

Tina Griffin:

We're recording.

Chair Sizemore:

[inaudible 00:00:24].

Tina Griffin:

I believe so.

Chair Sizemore:

Okay.

Chair Sizemore:

(Silence)

Chair Sizemore:

So good morning everyone. I want to welcome you to the May meeting of the Washington State Gambling Commission. And as has been our norm lately, we are virtual. The meeting will be recorded and is being recorded as well as I understand that the TBW is also recording and broadcasting. So with that, I want to welcome everyone and I'll ask interim director Griffin to call the roll, please, and see that we have a quorum.

Tina Griffin:

Chair Sizemore?

Chair Sizemore:

Here.

Tina Griffin:

Vice Chair Patterson?

Vice Chair Patterson:

Here.

Tina Griffin:

Commissioner Levy?

Commissioner Levy:

Here.

Tina Griffin:

I believe I heard Commissioner Levy. Commissioner King? Commissioner Reeves?

Commissioner Reeves :

Here.

Tina Griffin:

Thank you. Senator Conway?

Senator Conway:

Here.

Tina Griffin:

Senator Holy? Representative Kloba? Representative Vick? Assistant Attorney General Suzanne Becker?

Suzanne Becker:

Here, and good morning.

Tina Griffin:

Good morning, thank you. Commissioner King did say yesterday that she would be probably be arriving sometime after 10.

Chair Sizemore:

Okay.

Tina Griffin:

So you do have four commissioners and Senator Conway.

Chair Sizemore:

Okay. Well having a quorum, then we will be able to conduct our business. I want to start out with the news that we have a full commission this month. So I want to welcome commissioner Reeves and I have had the opportunity to work with commissioner Reaves over the last few years, find that she has been very accomplished in her professional career and have a little bio here that I can read, but I feel like if she would like to introduce herself instead, I'll just add anything that she doesn't want to add. So commissioner Reeves welcome and could you tell us a little bit about yourself?

Commissioner Reeves :

Sure. Well, thank you so much, Chair Sizemore. My name is Kristine Reeves for those of you that I've not met. I will just briefly share my biggest accomplishment to Chair Sizemore's point is that I'm the proud mom of two young kids, I have a son and a daughter, six and eight. But have also had the opportunity, I'm a former congressional staffer to U.S. Senator Patty Murray. A former state representative, I served for three years in the House of Representatives.

Commissioner Reeves :

I'm a former congressional candidate. I spent seven years at the Department of Commerce as an economic developer. So I like to think that I spend most of my days thinking about how we build economies that work best for working families. I come from a strong military families background. In

fact, my twin brother is currently deployed overseas right now. And so advocate very strongly on behalf of veterans and military families. And then because I'm a mom, my primary interest is in how we best serve children and youth in our communities. And so I'm just really excited to have the opportunity to work with you all, to be a part of the commission, and to be thinking about the work that we do here today.

Chair Sizemore:

Excellent, thank you for that. So a couple of little housekeeping things that I may have missed earlier. So as I mentioned, we are being recorded. Because we're virtual, I'll ask folks to mute your microphones unless you will be speaking. The commissioners can keep their microphones open if that works for us. And then at various points during the meeting there may be opportunities for the public to comment. So at that point, you will be able to either use the functionality of the Team's platform, or if you're on camera you can maybe just actually physically wave or certainly contact our executive assistant through the chat feature. So we'll do our best to make sure that we have as open and accessible meeting as possible.

Chair Sizemore:

So with that, I would like to take just a moment. This is national police week. So recognizing the law enforcement officers that we have in this agency and the work that they do and the risks that they take, I would like to take just a moment of silence for those law enforcement officers that have been lost since last time we've met. So a moment of silence, please.

Chair Sizemore:

(Silence)

Chair Sizemore:

Thank you. With that, we'll start into the agenda. Our first item is our consent agenda, which includes our April 8th Commission Meeting Minutes and new licenses and class three employee licenses. Anything that needs to be taken off of the consent agenda? Okay. With that, is there a motion to adopt the consent agenda?

Commissioner Levy:

This is Commissioner Levy. I move to approve the consent agenda as presented by staff.

Chair Sizemore:

Is there a second?

Vice Chair Patterson:

Patterson seconds

Chair Sizemore:

Okay. It's been moved and seconded to adopt the consent agenda as presented by staff. Any comments? Hearing no comments, we'll try to do a verbal vote on this. So as I can catch everyone, all those in favor, please say, "aye."

Commissioner Levy:

Aye.

Commissioner Reeves :

Aye.

Chair Sizemore:

Aye. Any opposed? Motion carries four to zero. Interim director griffin, is there anything you would like to add to your director report other than what was included in the materials?

Tina Griffin:

No, thank you.

Chair Sizemore:

Okay, perfect. Then we will now move to the next item on our agenda, which is a Stillaguamish proposed compact amendment. I hope we have with us the honorable Shawn Yanity, chair. And then for the agency, interim director Griffin and tribal liaison, Julie Lies. Welcome, Chair Yanity.

Shawn Yanity (Chair):

Thank you, Mr. Chairman. It's an honor to be here to be able to represent our tribe and going forward with amending our compact. We are looking forward to having this opportunity to make changes with our compact that reflects the growth and the responsibilities that we've taken on through the years managing our casino, through the years. The relationship with the state and the state gambling commission. So we're looking forward to the progress.

Chair Sizemore:

Thank you very much. I concur with each of those statements. So I will turn it over to either director Griffin or Julie Lies, whoever would like to lead us off.

Tina Griffin:

So Julie's running the slideshow and I do want to note that we see that Representative Kloba is now on, so that's a note. So Julie, if you would go ahead and start with the next slide please. So yes, I too would like to welcome Commissioner Reeves. It's nice to have you, it's nice to have a full commission today. So we do have five full commissioners serving today, so thank you. Next slide please. And our ex officio by statute participate in the vote on proposed amendments, compact amendments. Next slide please. The Indian Gaming Regulatory Act, or IGRA, sets the foundation for class three gaming on Indian lands when conducted in conformance with the tribal-state compact. Next slide please.

Tina Griffin:

And IGRA sets out the topics that can be negotiated regarding tribal-state compacts and those are listed here. Next slide please. So Congress outlines in IGRA that gaming activities on Indian lands are a means of generating federal government revenue and to promote tribal economic development, tribal self-sufficiency, and a strong tribal government since the gaming activity is a means of generating revenue

for their government. Next slide, please. The commission and tribes have shared interest in ensuring that gambling is legal and honest. Next slide please.

Tina Griffin:

And both the tribes and the state want to ensure that there is no criminal activity. Gaming is limited to only those authorized activities and there are minimal impacts to the local law enforcement. Next slide please. So this is the compact approval process. And with the next slide, we are at the point where the commission now is within the 45 day period and it's today the commissioners and ex officios will take action on the amendments either to forward the amendment to the governor who would review and sign, or return to the director for further negotiation. And so with that, I'd like to turn the presentation over to Chairman Shawn Yanity.

Shawn Yanity (Chair):

Thank you, Julie. Want to apologize for being a little distracted. I had a 9:30 appointment with the governor this morning. So I'm in between two calls. We just finished [inaudible 00:11:37]. So I do apologize for that and thank you for your patience. Well, we'd like to present a little presentation here, a little history of the tribe. Our native [inaudible 00:11:59] and our Lushootseed language, Stulegwabs, is the actual translation of our name, referring us to the people who lived along the Stillaguamish River from Camano Island all the way out to the headwaters of the north and south forks. 1855, the tribe resided on Camano Island, the mouth and mainstem of the Stillaguamish River, as well as north and south forks.

Shawn Yanity (Chair):

After signing the treaty, we were moved to the reservation out on Whidbey Island and after finding conditions very horrible, a lot of our family members left and went back to their homelands and Billy Sykes and the federal government dissolved this. So through those years we had maintained our identity and have records showing that we were operating as a council all the way back into around 1900 and with the help of Esther Ross and a few of our family members, some of my family members in October 27th, 1976, our tribe received federal recognition back.

Shawn Yanity (Chair):

And before that we were part of the Boldt decision and in that decision, as you guys know, it affirmed that tribes had treaty rights to harvestable numbers of salmon. And we were part of that case. 2014, the tribe was granted a reservation from the federal government what was promised to us back on signing of the treaty. It's the 64 acres here where the casino and our administration office lies.

Shawn Yanity (Chair):

This is just a snapshot of some of the properties the tribe has located by the casino. Our administration building, our health clinic, Qwelut healing center, which is our methadone and behavior health, our tribal community center, our natural resource building, our tobacco fuel stations, as well as the Angel of the Winds Casino and Resort. A little refresher for everybody that don't know where the casino resides, used to be our housing. And we had 20 homes there, we were the first tribe in the nation to have to actually move everybody to build a casino. And we moved 20 homes and relocated the people that lived there, I was one of them. And with the help of casino, we were able to relocate a lot of the family members back to our community center, which is spot number four. Next slide.

Shawn Yanity (Chair):

Our tribal government consists of six elected members: chairman, vice chairman, secretary, treasurer, two members. We have elections every year. Two seats are up for election and after each election the board gets together and they choose and elect officers. Our constitution was created in 1953 and our responsibility is to provide services and assist every tribal member. There are three [inaudible 00:15:44], elders care, education, and so on. Very similar, probably no difference in the State of Washington and other tribes.

Chair Sizemore:

You can stand by just a moment. Chairman Yanity, you appear to be muted. Can you try to unmute? How about now?

Shawn Yanity (Chair):

There we go. Thank you.

Chair Sizemore:

Okay, thank you.

Shawn Yanity (Chair):

Our administration office, as of today, we employ 950 employees. When I was elected in 1998, we had just under 30 employees working for the tribe and no economic development. With saying that, this would mean I was the one that created all that, but I was part of the team members that were ... Our transportation department we formed to provide services, not only for our tribal members, but also to meet the needs of our patients that are going to our drug treatment programs or methadone behavioral health. Our planning department, they work very closely with the county and the state on land issues, utility management, road maintenance, as well as grant writing.

Shawn Yanity (Chair):

Next slide. Our family resource department offer services to our tribal families, everything to reaching out to programs, assisting with housing, assistance with funding that helps with low income, services getting set up for drug treatment, family counseling, et cetera. Our cultural resource department has been growing and very proud of that. They help plan cultural events, not only with the tribe, but also with family members and they give them all the support they can with services and resources to allow the families to hold their ceremonies and practices.

Shawn Yanity (Chair):

It also preserves our cultural sites and keeps our history recorded. Excuse me. Our tribal enrollment department has been also involved reaching out to our membership, not only for enrollment issues, but also keeping them informed on services that the tribe has. Our police department, I'm very proud of our police officers that we have. We have 14 officers, two of them are fish and wildlife. We have a very close relationship with Snohomish County and Washington State patrol officers. We are commissioned, which has been very helpful for us to address enforcement issues at the casino since a lot of our patrons are not Native, it gives us the ability to enforce tribal law and state law and work very closely with the Snohomish County.

