. Licensees must include their method for proving chips in their internal controls; and~~

~~(5) After giving the chips to the player, immediately remove the cash from the table top and put it in the drop box attached to the table.))~~

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-505, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION

WAC 230-15-530 Completing the credit process.

Requesting credit.

(1) The floor supervisor must prepare a request for credit to authorize the cage to prepare a credit slip for removing gambling chips and coin to the cashier's cage.

(2) The floor supervisor and a security department employee must sign the request for credit slip at the gambling table from which the gambling chips and coin are being removed.

Transporting requests for credit.

(3) A security department employee verifies the chips and coin to the request for credit and then transports the original of the request for credit and the gambling chips or coin removed from the gambling table directly to the cashier's cage.

(4) The dealer must place the duplicate copy of the request for credit face up on the gambling table. The form must not be removed until a credit slip is received from the cashier's cage.

Filling a request for credit.

(5) The cashier must prepare a credit slip in the format we require whenever gambling chips or coin are removed from the gambling tables to the cashier's cage.

(6) The cashier must compare the request for credit to the chips or coin and sign the credit slip.

(7) A security department employee must compare and verify the request for credit to the credit slip and sign the credit slip.

(8) A security department employee must transport the credit slip to the gambling table.

(9) The cashier retains the original of the request for credit.

Receiving the credit.

(10) On receiving the request for credit slip, the dealer and the floor supervisor verify the amount of the credit slip and sign the credit slip.

(11) After the dealer and floor supervisor sign the credit slip, the security department employee must observe that the dealer immediately places the duplicate credit slip and the duplicate request for credit in the drop box attached to the gambling table from which the gambling chips or coin were removed.

(12) The security department employee must return the original credit slip to the cashier's cage. The cage cashiers must keep together and control the original of the credit slip and request for credit.

(13) If an error is made on the credit slip, the cage cashier must write "VOID" on the original and duplicate of the slip and sign the slip.

(14) At the end of the day or shift, the cage cashier must forward all slips to either:

(a) The count team for agreement with the duplicate of the credit slip and duplicate of the request for credit removed from the drop box. After the count, all credit slips and requests for credit must be forwarded to the accounting department for agreement with the triplicate; or

(b) The accounting department for agreement with the duplicate credit slip and duplicate request for credit slip removed from the drop box and the triplicate of the ~~((request for))~~ credit slip.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-530, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION

WAC 230-15-560 Operating the cashier's cage. (1) House-banked card game licensees must have a cashier's cage used for securing and accounting for all chips and moneys in the card room portion of the business premises. Licensees must ensure that their cage cashiers, at least:

- (a) Maintain the cage inventory including currency, coin, player checks, gambling chips, forms, documents, and records normally associated with the operation of a cage; and
- (b) Receive gambling chips, cash, checks, and other cash equivalents from players in exchange for currency or coin or for check consolidations, total or partial redemptions, or substitutions; and
- (c) Receive cash or chips from the count room; and
- (d) Perform functions necessary to ensure accurate accountability of funds and chips consistent with these requirements, including, at least:
 - (i) Reconciling the total closing inventory with the total opening inventory; and
 - (ii) Receiving request for fill slips in exchange for issuing fill slips and requested chips or coin; and
 - (iii) Receiving chips or coins removed from gambling tables in exchange for issuing a credit slip; and
 - (iv) Receiving documents with signatures that ensure the effective segregation of duties; and
 - (v) Counting and recording the face value of each cage inventory item on a ~~((cashier's))~~ cage inventory count sheet, along with the total opening and closing inventories, at the end of each of their outgoing shifts; and
 - (vi) Signing, at their incoming and outgoing shift, ~~((the cashier's count sheet and))~~ the cage inventory count sheet, attesting to accuracy of the count; and
 - (vii) Preparing the overall cage reconciliation and accounting records; and
 - (viii) Forwarding, at the conclusion of the daily gambling activity, copies of the ~~((cashier's count sheet,))~~ cage inventory count sheet~~((;))~~ and related documents to the accounting department for reconciling the agreement of opening and closing inventories, notification of error slips, and the agreement of amounts on other forms, records, and documents recording transactions.