Shawn Yanity (Chair):

Next slide, please. Our housing department, as I stated earlier, we have rebuilt homes. They're on our community site. Here's a couple of pictures of some of our tribal homes that have been built. We have several homes that are built for elders 60 and older, they're single room, one story housing in kind of a duplex setting where the houses are all connected together. As well as other elder housing, individual housing for single parents in large families. We have a canoe house carving shed on-site there as well that is open for tribal members to come learn about carving, whether it's story poles or canoes. So that's open to the community. We have a holistic healing center, massage therapy, as well as counselors and a clinic. The elders campus has six units I was mentioning about for the elder 60 and older and a playground park for a lot of kids that are living in the neighborhood. And we're already hearing complaints that the kids want a skate park so we've got it makes some [crosstalk 00:20:49]. So next slide, please.

Shawn Yanity (Chair):

Our clinic is open to all Stillaguamish tribal members and their families, enrolled Native Americans, as well as our tribal employees. Our massage therapy clinic restores the health and wellbeing through different types of massage and bodywork and it's very successful there. We are booked out weeks in advance. We also utilized our clinic to assist tribal members, our employees, and eventually Stanwood, Darrington, and Arlington school districts for COVID-19 vaccinations Next slide, please.

Shawn Yanity (Chair):

Our methadone clinic, the Qwelut healing center, very near and dear to my heart. Having a family member that was a 28-year heroin addict, myself and a few other council members about 10 years ago, maybe more than that, started looking into ways to help battle heroin addiction. And then digging deep in it we found that there was a lot more than just a few of them and so this was our way of providing better services for our tribal members and we're still looking at ways to meet the needs of those that have an addiction and trying to help them heal.

Shawn Yanity (Chair):

We were the first tribe in the nation to open a methadone clinic to non-Natives, but we were the second tribe in the nation to actually open up a methadone clinic. Our behavioral health programs, offer substance use disorders treatment, mental health services, and Island Crossing counseling services is our actual name for the methadone treatment program. We just moved into Suboxone, I guess, too, and we're also looking at other treatment options that people can have other than Suboxone and methadone. We're getting more people wanting to get away from addiction completely, with methadone a lot of folks are going to be stuck on it for life, and they'd like to be completely free of substance. So we're trying to grow and look at other alternatives.

Shawn Yanity (Chair):

Next, please. Our community center, as you see there's a theme with our administration building and our community. We're trying to keep the buildings looking closely alike and I must say, it's my biased opinion, they are very beautiful. But the community center's located in the middle of our housing community because it's designed to be the central connection to our elders all the way down to our children and it houses our education department. And the goal is to make getting an education accessible and easy. We have afterschool programs that helps the kid with homework tutoring.

Shawn Yanity (Chair):

They also reach out to the school to make sure that there's communication with the parents, as well as education program to meet the needs of our children and it's open and available to all of our tribal citizens. We've held cultural events, funerals, and our summer youth program, which is a big hit with the kids. We do everything from outside activities, from hunting and fishing training, gathering adventures, where the kids go out and we'll gather a swamp teas, as well as other roots and medicine plants and come back and they'll cure them.

Shawn Yanity (Chair):

Next slide please. Our natural resource building was created back in 1974 due to the Boldt decision, not necessarily this building, but our natural resource department. Not only the treaty recognized and affirmed that the tribe has a right to harvest, but it also affirmed that the tribe has the right to manage, protect, and conserve its natural resources that are required to sustain healthy fish populations. Shellfish and wildlife within the Stillaguamish tribes usual custom areas and treaty area. Next slide please. Our convenience stores, we have two locations, one just off exit 210, and the other on Island-

PART 1 OF 4 ENDS [00:26:04]

Shawn Yanity (Chair):

210, and the other at Island Crossing. They do really, really well. We took over cigarettes sales back in 2007, 2008, from an individual... tribal members that ran the business. Now the tribe operates those and we utilize that money for health benefits for our tribal members. Next slide, please.

Shawn Yanity (Chair):

Angel of the Winds Casino Resort has been a blessing and has been a curse. And I say that all the time, even to our tribal members. Some of the curse comes with a lot of pushback when we first opened up and we still get a little pushback from some of the community members. It tore up our village and moved our family members. It took us a while to build back up. But aside from that, those few issues, the casino has been more blessings to the tribe. Being able to help our tribal government provide more services to our membership, being able to reach out and be a very active supporter in the community, as well. With our group, [crosstalk 00:27:33] we have seven food venues, 125 rooms, a bowling alley Rivers Run Event Center, and a virtual sports [inaudible 00:27:46], All Things Sports.

Shawn Yanity (Chair):

We've also been very supportive with the community. We shut down during the COVID-19 outbreak. Before we shut down, I got to give credit to our casino management team. They put together a heck of a protocol for cleaning up the area, sanitizing, providing sanitizers masks and trying to keep the place as safe as possible. Then when it came time for us to shut down, we did, and they were already working on reopening plans and protocols. We still implement those today for checking temperatures, mandatory masks, a lot of sanitizing of machines and things are going really, really smooth. One way that we supported the community is we closed our buffet and we had an opportunity to support a local food vendor from the city of Arlington, Playa Bonita, a Mexican restaurant. They took up the offer, and they operate their restaurant inside the casino. Next slide please.

Shawn Yanity (Chair):



With the help of the casino, the tribe made a promise to the community that as we grow economically, and we become strong, we were going to bring our community right with us. One of the first things we did is reached out to the fire department and support them. We have a great relationship with the five districts that serve in our watershed. We invest a lot of financial resources with the fire department. The nice thing about that is every dollar that we put into the fire department, we know that we're going to... in this community, everybody's going to get top notch services from the fire department, and they don't have to put up a bond or a levy to try to raise that money to get the equipment they need to do their job.

Shawn Yanity (Chair):

Through the years, the tribe's donations from 2019 to September 2020, we've totaled over \$2.3 million; \$315,000 to the Camano Food Bank; 300,000 to Arlington Food Bank; \$180,000 to the Darrington Fire Department; 25,000 to Everett P.D.; 20,000 to Lakewood School District; 20,000 to the hospital in Everett; and 20,000 to Stanwood High School girls soccer, and there's many, many more.

Shawn Yanity (Chair):

Another example of something that we've done a couple of years in a row, reached out to the food banks in Arlington and Stanwood. One year we gave them 100,000 each, and then just recently, as you see, we've given them a pretty large check. During the OSO landslide, Darrington and Oso Fire Department had issues after responding to the Oso landslide: the damage that was done to their equipment; damage that was done to their uniforms, their fire gear because of the contamination of the soils and the spill. But they didn't have the money to replace it. We wrote \$100,000 to both Darrington and Oso to help them replace damaged equipment because of efforts in the slide. Just recently, we just bought the Oso Fire Department a brand new ambulance that needed to be replaced. Their annual budget's right around 15,000 a year, and so for them to actually get a new ambulance was a huge thing. Next slide.

Shawn Yanity (Chair):

The summary of our compact changes. We're looking to update our wager limits, update our firearm prohibition provisions at registration of gaming employees, update forms of payment for wagers, add responsible gaming program and problem gambling funding, update funding for community impact and charitable contributions, update tribal forums, and add relevant criminal laws, allows for extensive credit to qualified customers.

Chair Sizemore:

I believe aren't... Julie Lies, are you going to go into these a little bit with a little more detail?

Julie Lies:

I can, chair.

Chair Sizemore:

Okay.

Julie Lies:

This is Julie Lies. I'm the tribal liaison for the Washington State Gambling Commission. Before I get into more detail, I'm not sure if any of the commissioners or ex officios have questions for Chair Yanity. I thought he presented a lot of really good information about the tribe, and I thought maybe there might be questions.

Chair Sizemore:

We can do that at this point. I was going to do it a little bit later, but yes. Are there any commissioner or ex-officio questions for Chairman Yanity? I guess I just have... Actually, this is... I see a hand up from the public, and this is... There will be a public comment here shortly. We'll not come to you quite yet. I have one question there, chairman, and it appears that your contributions exceed what the existing compact would require. Is that pretty common place for you guys to exceed what you would... the minimum amount you would have to contribute?

Shawn Yanity (Chair):

Yes. We go above the compact, as well as the compact donations that we have in our revenue allocation plan. We have another percentage set aside to do more donations, as well as a line item that's called governmental assistance. That's where a lot of donations to fire departments, food banks, the city of Arlington for road repairs and such will come from.

Chair Sizemore:

Thank you for that. I'm sure that it makes a huge impact in your community. Any other questions for Chairman Yanity from the commission? Seeing none. We'll have you stick around there for just a second chairman, and we'll go to Julie Lies.

Julie Lies:

Thank you, chair. Just wanted to share with the commission that the changes in this proposed compact amendment reflect a complete rewrite of the tribe's existing compact... With the original compact and any subsequent amendments will be superseded if this proposed amendment is approved by the commission and signed by the governor and the tribe. These changes are intended to modernize the compact and clarify the tribal and state regulatory roles and recognize the more than 15 years of co-regulatory partnership we've had with the tribe. There's just a few highlights with that Chair Yanity has gone through. I'll give a little more detail, just as an information for the group. The tribe's original compact was signed in 2000, and they opened the Angel of the Winds Casino in October of 2004. We got open for awhile.

Julie Lies:

These changes that you see here are similar to changes that you've seen before you before with other tribes, as far as the updating wager limits. Just to hit the high points, the gaming facility, 25% of the tables on their gaming floor. We'll be able to offer up to \$1,000 limits that... And those tables will have signage that they're higher limit tables. We'll also be able to offer up to \$5,000 wagers at specific tables and for specific customers that are pre-screened. This amendment also allows the tribe to put up to 3,000 player terminals in one gaming facility or a combination of two. And what that means is that original ex-two, there was this facility limit, the 2,500 facility limit. What this does is give the tribe access and flexibility to operate up to their operating ceiling of 3,000. This amendment also increases their tribal lottery system machine wager limits up to \$30. As part of that, there's also... if the lottery

commission increases their wager limits at sometime in the future, then the tribe can request to have their wager limits increased as well.

Julie Lies:

The forms of payment was updated to allow for Near-Field Communication. These are things that we see often as like Apple or Apple Pay or Google Pay or Samsung Pay, those types of payment methods. Then also chipped cards where you can tap and pay. It allows them to add those forms of payment.

Julie Lies:

There's an MOU agreement between the Tribal Gaming Agency and our agency. There is an extension of credit to qualified customers, and it's going to be based on screening criteria that we set out in the appendix. Then we're going to document that in the memorandum of understanding with the tribe. This basically maintains what the tribe currently has as a responsible gaming program and adds to it. There's some additional funding for problem gambling treatment. It increases from 0.13% that's in the compact currently up to 0.2%. There is some additional funding for community impact and charitable in this compact. Although, you can see from what Chair Yanity provided, they already contribute quite a lot to the local community. There's also a moratorium that's included until the Problem Gambling Task Force is able to complete their work and their report. So there won't... [inaudible 00:39:43] in this compact until six months after the task force is able to complete their report. With that, that was my summary, I am available for questions.

Chair Sizemore:

Okay, it appears that we have a couple of hands raised. Representative Kloba.

Representative Kloba:

Yes, thank you, Sheriff Sizemore. With respect to the extension of credit to qualified customers, I know you said that in the memorandum of understanding there will be a little more detail about that. Can you tell me if there's any upper limit of which they can extend credit? Of course, I'm coming to that from a problem gambling perspective, and when compared to other addictions, there's some physiological limits of how quickly you can run through your savings. Whereas, with this gambling, I think that's one of the dangers is that you can very quickly go through a whole lot of money. So, could you help me understand what kind of limits are on that extension of credit?

Julie Lies:

Absolutely. The extension of credit is not designed for extending a few hundred dollars. That's not what this is about. These are for those customers that don't want to carry a large amount of cash with them. So that there's a minimum that the tribe will set on what they're going to extend, as far as credit, as well as a maximum. The criteria that they talk about is they're going to look at the finances of that person to make sure that they have the credit, basically, to be able to pay back. It's like the credit, the loan. There's also a criteria in there about if they are on a self-exclusion list or they have problem gambling issues, they're not going to be extended credit. Also, looking at Title 31 type of things. We've put in some of those criteria within the MOU... or within the appendix, and then those will carry forward in more detail in the MOU. And then the tribe's procedures. Does that help, Representative Kloba?

Representative Kloba:

It does to some extent, but could I have a follow-up?

Chair Sizemore:

Yes.

Representative Kloba:

I think that what we know about problem gambling is that it's not restricted to people who don't have a whole lot of money. You could still be fabulously wealthy and have an issue with gambling as an addiction. So, maybe I'm a very wealthy person, and I've got a great credit, and you're willing to lend me all this money. I'm concerned that it would still... Having... I didn't hear anything about an upper limit, regardless of the person's wealth. I'm still kind of concerned that there's not enough protection in there for problem gambling. So, there's really no upper limit at all. It depends on the individual and how much money they have. And also, with that extension of credit, is there anything limiting the amount of interest that would be paid on that loan of the money?

Julie Lies:

Again, those criteria... So, an upper limit, the tribe's going to determine what they're willing to accept, as far as risk. The percentage... If there is some sort of interest on that extension of credit, that'll be part of that MOU that we agree to with the tribe, as well. I think that we still have Chair Yanity. I'm not sure if he has some additional input on the problem gambling piece of it. I'll give him an opportunity to unmute. Maybe he does. He might be on the call with the governor, though. So, part of crafting the criteria that we put into the appendix was designed to address all of those things that you're talking about. If they... If we know that they have issues with problem gambling, or we know that they're self excluded, they're not going to be extended credit. I understand, as far as the financial end of it, but then the tribe is also going to be looking at how much are they willing to risk an extension of credit.

Chair Sizemore:

Julie, maybe I can jump the line here a little bit since it's on this topic. If I recall correctly, there's a division between promotion... So the tribe can't use this extension of credit list or criteria to try to do any promotions, or utilize it to try to spur on more gambling. Is that...

Julie Lies:

That is correct, yes.

Chair Sizemore:

Okay.

Julie Lies:

That is one of the criteria. I see that Chair Yanity is unmuted and is on camera again.

Chair Sizemore:

[inaudible 00:45:15] chairman.

Shawn Yanity (Chair):

We still got to work out that discussion and it'll be through an MOU with the gambling commission. So, between our management team and our gambling commission here for Stilly, we'll work on that interest rate, and stuff like that.

Representative Kloba:

Okay. I do want to state that I recognize in all of the talks that I've had with tribal members who were in charge of gambling, there's no desire to make money off of person's weakness or addiction. And so, I know that there's certainly that attitude or value that we can rely on, but I also do very much worry that, as a commission, we won't have any real assurance that the loans won't be at 20% or something that could be perceived as predatory. And so, I'm a little worried about that, but I recognize, again, the desire that tribes have to be doing business in a way that's very high in integrity. So, I recognize that. Thank you.

Chair Sizemore:

All right. Thank you, representative. Next, we have Vice-chair Patterson, and then followed up with Senator Conway and Commissioner Reeves.

Vice-Chair Patterson:

Yes, thank you, Mr. Chair. I'm just listening carefully to the conversation, and I have to say that Representative Kloba kind of opened the door for me to tell you that, personally, I'm not really hot on extension of credit when it comes to gambling. It just doesn't feel quite right to me. It never has. And again, just to be clear, this has nothing to do with the integrity of the tribes, or the extent to which the tribes are helping to alleviate the problem of gambling addiction. They certainly are major players in that effort, but it just doesn't sit well with me. I don't know if... I guess maybe it's more of a legislative issue, Senator and Representative Kloba. I think it deserves a lot of discussion. The other thing I was wondering that is also related to the issue of problem gambling, Julie, is that you said that the amount that would be set aside for problem gambling would go up 0.2%. Is that right?

Julie Lies:

Trying to find the unmute. Yes.

Vice-Chair Patterson:

So, it could go up to 2%, but it doesn't say that it would be 2%.

Julie Lies:

It's increasing the compact commitment from 0.13 to 0.2%.

Vice-Chair Patterson:

Okay.

Julie Lies:

Yes, so the tribe could contribute more than that if they chose to do so.

Vice-Chair Patterson:

Okay, but not less than that?

Julie Lies:

No, not less than that.

Vice-Chair Patterson:

Mr. Chair, where would be the best spot, in your opinion, and for my colleagues on the commission, as well, for there to be a broad discussion about the concept of extending credit to gamblers, and also the extent to which we are actually able to determine if someone has an addictive issue, that we are unable to identify. With regard to credit, I think that's a concern. If my concern is not shared, then there's no need to go any further with this. But, I just want to say that, for me, throughout the years on the gambling commission, it's never settled with me. It seems that it should be a pastime that you can partake in if you have the money. If you don't have the money, maybe you should stay home and watch a movie. So, I just needed to express that. It doesn't settle well with me. Thank you.

Chair Sizemore:

Okay, so I'll ask you, do you want me to answer the question or...

Vice-Chair Patterson:

You're the chair, and I don't want to sidetrack the timeline for this agenda. I don't want to take us off on a tangent, but listening to Representative Kloba, I can tell that she, and correct me if I'm wrong, but I could tell that she also was thinking about this, and I have always thought about how it just doesn't... I don't feel like we've gotten to the point where we're uncomfortable with it.

Chair Sizemore:

I've been at this for a little while, same as you, and I think that I am certain that there was a conversation a decade or so ago when the first tribal compact included extension of credit. Well, no, I guess that's wager limits, but certainly, I know that there have been a few compacts that we have approved, certainly in this last year, that include an extension of credit. I guess I feel like we have had some of those conversations, and it feels to me we can always have a greater level of conversation, and I'm certainly willing to do that down the road. I guess I use, personally my kind of guideline is that tribal gaming is different than a commercial or nonprofit gaming in the fact that it's intention is to generate revenue for a tribal government versus the rest of the gambling act that pertains to social pastime type of gaming. So...

PART 2 OF 4 ENDS [00:52:04]

Chair Sizemore:

Social pastime type of gaming. So if, as a method of attracting, I think of them as high roller players, that they can offer somebody a \$50,000 line of credit because they have millions of dollars in the bank. They just don't have to bring bags of cash to the casino. That seems like, something that is safer for the customers, and I'm pretty sure that the casinos are going to manage that very carefully. Especially, now that we're starting to see this.

Chair Sizemore:

I think we can certainly, probably, ask for data on how this is working out at any point. So, I think, the fact that we have approved a few compacts with a very similar, or, identical provisions, I think that it's a conversation that we can continue, but I know that we've had some...have somewhat already.

Julie Lies:

Chairman, if it would be all right with you, I do have the specific criteria I can bring up to help everybody...

Chair Sizemore:

Please.

Julie Lies:

Center back on what they are. Okay.

Chair Sizemore:

Please.

Julie Lies:

Yes, absolutely.

Chair Sizemore:

And can you remind us how many of these provisions, or similar provisions, have already been approved in other compacts? If you can recall, not to put you on the spot?

Julie Lies:

No, no. That part, I do remember. Actually, extension of credit was first introduced in Appendix Spokane when the Spokane tribe signed their compact back in 2007. So, when you set a decade and you're pretty close. The most recently, both the Cowlitz tribe and the Snoqualmie tribe have similar provisions to what you see on the screen right now.

Julie Lies:

So, just as a reminder, we have here is that in the MOU, the patrons are going to have to submit a credit application. The tribe is going to establish a minimum and a maximum amount that any patron can request. There's going to be a process that's going to be outlined for review and verification of that credit app. That includes, making sure that it's the person, right, that's asking for credit is actually them getting credit reports, getting gaming reports. So, there's...casinos have access to reports of individuals gaming activities and previous credit extension activity. And then also bank verification. There is a timeframe where, how often the tribe will establish, how often after the initial review of the application, it'll be reviewed again, just to make sure circumstances haven't changed. Of course, protection of personal information is always very important. And, so, you'll see, there's going to be a way of keeping that information confidential and secure from unauthorized access.

Julie Lies:

There's going to be information on...the information about patrons asking for credit. This is what you had talked about, Chairman, was you're not going to be sharing that with operations. They're not going to be running promotions because you asked for credit. The pre-approval amount needs to be consistent with their credit report. And, any approved pre-approval that's granted has to be an employee that's separate, has an independent relationship from the patrons. So, there can't be any friends or family that are approving the extension, the credit extension limit. And then, the tribe will also address repayment schedules, and, if there's any kind of late payment fees or penalties or interest. Then they will follow the applicable debt collection, federal debt collection laws. So, that is the criteria is that's listed in the Appendix.

Chair Sizemore:

Thank you for that, Julie. So, and I'm going to loop back around to Representative Kloba first, and then Vice-Chair Patterson to see if that spurred any more questions or helped.

Representative Kloba:

Thank you, chair. The 4.1.3 section I did find to be helpful that...I think, that I was wondering about a person, coming to Washington and then going to five different casinos, and going through the same process too before all the paperwork catches up with them and then, really digging themselves into a hole that's going to lead them to other disastrous consequences. So, that is helpful to me that they're sort of a centralized, I guess...

Julie Lies:

Information. Yeah.

Representative Kloba:

Information, you can access and see what has been happening at other casinos. That part is helpful. And, the fact that you...part of our agreement that we would make is that [inaudible 00:57:48] influence the minimum and maximum [inaudible 00:57:51].

Chair Sizemore:

Okay.

Representative Kloba:

That's what would happen in the negotiations. Is that correct?

Julie Lies:

It would happen in the creation of the MOU that we agreed to with the tribe, yes.

Representative Kloba:

Okay. Thank you.

Chair Sizemore:

All right. Thank you, Representative. And, I'll ask Vice-Chair Patterson, any questions or comments on that?



Vice-Chair Patterson:

No, I think the criteria are solid. I was just, I appreciate your indulging me. I'm just expressing a personal sense that the extension of credit doesn't quite feel right when it comes to gambling. And, on every one of these that we've approved, I've felt that way. So, I guess, it's too late. I mean, it doesn't really matter to me that we did this back in 2007. And, I don't think that makes it okay. I just don't know that, I think it's okay to extend credit for people who are gambling, in general. That's my sense, for what it's worth. I want to express that. It's not going to hold up this hard worked on agreement for me. I just don't know that it makes sense.