(2) Licensees may sell merchandise items out of the cashier's cage as long as they have a separate bank and receipting system for the sale and accounting of these items.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-560, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION

WAC 230-15-565 Access and entrance to cashier's cage. (1) House-banked card game licensees must limit entry to the cashier's cage to authorized personnel. ~~((Licensees must place on file with the accounting department the names of all persons:~~

- ~~(a) Authorized to enter the cage; and~~
- ~~(b) Who have the combination, keys, or the mechanism to open the locks to the entrance of the cage; and~~
- ~~(c) Who have the ability to operate the alarm systems.))~~

(2) Licensees must keep a sign-in log in the format we require of all persons accessing the cashier's cage.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-565, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION

WAC 230-15-575 Separate imprest bank allowed for nonhouse-banked card games. House-banked card game licensees operating both house-banked and nonhouse-banked games may sell chips for poker games through an imprest bank other than the cashier's cage.

"Imprest bank" means the bank must replenish funds on a regular basis to maintain exactly the amount of outgoing cash, chips, or coin (expenditures) minus the amount of funds added. The bank must be located within the cashier's cage or another location approved in the internal controls.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-575, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION

WAC 230-15-580 Accepting checks at the cashier's cage. (1) House-banked card game licensees may accept checks from players as explained in WAC 230-06-005 and must meet the following additional requirements:

- (a) Licensees may only accept checks from players at the cashier's cage or poker podium; and
- (b) Before cashing the check, the cage cashier must examine the player's identification to confirm the player's identity; and
- (c) The cage cashier must:
 - (i) ~~((Endorse the check "for deposit only" to the licensee's bank account; and~~
 - ~~((ii)))~~ Initial the check; and
 - ~~((iii)))~~ (ii) Date and time stamp the check; and

~~((iv))~~ (iii) Verify that the player is not listed on the daily returned check report. If licensees use a check guarantee and collection service, the licensee may disregard this subsection; and

~~((v))~~ (iv) Exchange the check for currency and coin in the amount for which the check is drawn, minus any applicable fees; and

~~((vi))~~ (v) Forward all player checks to the main bank cashier.

(2) ~~((Before accepting a traveler's check from a player, the cage cashier must:~~

~~(a) Require the player to countersign the traveler's check in the cashier's presence; and~~

~~(b) Compare the countersignature with the original signature on the traveler's check;~~

and

~~(c) Examine the traveler's check for any signs of tampering, forgery, or alteration; and~~

~~(d) Perform any other procedures that the issuer of the traveler's check requires in order to indemnify the acceptor against loss.~~

~~((3))~~ Licensees must deposit all checks received into their bank account, within two banking days after receipt. Checks deposited to an armored car service within two banking days meet this requirement.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-580, filed 4/10/07, effective 1/1/08.]

AMENDATORY SECTION

WAC 230-15-620 Concluding the count. (1) After the count team finishes their count, the cage cashier or accounting department employee must verify the contents of the drop boxes.

(2) In the presence of the count team and before looking at the master game report, the verifier must recount the cash, either manually or mechanically.

(3) The verifier must sign the master game report verifying that the cash count is accurate.

(4) Each count team member must sign the report attesting to the accuracy of the information recorded.

(5) After the report is signed, the ~~((original))~~ master game report must be taken directly to the accounting department, along with the requests for fills, the fill slips, the requests for credit, the credit slips, and the table inventory slips removed from drop boxes. The cage cashiers must not be allowed access to any of these records.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-620, filed 4/10/07, effective 1/1/08.]

REPEALER

The following section of the Washington Administrative Code is repealed:

WAC 230-15-570 Cashier's cage bank requirements.