Vice-Chair Patterson:

I'll also say Mr. Chair, that I do disagree with you about something and I'm going to, I'd like to say that. And, that is that you're saying that our...the tribal gaming, the purpose of it is to generate money for the tribal governments, which is true. But, when that activity has an impact on the entire state of Washington, an addictive impact, and then a financial impact, then it does become our business. And so, it's true that their purpose, it goes beyond simply providing a gaming activity for fun. It's also for the generation of money. But again, I'll say that when that impacts the entire state of Washington, we do have a reason to be asking these questions.

Chair Sizemore:

I agree with you there.

Vice-Chair Patterson:

So anyway, they will come back to us with what their proposal is. Is that correct?

Chair Sizemore:

Yes.

Vice-Chair Patterson:

Julie?

Julie Lies:

Yes, Vice-Chair.

Chair Sizemore:

It appears [crosstalk 01:00:25] I see head-shaking.

Julie Lies:

Yes. I was on mute. Yes. That is...based on this criteria, the tribe will bring together their package on how they plan to implement this criteria. And then, that's when the tribe and then our agency would work together on what the final document looks like.

Representative Kloba:

Thanks for letting me express my opinion on this. Thank you.

Chair Sizemore:

All right. Thank you, Senator Conway. Thank you for your patience.

Senator Conway:

Thank you. Thank you, Mr. Chair. I was wondering if [inaudible 01:00:59] is still on the call.

Chair Sizemore:

He is, he probably needs to unmute.

Senator Conway:

Okay. I should've asked this question earlier. I know, so, we're going to increase the funding for problem gaming. And, I'm just curious if the tribe runs its own its own problem gambling program. And, if so, I wanted to chat with him about that. If he can answer that question.

Shawn Yanity (Chair):

We, we run internally through our behavioral health program access for our tribal members for health, and, at this time, I don't know if we've got anybody using it. But, with our management team, our Gambling Commission, as well as our council, the concerns with problem gambling is very important. It's something that our staff and our Commission tracks and monitors the best they can, as well as the...the casinos talk to each other. If you've got a problem gambler that goes from one facility to another, they talk to each other. So that way, we're not having somebody taking advantage of being able to go somewhere else without being tracked.

Shawn Yanity (Chair):

So, it is a high priority for us. And if we start seeing, we have issues with our tribal members, I know our council will do everything they can to increase that health, as well as working with the Gambling Commission. Through the years, with Julie and Kathy Harvey, when issues have arised, our tribe does everything we can to work side-by-side with the Commission, address issues. So, that way, there are no regulatory issues, and we're not making a negative impact to the community.

Senator Conway:

Thank you for that. I want to let you know, from the problem gambling task force issues here is, as we're working on this, we need more input from the tribes on their problem gambling work, and anything that you can help us with would be deeply appreciated. I think that we're at the cusp of trying to, address the issue of problem gambling in our state in a more comprehensive way. And so, all your input will be very well appreciated. So thank you Chair, and I want to say this Chair [inaudible 01:03:42]. I think, your presentation is one of the best I've seen in terms of the tribe and how it's using its dollars to improve the tribe as well as the community. So, I thank you for that.

Shawn Yanity (Chair):

Thank you, sir. We'll have our staff get that information out and help out where we can.

Senator Conway:

Thank you. Commissioner Reeves. Thank you for your patience as well.

Commissioner Reeves :

Of course, Mr. Chairman, thank you. And to chairman [inaudible 01:04:11], thank you so much to you and your team for joining us today. My question is, and, please bear with me being brand new and trying to get through 160 pages in less than a couple of days. If this question has been asked and answered before, please feel free to punt me to someone else. But, my curiosity is really around the equity and inclusion elements specific to both the extension of credit component, as well as the charitable giving component of the work that you all do. And, as we think about the future of the Commission and the work in our communities, wanting to make sure that the impact, I think while we all have good intent here, and wanting to make sure that our impact is actually equitable, and fair, and just.

Commissioner Reeves :

I'm curious to know if, and you can, again, punt me to a future conversation, but, if you all have either economic data or demographic data that can speak to how the contributions to the community are being provided in a fair, and equitable, and just manner, what those impacts have been? And then, how based on the proposal that you're talking about, the extension of credit, how you're taking into account, some of the unjust systems that have been incorporated into credit scoring and so forth to minimize those impacts, as you think about the extension of credit specific to gaming. I know that was a lot of word vomit.

Shawn Yanity (Chair):

No, no. We do. We do track on where we donate our money and that is shared with the Commission. The Commission is able to come in and audit where all of our donations, they get to review that as well. And, anything that we do outside of that, we do track that here internally. So, we would be able to share that as well. From my understanding, when it comes to the line of credit, our management team's going to be monitoring that very well. The last thing that we want to do as an organization that started this casino adventure on the idea of providing great entertainment, being the world's friendliest. The last thing we want to do is get people where they're overextended on credit, putting ourselves in a position to where we've got to go to court to get money from somebody, for nonpayment. We're going to be very cautious about how this operates.

Shawn Yanity (Chair):

And again, I'm sure that when we get down to the nuts and bolts of it, our Stillaguamish Gaming Commission, as well as our casino management, we'll be sitting down through an MOU with the State Gambling Commission on what those details are. And they'll be able to get into more extensive details on the process on how we monitor that. But we do have a top-notch staff and when they come to us and they tell us that they're able to watch somebody, by the way they're playing, or, by the way they're asked for a line of credit, they take those things into consideration, because we want people to come back. We don't want to chase people off, and then, we don't want to have that stigma of, we're just out there to reap all the benefits. And that's not what we got in the business for. I hope that answered your question.

Commissioner Reeves :

Thank you, Mr. Chairman.

Shawn Yanity (Chair):

It's good to see you again.

Chair Sizemore:

All right. I'm not seeing any other hands raised from commissioners any further commissioner or ex-officio questions, comments. All right. Well, then, I will open it up for public comment and I will remind everyone that this public comment period is specific to this compact amendment. There will be a public comment period later in the program here for different or more general public comments.

Chair Sizemore:

So, I have Nancy Watson has her hand up. If you could go on camera and unmute yourself.

Nancy Watson:

[inaudible 01:08:47].

Chair Sizemore:

Then I'll ask that you identify yourself for the record.

Chair Sizemore:

Hold on. How do you guys stand my voice? I don't know. Nancy, do you want to try again?

Nancy Watson:

Yes. I'm Nancy Watson. And, I just wanted to comment on this because I was so impressed by Julia Patterson. I guess one of the commissioners, I was so impressed by her comments and it really, as a mother, it really gives me heart to know that we are represented by someone on the Commission that is able to make these, sometimes it seems so exciting to have charitable contributions and to help the tribe, and I love that presentation on the tribe. Thing is we pay a price. And, a big part of the price we pay is that people fall into problem gambling situations that can destroy families. And I was so heartened by her comments and also Commissioner Kloba. I'm just very touched by your concern. Thank you.

Chair Sizemore:

All right. Great. Thank you. Are there any further public comments on this compact amendment? All right. So, Director Griffin, Julie, [inaudible 01:10:27]. Oh, excuse me. I do have one more hand. Commissioner Reeves.

Commissioner Reeves :

Mr. Chairman. This is the new kid question. Just to make sure that I heard correctly, we have already, as a commission, approved existing compact amendments to include the line of credit question. And, if that is correct, am I to assume that those tribes will also be bringing back the Commission proposals on how they plan to implement the line of credit? Is that correct?

Chair Sizemore:

Julie [inaudible 01:11:02]. I'm seeing. Okay.

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Julie Lies:

Yes. Yes, Commissioner Reeves. That is correct.

Commissioner Reeves :

Thank you, Julie. Thank you, Mr. Chairman.

Chair Sizemore:

So, Julie, are you wrapping us up here and getting us to the decision?

Julie Lies:

I'm trying. I'm trying.

Chair Sizemore:

All right.

Julie Lies:

So, our next steps is the vote for the commissioners. The two options are, to forward to the Governor for review and final execution, or, to return the negotiations back to the director for the negotiations. So, we are at that point.

Chair Sizemore:

All right. I appreciate the robust discussion and presentation. And, is there a motion?

Alicia Levy:

This is Commissioner Levy. I move to forward the proposed compact amendment to the Governor for review and final execution.

Lauren King:

This is Commissioner King. I second.

Chair Sizemore:

Okay. It's been moved and seconded to forward the proposed compact amendment to the Governor for review and final execution. Is there any further discussion on the motion? Seeing no hands?

Chair Sizemore:

I will ask Interim Director Griffin to call the roll, please.

Tina Griffin:

Chair Sizemore?

Chair Sizemore:

Aye.

Tina Griffin:

Vice-Chair Patterson?

Vice-Chair Patterson:

Aye.

Tina Griffin:

Commissioner King?

Lauren King:

Aye.

Tina Griffin:

Commissioner Reeves?

Commissioner Reeves :

Aye.

Tina Griffin:

Senator Conway?

Chair Sizemore:

You're muted Senator, sorry.

Senator Conway:

Might be helpful.

Chair Sizemore:

Senator Conway votes "Aye."

Tina Griffin:

Thank you. Senator Holy?

Chair Sizemore:

Absent.

Tina Griffin:

Representative Kloba?

Chair Sizemore:

Rep Kloba votes, Aye.

Tina Griffin:

Thank You. Representative [inaudible 01:13:12]?

Chair Sizemore:

Also absent.

Tina Griffin:

[inaudible 01:13:13].

Chair Sizemore:

Okay. Motion carries seven to zero. Congratulations to all that put in the work on this. Jeremy [inaudible 01:13:27]. Any final words for us?

Shawn Yanity (Chair):

Oh, still on me.

Chair Sizemore:

No. You're there.

Shawn Yanity (Chair):

I'm on. Okay. Well, I just want to thank you everybody for your questions, your current concerns. I really appreciate the insight from those that had questions about problem gambling. I really appreciate hearing both sides that we can address the concerns and our mission isn't going to change. We're still going to uplift the community and try to be very responsible piece of the entertainment and the gambling arena, and our doors are always open anytime anybody has any questions. Please reach out to us. Thank you for this time.

Chair Sizemore:

Congratulations. So with that, we will now move to our next item on our agenda. And I'm going to ask our AAG, Suzanne Becker, and I probably will give her just a minute to catch up, but I'll have ask her to describe the next process that we're going to go through. And, the next item is a petition for review. It is for Loyal Order of Moose 09125CR2019-00229. And just for folks to contemplate their schedule, we will address this item. And, at some point we, as a Commission may go into a separate conference and come back, deliver a decision. And then, I anticipate that we'll take a break.

Chair Sizemore:

So Suzanne, are you with us, and can you kind of describe this next process for us?

Suzanne Becker:

I am, and I'm happy to. So this next matter is an administrative procedure act matter, and it is the petition for review of an initial order regarding a Commission enforcement action. So for a quick summary, the petitioner, the Loyal Order of the Moose, or, LOOM, as they've been referred to in the pleadings, has us served with a statement of charges regarding certain alleged violations of Commission statutes and rules. They have had a full administrative hearing in front of an administrative law judge

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with the Office of Administrative Hearings. And LOOM is now asking for a petition to review the initial order issued by the administrative law judge in this matter.

Suzanne Becker:

And the Commission, just as a short reminder, this matter, you are sitting as decision makers under the APA in reviewing the initial order. And, typically, the way that you have handled these proceedings in the past is to allow an oral argument of both of the parties. Although, this is optional based upon Chair, your decision. And to permit any questions of the Commissioners that they wish to ask, and then to go into a closed session, if you would like to discuss your options.

Suzanne Becker:

Chair? Does that summarize sufficiently?

Chair Sizemore:

Absolutely. Perfectly. Thank you for that.

Chair Sizemore:

So I will ask if Ryan Smolinski, the attorney representing LOOM is with us and on camera.

Ryan Smolinski:

I am, Chair. Can you hear me all right?

Chair Sizemore:

I can.

Julie Lies:

I think Commissioner Reeves is having a headset issue.

Chair Sizemore:

Okay. And Doug Van de Brake, Assistant Attorney General for the Commission. Are you available?

Doug Van de Brake:

Yes, I am.

Chair Sizemore:

All right. Then I'll ask you to go on camera.

PART 3 OF 4 ENDS [01:18:04]

Chair Sizemore:

All right, I'll ask you to go on camera. And I'm going to double-check before we get started. Commissioner Reeves, you can just do a thumbs up if you're good.

Comm. Reeves:

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I'm back online, Chairman, I'm so sorry.

Chair Sizemore:

No worries, I think we're all getting used to that by now. Ryan and Doug, I would propose 10 minutes a side for oral. Is that sufficient for you?

Ryan Smoleski:

I believe so, chair.

Doug Van de Brake:

Yes.

Chair Sizemore:

Okay. Ryan, I'll allow you to begin and you certainly may reserve time for closing if you would like.

Ryan Smoleski:

Okay, thank you. To give the Commissioners a brief overview of the procedure, how we got here, back on December 4th 2019, the Washington State Gambling Commission issued my client a notice of administrative charges. Just due to many factors, including the parties negotiating in good faith, delays in discovery, and the pandemic, this administrative hearing, the actual evidentiary portion, was delayed for about a year. We did not have this evidentiary hearing until the end of 2020. The administrative law judge did issue his initial order approximately two months later. And from that administrative order, that recommended that my client's license was revoked, my clients decided to file a petition asking the Commission to review that initial order and then possibly make changes to the sanction.

Ryan Smoleski:

Just giving the Commissioner a brief overview of who my client is, they are a chapter of the Loyal Order of the Moose. It's a social and fraternal organization that is located in Quincy, Washington. It has about 500 members. It is a nonprofit organization, that's governed by a volunteer board of elected officials. These elected officials then, in their organization, they do hire staff to assist in running that chapter. The purpose of the Moose, as a general organization, is to raise money through philanthropic efforts and endeavors just to support children in the community, seniors, and the communities that they serve. To raise these funds, one of the ways they do that is through two licenses that they have with the Washington State Gambling Commission. They also have a bar and grill area where they have licenses with the Liquor Board as well, and then they also rent out a banquet room. So that's the ways that they raise money for the community.

Ryan Smoleski:

The allegations in this matter, the crux of the investigation was centered around a large illegal Superbowl gambling party that was occurring in 2019, somewhere in Grant County. There was an individual by the name of Ricardo Garces, who admittedly is a member of the Moose organization, that was running this illegal sporting board. He was selling squares for \$200 per square, and so the prize money involved in this could be \$20,000, and obviously this was not sanctioned by the Gambling Commission. It was learned through many sources, including confidential informants, that somewhere in Grant County that this board was being ran.

Ryan Smoleski:

Through the investigation, they learned that it possibly could be held in a banquet room from some sort of fraternal organization or social organization, and they figured that the Moose Lodge was the only place in Quincy, and so that's where they began to look. In the investigation they discovered that the Loom Lodge there in Quincy wasn't actually the place they were hosting the party in 2019, but in the course of investigation they did find that my clients were making some mistakes in how they followed the Gambling Commission's rules.

Ryan Smoleski:

For instance, they were running two sports boards instead of only one. These were low value, \$1 per square sports boards that are allowed by statute. They learned that one of the employees at the organization had an expired gambling license. They learned through a warrant that was actually issued in regards to Ricardo Garces, he had in possession two checks that belonged to the Loom. And it was also learned that my clients had exceeded their gross receipts in some of their gambling sales, to a degree that was not extravagant, but the statute now has changed so that the gross receipts automatically adjust with how much the actual licensee is selling. [crosstalk 01:23:25]

Chair Sizemore:

Ryan, I have a quick question.

Ryan Smoleski:

Sure.

Chair Sizemore:

Or maybe two. So Mr. Garces was administrator, not just a member, right?

Ryan Smoleski:

Correct. So at the time this investigation started he was an administrator, and the administrator position in this club was also an appointed position. And I would liken that administrative position to be like an executive director of a nonprofit, but it was also a volunteer position as well.

Chair Sizemore:

Okay. As part of the roles and responsibility of administrator, did he have any function in the operation of the gambling activities of the Lodge?

Ryan Smoleski:

He was the person who was supposed to oversee the staff, and the staff was hired by him. And the staff member that was licensed at the organization, her name was Robbie Rubio, and she did have an expired license, which I think the evidence demonstrated that her license had lapsed.

Chair Sizemore:

Okay. And then the two checks that he had, those were pre-signed with the amount not filled in. So it could have been directed to anyone for any amount that he could get cashed, right?

Ryan Smoleski:

Correct.

Chair Sizemore:

Okay, go ahead, sorry. And you have about four and a half, five minutes left. I'm sorry, five.

Ryan Smoleski:

Okay. So we're not here today to re-litigate the facts, we already had a two day evidentiary hearing. But we are asking the Commission to respectfully review the evidence that was presented at that evidentiary hearing, the determinations of the administrative law judge, and then asking this Commission to determine whether or not the revocation was an appropriate sanction for this matter. And my argument today, is that the Moose Lodge in Quincy does still remain qualified to hold a gambling license. I would liken this situation to any private enterprise that has a rogue bookkeeper, or a rogue CFO that is able to get away with taking finances and making decisions, before the higher ups actually realize what was going on. In this case, once the board of elected officials realized what was happening with Mr. Garces, he was immediately removed from his leadership position.

Ryan Smoleski:

There was some allegations of delay in, I guess, assisting the Commission in the investigation. But I think there was evidence to the contrary, that my clients were active in trying to help the Commission investigate the allegations against them. I would also point out that the gambling receipts system that my client exceeded in their gross revenue, has now changed, and so that as a organization earns more money, the appropriate amount that they're charged now automatically correlates with the amount of revenue they generate.

Ryan Smoleski:

The administrative law judge did find that the Loom as an organization had no tie to Ricardo Garces' illegal Superbowl board. And this investigation was initially based on that, and the notice of administrative charges seemed to focus on that illegal sports board that was being run by Ricardo Garces. And I think the order from the administrative law judge accurately reflects that the Loom as an organization had no knowledge and took appropriate action to remove him from leadership once they realized what was going on. And so for those reasons, we believe that an appropriate sanction is not a revocation of the license. Prior to this, there has never been any sort of notice of administrative charges levied against my client.

Ryan Smoleski:

As I just explained, the crux of this investigation was in Ricardo Garces, who is a rogue member of this organization, appropriate steps were taken to remove him from leadership. And the Commission does have authority to impose a sanction that is less than revocation. The Commission could still suspend my client's license, they could impose a monetary fine. It just seems like in this situation, revoking their license for the conduct that's complained of in the notice of administrative charges exceeds the conduct on my client's parts. So for all those reasons my client would just respectfully ask that the Commission review the sanctions imposed by the administrative law judge and consider lessening those sanctions.

Chair Sizemore:

Okay. Thank you. How much time we got left? About two minutes left, if you would like at closing. Mr. Van de Brake.

Doug Van de Brake:

Thank you, Chair, and Commissioners. My name is Doug Van de Brake, I'm an assistant attorney general representing the Commission staff in this hearing. Loom non-profit organization, under the gambling rules, nonprofit organizations must closely supervise all persons involved with the conduct of gambling activities to ensure that they follow all gambling laws and rules. And what we have on this case isn't simply a rogue administrator acting on his own, or a gambling manager in charge of the day-to-day gambling activities of Loom that had an expired license, there's much, much more going on here. And what we have yet to this day, is Loom the organization, abdicating it's responsibilities it has to supervise the personnel that it entrusted with the gambling activities. Now, again, the testimony during the evidentiary hearing, and it's in the record, shows that in 2016 or 2017 Loom's leadership became aware of an illegal sports board being operated out of their premises.

Doug Van de Brake:

And that Loom's then regional manager or territorial manager, made a trip over to talk to the members to notify them that, "We can't have that, we can't have an illegal sports board being operated here." That was in 2016 or 2017. Now, what did Loom's leadership do after that to supervise to ensure that this illegal sports board or other gambling laws and rules, other violations, weren't occurring? They did nothing, nothing at all, and its administrator was operating an illegal sports board. Now, it's gambling manager, Ms. Rubio, who operated without a license for two years, when the agents took their investigation to Loom they found that Mrs. Rubio was operating two sports boards for the same athletic event. That's in violation of the Commission's rules regarding sport boards. They can only operate one sport board for the same athletic event at \$1 a square.

Doug Van de Brake:

The gambling manager at Loom was operating two boards for a Superbowl at Loom, so that was a violation. Now, when the agents interviewed, were meeting with the gambling manager, and the gambling manager denied any knowledge of this illegal \$200 sports board, they gave a specific direct order to Loom's gambling manager to not discuss the investigation with anyone. Shortly after the agents left the premises, Ms. Rubio contacted Mr. Garces who was the subject, the primary target, of the criminal investigation. So she failed to assist in the Commission staff's investigation by defying the direct order, so she tipped off Mr. Garces to the investigation. Now later, when the agents executed a search warrant on Mr. Garces residence, and also obtaining his phone records. Mr. Garces had informed one of the agents that he knew they were under investigation because Mrs. Rubio had contacted him. And through phone records and other information, the agents went back, they talked with Ms. Rubio again, and she lied about it.

Doug Van de Brake:

She said that she did not notify Mr. Garces, that he had notified her, that the agents had been there to investigate. When they called her on that lie, she lied again then, trying to cover up the lie. She multiple times denied having any knowledge of, or participating in, an illegal sports board. Yet her name appeared on one of the wager squares for the 2018, \$200 per square illegal sports board. This is the person that Loom has in charge, managing their day-to-day gambling activities, and she was doing so without a license. The agents requested many types of information and encountered delays in getting

that information, it impacted the timeliness of the investigation and the cooperation they were receiving. So this case involves much more than assigning blame to a rogue administrator, or to it's gambling manager.

Doug Van de Brake:

The notice of administrative charges, if you look at each little charge in isolation, it might be persuasive about whether this revocation is proper. But you look at the totality of the circumstances here, there were eight charges alleged. After a two day evidentiary hearing, the administrative law judge heard the testimony of the witnesses and made the credibility determinations, sustained six of the eight of those charges. And those charges were multiple charges, operating two sports boards, failing to protect assets, the gambling manager had Loom's pre-signed checks, and those checks pre-signed were found in Mr. Garces' personal residence. The investigation also uncovered that Mr. Garces had used Loom's organization assets to purchase personal items at an auction. So here, Loom has a duty to have an independent management structure in place to ensure that there's no misuse or embezzlement of assets, there was a violation there. They failed the system, the Commission's investigation, by defying the agent's direct order and then lying about it. Failed to conduct gambling activities properly.

Doug Van de Brake:

There's no dispute that there was an illegal sports board number selection party held at Loom. Now, the administrative law judge found that Loom did not authorize that party, Loom did not host it, but the judge also found that there's no question it did occur on their premises. And they have a duty as an organization to closely supervise all the activities going on on their premises, and they were not doing that. Even after knowing, a couple of years prior, that there'd been an illegal sports board allegation going around in that area and at Loom. Looking at the totality of the circumstances and the violations, the administrative law judge properly concluded, we submit, that Loom, it's complete failure to supervise and take responsibility here, poses a threat to the effective regulation of gambling. And, looking at the numerous violations, that Loom was unable to show by clear and convincing evidence that it remains qualified for licensure.

Doug Van de Brake:

When you look at the record, look at the initial order on the findings of fact, the picture comes out, the totality of the circumstance, what happened here. That Loom cannot be entrusted to ensure that gambling activities it conducts are done properly and in compliance with the Gambling Act and the Commission's regulations. For those reasons we ask, Commission staff respectfully submits to the Commission, to affirm the administrative law judge's initial order in it's entirety, including the penalty of revocation of Loom's licenses. And that would be a punch board/pull tab activity license, and a raffle activity license. Thank you.

Chair Sizemore:

Thank you, Mr. Van de Brake. Ryan, you have about two minutes if you would like to close.

Ryan Smoleski:

Thank you, Chair, I'll be brief. My clients do understand that mistakes were made, but this investigation was targeted at a criminal who unfortunately was in a position of leadership at their organization. Once that person was identified to be acting illegally, my clients took the necessary steps to remove him from his position. And, through this process, they have learned that even small infractions can lead to major

consequences, and I think my clients at this point understand that. I would just, again, point to the statute that revocation is not the only sanction that the Commission can impose. And for the reasons that I've already presented, revoking a license from a nonprofit, it doesn't seem to be the appropriate sanction in this matter. Does the Commission have any other questions for me?

Chair Sizemore:

Any further questions? Commissioner Reeves.

Comm. Reeves:

Thank you, Mr. Chairman. Mr. Smoleski, can you speak a little bit to what your organization or what your client has done post the administrative law decision? What changes or new processes or new policy might have been put in place to address the concerns that have been raised through this process?

Ryan Smoleski:

Sure. I know one of the big ones was that they learned that Ms. Rubio was no longer licensed, and so I think even before we had the hearing, she went and renewed her license. So, as of now they do have a licensed gambling manager. I think another big change that has been made is just there are different board members now on the board than there were prior to this investigation. I think the evidence showed that the current president of the organization, he was the one person that the special agents actually trusted and believed was being forthright with the investigation, and that person still remains in the president position of this board of elected officials. Huge policy changes have not been written yet, but my clients have taken this very seriously. As far as I know, unless Mr. Van de Brake can correct me, there've been no other concerns or charges that have been filed against my client since this filing in December 2019.

Ryan Smoleski:

So I think they do understand the seriousness of it. They're making sure that people like Mr. Garces no longer have any sort of position of leadership in the organization, and I think going forward they'll make sure that every single regulation is followed.

Comm. Reeves:

Thank you.

Chair Sizemore:

All right. So, with that, we will conclude oral arguments and the Commission will go into a closed session in order to discuss. I would expect that not to take more than about 15 minutes, but it could take longer, but probably not. And then we'll probably take a 10 minute break. So I would anticipate, and Suzanne correct me if I'm wrong, that we can anticipate coming back into open session at 11:40am?

Suzanne:

Yes, that would be fine. And so the anticipation right now is that it will be 15 minutes of closed session, with a 10 minute break. Am I understanding you correctly, Chair?

Chair Sizemore:

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Yes, that's what I'm trying to do. So, everyone can anticipate us coming back at 11:40am. All right. Commissioners, please move to the breakout room that's been designated, and we'll meet. Thank you, everyone.

PART 4 OF 4 ENDS [01:41:02]

Bud Sizemore:

... back everyone. We're going to give it just another minute. I apologize for the delay, we ended up deliberating a little bit longer than anticipated. So, we'll give it just a minute and then I'll have staff make sure that we have a quorum back. (Silence)

Bud Sizemore:

So, Tina, I'll ask you to just do a quick roll call, and then we can confirm that we have our quorum still intact. Thank everyone for your patience.

Tina Griffin:

Excuse me. Chair Sizemore.

Bud Sizemore:

Here.

Tina Griffin:

Vice Chair Patterson.

Julia Patterson:

Here.

Tina Griffin:

Commissioner Levi.

Alicia Levy:

Here.

Tina Griffin:

Commissioner King.

Lauren King:

Here.

Tina Griffin:

Thank you. Commissioner Reeves.

Kristine Reeves:

Here.

Tina Griffin:

Thank you.

Bud Sizemore:



Okay. I think I see Senator Conway and Representative [Globez 00:01:55] as well still with us. Thank you. With that, following our deliberation in the matter of loyal order of the moose, the commission denies LOOM's petition for review. The commission affirms in its entirety, The Administrative Law Judge, February 3rd, 2021 initial order, including the revocation of LOOM's licenses, and adopts the initial order as the commission's final order. So I want to thank both attorneys for your presentation, and that is our decision.

Bud Sizemore:

That concludes our petition for review, and we will now move to tab four of our agenda, which is defaults. And Adam Teal, our staff attorney will be presenting. Adam.

Adam Teal:

Good, I guess, morning for the next two minutes. Can you hear me?

Bud Sizemore:

Yep. I can hear you.

Adam Teal:

Yeah. As Chair Sizemore said, we have two cases on the docket. I will do my best to try to pick some time up here, but as always, if there's any questions from the commission, please feel free to ask. First case on the docket, again for the record, Adam Teal, staff attorney for the Gambling Commission. First case is Thomas Lescher, that's under cause number CR2020-01597. Mr. Lescher has a class three certification, number 69-49378, authorizing activity with the Lummi Indian tribe. That certification expires November 20th, 2021. A Washington state gambling commission special agent was assigned to conduct a post-certification review of the qualifications from Mr. Lescher.

Adam Teal:

On Mr. Lescher's application, as with every application that we receive, the question is asked whether or not the applicant has ever been convicted of or jailed for any crime. Second question also asks whether or not that individual has ever been under probation or community service. For both of those questions, Mr. Lescher in his application responded no, and signed that response under the penalty of perjury.

Adam Teal:

During the special agent's post-certification review, it was discovered that there was in fact a criminal history for Mr. Lescher. Further into that history was a 2008 conviction in the state of California. And as a result of that conviction, he served jail time, was under probation, and also required to register as a sex offender.

Adam Teal:

Former Director Trujillo issued the charges for Mr. Lescher on February 3rd, 2021. As a result, a response is required from Mr. Lescher on March 1st of 2021. To date, the commission has received nothing from Mr. Lescher. As a result of that, the commission may take action against Mr. Lescher's license. Mr. Lescher cannot prove with clear and convincing evidence that he's qualified for certification, and so staff recommends that you take action and sign the order of default presented in front of you, revoking Mr. Lescher's certification. Any questions?

Bud Sizemore:

All right. Thank you Adam. Any questions? Commissioner Patterson.

Julia Patterson:

Thanks, Mr. Chair. In this case, this gentleman lied about the fact that he had been convicted of a felony. But my question is if he has been convicted of a felony, if he has done his time, would he have been eligible to receive a license?

Adam Teal:

Well, it's a difficult question to answer, a question like that. Broadly, sweeping every application's put in front of our licensing department is looked at through their own qualifications, so I can't affirmatively on my own answer that question. I can tell you that it would be considered differently with the violations that have been presented because one of the underlying charges that have been presented to you on this particular case is that his certification was received by presenting us, the commission, with false information. So while I-

Julia Patterson:

[crosstalk 00:06:59]

Adam Teal:

Go ahead.

Julia Patterson:

Excuse me. I'm sorry, I interrupted you. Go ahead.

Adam Teal:

Essentially, I cannot answer the question whether or not this individual would be qualified for licensure on a broad scale. Because again, every application put in front of us is looked at differently. But certainly that one line about his presenting this application and falsifying that information, that would be a different circumstance.

Julia Patterson:

I'm sorry for interrupting. That's not what my question was. So let me try to be clearer. I understand that this person lied about the fact that he had a felony. I understand that. But my question, this conversation has lead me to ask a question about our internal policies with regard to giving licenses to people who have been convicted of felonies and done their time. Is there a policy, do we automatically deny people who have been convicted of felonies? Or are they still considered if they have done their time and told the truth, is what I want to know.

Adam Teal:

Again, every individual case is different. It depends on what that felony is. It depends on if the underlying felony is one of those specifically in statutory language does disqualify them. So again, it depends on a variety of circumstances. Again, it would be a case-by-case basis, but if it were specifically outlined in the RCWs that it is a disqualifying crime, then yes it would.

Bud Sizemore:

So Adam, I'll remind you, you do have a phone-a-friend available to you. And Director Griffin's right here if you wish.

Tina Griffin:

I think Adam answered it. RCW946075 states that if you've been convicted of certain felonies, or certain, excuse me, it doesn't matter whether they're felonies or not. It says whether a felony or misdemeanor involving any gambling or physical harm to an individual or involving moral turpitude, which sex crimes are considered violations of moral turpitude, as well as [inaudible 00:09:20] guilty or convicted of any forgery felony, extortion, et cetera, that type of crimes. Or where you have had physical harm to an individual, those are all things that are outlined as Adam indicated in 946075 for grounds on which we can deny, suspend, or revoke licenses. Then the [WAC 00:09:49] also allows you to same the same action if those charges, if those same categories of crimes have been actually charged against the individual.

Tina Griffin:

In this case, I can't talk to the specifics of this case because I don't have enough information, because the focus of the case is on the fact that they lied, which is also specifically outlined in 946075 as grounds on which to deny, suspend, or revoke a license. Hopefully that helps.

Bud Sizemore:

Were they able to answer your question, Patterson?

Julia Patterson:

Yeah. It's a conversation for another day.

Adam Teal:

Precisely. That would be my response. Is that, again, it's one thing of what's in front of the commission today. It's another one to have these discussions and we're welcome to have them. But again, I think we've addressed what is in front of the commission right now.

Bud Sizemore:

All right. Any further questions for Adam? I will ask is Mr. Lescher on this meeting and wish to address the commission? Not seeing any hands raised or anyone coming off mute. Nothing in the chat. With that, is there a motion?

Alicia Levy:

This is Commissioner Levi. I move to revoke Thomas Lescher's class three employee certification number 6949378 for the reasons presented by staff and identified in the record.

Bud Sizemore:

Is there a second?

Julia Patterson:

I'll second it.

Bud Sizemore:

Okay, seconded by Commissioner Patterson. Any discussion? I appreciate the points you bring up, Commissioner Patterson. I do think that, yeah, it is a good topic for conversation going forward for sure. But in this, I'll call for the vote, and I'll try to do it orally. All those in favor, please say "Aye."

Tina Griffin:

Aye.

Kristine Reeves:

Aye.

Lauren King:

Aye.

Bud Sizemore:

Aye. Any opposed? Motion carries unanimously. Adam. You have another one for us.

Adam Teal:

Yes, again, for the record, Adam Teal, staff attorney for the Gambling Commission. The second case is Makoto Childs, cause number CR2020-01430. Mr. Childs holds a card room employee license number 68-34371. At the time, that's authorized him to work at the Club Hollywood casino in Shoreline. He is no longer linked to that employer. However, his CRE license expires on July 20th, 2021. One of the Washington State Gambling Commission's special agents was notified that Club Hollywood casino was investigating one of their employees manipulating their player tracking system, which launched an investigation by the gambling commission. That investigation included a review of video surveillance footage for the two nights in question. The special agent compared that video footage to the player tracking histories for the two players who Club Hollywood believed was having their histories manipulated.

Adam Teal:

A review of that footage compared to the player tracking histories confirmed that Mr. Childs had either severely overrated the wagers of those two particular players were making, or reported wagers for those two players when they were not at a table and/or were not making any wagers. As a result of the manipulated of the player tracking numbers, those two players received a total of \$2834.36 worth of unearned points as well as free play coupons. When interviewed by the special agents, Mr. Childs acknowledged that he was more lenient with the player tracking numbers he presented, and that he had been doing that for a while.

Adam Teal:

Former Director Trujillo issued these charges on February 12th, 2021. That meant that a response is required by March 8th of 2021. To date, the Gambling Commission has received nothing from Mr. Childs. As a result, the commission may take action against Mr. Childs' license. But Mr. Childs cannot prove with clear and convincing evidence that he is qualified for licensure. As a result, staff recommends

that you sign the default order that has presented to you, revoking Mr. Childs' card room employee license. Any questions?

Bud Sizemore:

Any questions? Thank you for that briefing, Adam. I am not seeing anyone unmute. I will check and see, is Mr. Makoto Childs in this meeting and wishing to address the commission? Not seeing that name on the list or anyone unmuting, or any chat activity. I will assume he is not available, or wish to address us. Is there a motion?

Alicia Levy:

I move to revoke Makoto Childs's card room employee license number 6834371 for the reasons presented by staff and identified in the record. Commissioner Levy.

Bud Sizemore:

Okay.

Lauren King:

This is Commissioner King, I second.

Bud Sizemore:

Okay, it's been moved by Commissioner Levy and seconded by Commissioner King to revoke Makoto Childs's public card room employee license number 6834371 for the reasons presented by staff and identified in the record. Any discussion by commission? Seeing none. Will again try to hold a verbal vote. All those in favor, please say "Aye."

Alicia Levy:

[crosstalk 00:16:40] Aye.

Julia Patterson:

Aye.

Bud Sizemore:

Aye. Any opposed? Motion carried unanimously. All right. Thank you for that, Adam.

Adam Teal:

Thank you.

Bud Sizemore:

I think you're released out into the good weather now, right?

Adam Teal:

Yeah, I'll probably go grab some lunch. Thank you, Chair. Have a good day, everybody.

Bud Sizemore:

All right, thank you. Excuse me. Our next item on our agenda in tab five is a rule-up for final action. This is updated rules regarding card games, and I believe we have Ashlie Laydon, our rules coordinator making our presentation. Ashlie, are you with us?

Ashlie Laydon:

Yes, I am.

Bud Sizemore:

Welcome.

Ashlie Laydon:

Thank you. Chair Sizemore, commissioners, and ex-officios. For the record, I'm Ashlie Laydon, the rules coordinator with the Gambling Commission. At the July 2020 meeting, you initiated rulemaking to define and outline operational requirements for Jackpot prizes, and to update existing rules related to authorizing new card games and making changes to existing card games. Requirements for card games wagering, adding merchandise and cash prizes to, or cash to card games. Minimum cash-on-hand requirements, paying out prizes for card games, and maintaining funds to pay prizes.

Ashlie Laydon:

At the March 2021 meeting, staff presented draft language which proposed to amend 18 rules, repealed 2 rules, and adopt 1 new rule. You chose to follow that propose language for further discussion. It was published in the Washington State Register, filing WSR21-07-062, and was posted on the agency's website. No further comments have been received, and no changes have been made to the language since it was filed. Staff recommends taking final action on that language today. In doing so, these changes will become effective on or after June 14th 2021. And I welcome any questions you may have.

Bud Sizemore:

Any questions for staff? All right. I'm not seeing any questions for staff. I will only make a comment that there were some written in email input from stakeholders, and I guess I just want to once again thank the staff for the stakeholder work that they do when developing these rule proposals. It's impressive. Not seeing anyone with any other comments or questions. I would like to take this time to allow the public to comment if they wish. On this package of proposed rules, updates, amendments and changes, is there anyone from the public that would like to make a comment? Seeing none. No emails, no chat. Okay. I would entertain a motion.

Alicia Levy:

This is Commissioner Levy, I move to approve the proposed rule language for final action, let the rules be effective 31 days after filing with the [inaudible 00:20:35] office.

Julia Patterson:

I can second that.

Bud Sizemore:

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Okay. It's been moved and seconded to approve the proposed rule language for final action, and that the rules will be effective 31 days after filing with the [inaudible 00:20:36] office. Any discussion on the motion? Okay. Hearing none. Will try again to do a verbal vote. All those in favor, please say "Aye."

Julia Patterson:

[crosstalk 00:20:54] Aye.

Bud Sizemore:

Aye. Any opposed? Motion appears to have passed five to zero, unanimous again. Thank you. Ashlie, you're also going outside now, right?

Ashlie Laydon:

Thank you.

Bud Sizemore:

All right, thank you. Our next presentation is a budget review and update from our CFO, Christopher Stanley. Chris.

Christopher Stanley:

Thank you, Chair.

Bud Sizemore:

Are you already outside?

Christopher Stanley:

I am not, but my home office is right next to my patio so I get the sun coming in all day long.

Bud Sizemore:

Perfect.

Christopher Stanley:

Along with stray cats, which is great. I am here to present to you your budget review, as well as look at the budget for the next fiscal year, fiscal biennium. I'll present this from my screen. Okay.

Christopher Stanley:

First, we'll start with a review of the current financial situation, as we often do. Revenue is currently under-collected by about \$575,000. This is much better than it looked when we entered the pandemic over a year ago. Thanks to a healthy amount of resilience in the sector, our revenue has exceeded our initial expectations. I can state that this is only through March, and so because of just some timing issues with the way we process revenue, it's possible that that April quarterly report, as we process them, will be a little lower than what we expected. So this variance may actually increase just a smidge.

Christopher Stanley:

As far as expenditures go, we are currently \$2,000,000 underspent. This is due-

Bud Sizemore:

Chris, I have a quick question on that last slide.

Christopher Stanley:

Yes, Chair.

Bud Sizemore:

The individual licenses looks like we're anticipating that being 173,000 more than we anticipated. Are we seeing people, new individual licensees because maybe the sector's changing, we have new people into the profession coming out of this pandemic? Or has the staff been able to determine how that variance is, or is it minute enough that it's really, it just could be a normal variance?

Christopher Stanley:

It's a bit more than a normal variance, but I believe it's related to the just the general increase in the strength of the economy. People are having more choices as to where they work, and they're taking advantage of those choices. So we're getting more individual license turnover than we expected when we built the projections two years ago.

Bud Sizemore:

Okay. Thank you for that.

Christopher Stanley:

Mm-hmm (affirmative). I don't know if I introduced myself. I'm Christopher Stanley, I'm your chief financial officer, for the record. Okay, so going onto the expenditure slide, we are \$2,000,000 underspent. Again, that's largely due to the furloughs that we took between July and November, but also due in part to the typical vacancy savings that we experienced throughout the year. We are budgeted at 119 FTEs. We typically have seven to eight vacancies at any given point in time. At this particular year, [inaudible 00:25:01] about 105 to 106 every [inaudible 00:25:04], which has created more vacancy savings than we originally anticipated.

Christopher Stanley:

Turning to our short-term forecast, you can see that that line is bumping along the margin. Just to refresh, a year ago that line dipped all the way down to the black line, where it looked like we might have had to tap our working capital reserve. That's our last reserve before needing to make changes to our expenditure level. But you can see that with our under-expenditure the way it is, and the revenue coming in higher than expected over the past year, that we may actually break even on the pandemic. It's possible, though, that with the April adjustment, when it comes in, that our surplus may drop to a minor deficit. Looking out over two years rather than, right now it says \$270,000 surplus, but it's possible that that drops to 0 or even becomes a very small deficit. But again, this is a much better position than we've been in as I've been presenting this information to you. The situation continues to improve over time.

Christopher Stanley:

One thing I want to draw your attention to, it says the total loss from COVID is \$2,400,000. That's a straight mathematical calculation based on just taking projected fund balance figures from a point in



time in the future, in this case it's September, going back to the beginning of the pandemic in February of 2020. So, the total loss reflected was 3,600,000 the last time I ran this sheet. And that's the number we were shopping around to the legislature, which they provided to us in the recently passed budget as a backfill. This updated information says 2,400,000. But the 3,600,000 isn't necessarily incorrect. One of the future slides, I'll show you. It'll show the situation from fiscal year 2020, which is that we were really collecting much more revenue than we expected. Not a lot more, but enough for it to make a difference for us to make it through the pandemic.

Christopher Stanley:

And so, that excess that we were collecting above what we expected in fiscal year '20, that would have continued through fiscal year '21, the current fiscal year, had we not had a pandemic. And so that opportunity loss contributes to what I believe is a total loss from our revenue stream. So, while taking a strict balance sheet view shows a \$2,400,000 loss, once you factor in that opportunity loss, that \$3,600,000 figure is still accurate.

Christopher Stanley:

Turning to the long-term forecast over five years, it looks like we'll have very small deficit. \$180,000. The blue line does dip below zero every September, as you can see there. September '21, September '22, '23. That's just due to the cyclical nature of our sector. There's simply less activity in the summer time than other points in time during the year. But again, I'll just point out that this is a much healthier perspective than we were seeing a year ago or even six months ago.

Christopher Stanley:

And now we'll turn to, well, before I turn to that, let me stop there and ask if there are any questions about the financial health slides that I've presented.

Bud Sizemore:

Any questions? All right, Christ. Keep going.

Christopher Stanley:

Turning now to adopting the biennial budget, what I'm going to present to you here is a budget with two components to it. One is the base budget, and then there's a one-time enhancement on top of it. I'm also asking for a little bit of extra authority as I did two years ago to make any extraneous adjustments that may be necessary after this meeting concludes. So, I'm presenting to you here the proposed biennial budget for the next two years, fiscal year '22 and '23. The general estimate is \$16,700,000 a year. That is in fact generally what our budget is today. \$16,700,000.

Christopher Stanley:

So, the budget remains virtually unchanged. There have been some puts and takes, but they've netted out against each other. That's the base budget. What I'm also including here in the budget proposal is a one-time expenditure to complete our IT modernization project. \$5,500,000. Now, as Brian, our legislative and legal advisor, will discuss after me, the legislature provided us \$3,600,000 as a backfill for the lost revenue that we experienced during the pandemic.

Christopher Stanley:

When Brian and I were making the case for that, we were constantly telling folks that if we get this backfill, we can move forward with the IT modernization project. That money will allow us to move forward. Without it, we can't go anywhere. So they provided us the funds, and I'm presenting you this IT modernization project. I do want to note that the \$5,500,000 does include approximately a \$1,000,000 in a contingency fund. These are required contingency funds that large IT projects are required to have. It's both a contingency reserve and a risk mitigation fund, and those two combined are just about \$900,000.

Christopher Stanley:

So, we are ready to move forward if you approve the project as part of this proposed budget. What's not included here, and what I'm asking for the extra authority for is the sports wagering component. We're still finalizing tentative agreements with the tribes that are planning to implement sports wagering, and we're about to engage in the rulemaking on the sports wagering licensing rules.

Christopher Stanley:

Before those are finalized, it's hard to put a number in the budget. We're pretty close. I can tell you with 95% certainty that we're probably looking at about \$900,000 in licensing and criminal enforcement costs each year. That's down significantly from our fiscal note, and due in part to the immense amount of learning that our staff has done over the course of the year. When we wrote the fiscal note, we were thinking it might be closer to \$3,000,000 a year, and now that we've been in it doing the work, starting to talk about the rules, really looking at what's involved, we're down to five FTEs and \$900,000.

Christopher Stanley:

That's a quick and dirty look at the expenditure side of the budget. I see Senator Conway has his hand up.

Bud Sizemore:

I don't see that.

Christopher Stanley:

Okay. It's showing up on my screen.

Bud Sizemore:

Interesting. Senator Conway, didn't you have a question?

Steve Conway:

Yeah, my question I think that Chris may have answered, but I'm of the opinion, and I've talked with Brian about this as well, is that we're going to have almost 14 or 15, how many compacts on sports betting, Mr. Chair?

Bud Sizemore:

From my understanding, it's looking like 14 plus or minus 1.

Steve Conway:

Yeah. Given the changes in terms of access to gaming in the sense that we have a select dispensing going on, and given the fact that it's probably going to engage a number of new betters or new people in terms of gambling in this state, it's hard for me to understand how we are not going to see some changes in our budget. And I thought that that was what was intended when the legislature gave the Gambling Commission the loan for expediting sports betting. I guess I'm a little surprised that we're not seeing any impact here, even though I understand Chris put a caveat on this, saying that it will have an impact. I hope we're looking at other states in terms of trying to understand what kind of level of oversight activities are going to be going on with sports betting.

Bud Sizemore:

Chris, do you want to-

Christopher Stanley:

I will. I can speak to the financial impact. As far as the work related to sports betting, I'll have to toss that to Tina or Brian. But what I can say is that there is an impact, and that loan really did provide a buffer for us to do the work necessary to implement this project. Although instead of looking at an impact of \$3,000,000 a year, we're looking at an impact of close to \$900,000 to \$1,000,000 a year. The impact is there. It's a lot smaller than we thought it would be when we wrote the fiscal note in January of 2020.

Steve Conway:

Will that mean that dollars will go back to the state?

Christopher Stanley:

Yes. Well, of course the loan must be repaid, and so we will be repaying it with interest on a \$6,000,000 loan if we wait til the end of 2023. Turns out to be a \$6,300,000 payment, so they will, yep, the treasury will get its funds returned.

Steve Conway:

I guess it's a little wait and see here, because I don't think any of us really understand how sports betting is going to impact the oversight and enforcement side of the agency here. I'm hoping that we're looking at other states who have implemented sports betting and getting kind of a potential here of additional expenses of sports betting. Sports betting is a brand new type of betting in this state. It's not like casino betting where you have a fixed place for it. With the issue of using mobile devices here, we're really encountering a brand new world here.

Christopher Stanley:

We sure are. And without getting too far outside my lane, I will say that there is a lot more licensing work. There's several thousand hours a year or more of additional licensing work. So we're bringing, as part of the \$900,000 a year, there's two licensing investigating agents plus a licensing specialist to handle all the new paperwork. There's two more criminal reinforcement agents to handle the illegal market that may or may not increase due to the legalization of sports wagering.

Christopher Stanley:

That's the type of work that is part of that \$900,000. And of course there is additional attorney and general fees related to negotiations and prosecutions and so.

Bud Sizemore:

Tina, do you have more to-

Tina Griffin:

Yes. Senator Conway, I think you'll, well, it's not reflected in this budget. As Chris indicated, he's asking that he be given that discretion to go ahead and tack those additional costs, et cetera, relating to sports wagers on once we find out how the compacts are going to move forward. What you'll see when we do rulemaking is you'll see the license fees. There's a number of different components in terms of recouping our regulatory costs for an additional regulatory work. Regarding sports wagering, we're going to, as Chris indicated, recoup our actual costs for implementing sports wagering, which are directly tied to the loan.

Tina Griffin:

Then there's also a category of license fees, of which Chris is talking about. And those fees will be used to cover the additional regulatory work regarding licensing, and the oversight that you were talking about in terms of anti-money laundering and integrity, making sure the wagering and the sporting activity are, we're monitoring the integrity aspect.

Tina Griffin:

And all that will flow through the rules, and you should be seeing those hopefully on June 10th.

Bud Sizemore:

Thank you-

Tina Griffin:

So, more to come. Thank you.

Bud Sizemore:

Any other questions?

Christopher Stanley:

A couple more slides to wrap up the budget component. One is the revenue view. I covered the expenditure side, and this is the revenue perspective. We've got \$33,400,000 in expenditures. We're looking at collections of \$33,600,000, so pretty much breaking even. Again, revenue associated with the sports wagering component is not included. That would be included if you provide me that extra discretion to layer that on at a later date.

Christopher Stanley:

But right now we're looking at revenue of \$16,500,000 starting July 1st, and \$17,000,000 starting July 1st of 2022. You might be wondering why I'm projecting \$16,500,000 starting July 1st when we've collected just about \$13,500,000 this fiscal year. And the reason is because the pandemic is supposed to end. The forecast that we're working from assumes that revenue, gaming revenue comes back to pre-pandemic levels by July 1st. And that's kind of what we're seeing in our quarterly reports. So by July 1st if revenue has come back to pre-pandemic levels, then the \$16,500,000 figure should hold. This figure is

not all that different from what we should have collected this fiscal year. If we hadn't had a pandemic, we would have collected about \$16,000,000 to \$17,000,000. These revenue assumptions assume a business as usual situation.

Christopher Stanley:

Looking at this over time, I'll take you back to 2012 on the chart. The red dash line is expenditures. The green solid line is revenue. You can see they run roughly together 12 through 14, 15 through 18. We had a bit of a fund balance build up, which we then used to absorb all the risk as we transition to a new fee schedule in 2018 and '19.

Christopher Stanley:

What I want to draw your attention to is that opportunity loss I was talking about at the beginning of my presentation. Fiscal year '20. The green line is above the red line. So we brought in more revenue than expenditures, which helped contribute to our fund balance. That fund balance would have been used for the IT modernization project, but instead, we had to burn off a substantial amount just to keep ourselves afloat. What I want to point to is if we hadn't had a pandemic, the green line would have remained above the red in fiscal year '21. But because we have experienced this pandemic and continue to experience it, our revenue has dipped substantially. And that's what the legislature back-filled. And that's what's allowing us to move forward with the IT modernization project.

Christopher Stanley:

That concludes my report on both our current finances and our proposed budget. Are there any-

Bud Sizemore:

[crosstalk 00:42:45] Any questions for Chris? I guess my only question is, Chris, can this be done in one motion or do you need two different motions?

Christopher Stanley:

You can do it in one. The way I presented it is as a budget with two components. A base budget plus a one-time enhancement.

Bud Sizemore:

And discretion.

Christopher Stanley:

And discretion, yes.

Bud Sizemore:

Okay. Senator Conway, I see your hand up.

Steve Conway:

Hi, I just want to throw out that the IT modernization issue, I'm hoping that you coordinate that carefully with state agencies. We have had one problem after another with IT projects that have gone, well, not lived up to their performance, let's just leave it at that. And obviously there are issues here of the need

for protecting private information. We've had a lot of problems there with agencies who are not taking the appropriate steps to protect data from foreign access. So, I would just add that caution here as we move forward with IT that we work carefully with the oversight agencies and the legislature on this so that we meet what the legislature is trying to achieve here. Thank you.

Christopher Stanley:

Absolutely. And I totally understand that concern. Just to note, the \$5,500,000 number comes directly from a feasibility study that we did in partnership with officer, chief information officer. And we engage with them constantly. And as we start the modernization process, if you approve it, they are already on alert to be on the lookout for our project because we're going to coordinate with them closely. Yep.

Bud Sizemore:

Perfect. Any further comments or questions? Well, before a motion, I will provide an opportunity for public comment. As before, you can utilize the platform, raise-your-hand function, or the chat, or simply unmute yourself and make comment. Is there anyone who would like to make public comment on our budget? Seeing no one rise. Is there a motion?

Julia Patterson:

I can make that motion, Mr. Chair.

Bud Sizemore:

All right.

Julia Patterson:

I move to adopt the commission's proposed biennial budget and authorize the CFO and the interim director to make budget adjustments as necessary, consistent with this budget proposal.

Alicia Levy:

Commissioner Levy seconds.

Bud Sizemore:

Okay, it's been moved by Vice Chair Patterson and seconded by Commissioner Levy to adopt the commission's proposed biennial budget and authorize the CFO or the interim director to make budget adjustments as necessary, consistent with this budget proposal. Is there any further discussion by the commission? Seeing none. I want to thank Chris for a very thorough presentation not only today, but over this past year as things have been very fluid. We will try to do a voice vote. All those in favor please say, "Aye."

Alicia Levy:

[crosstalk 00:46:51] Aye.

Bud Sizemore:

Aye. Any opposed? Motion carries five to zero. Thank you Chris.

Christopher Stanley:

Thank you.

Bud Sizemore:

Exit stage left. All right. That brings us to our legislative update. Brian Considine, our legal and legislative manager. Brian, are you with us?

Brian Considine:

Yes, Mr. Chair. Can you hear me?

Bud Sizemore:

I can.

Brian Considine:

Oh, good. Thank you Mr. Chair, members of the commission, and ex-officios. Brian Considine, legal and legislative manager for the Gambling Commission. I know we're short on time so I'm going to be very quick. You have the memo on tab seven. Please let me know if you have any questions. Just a couple things to quickly highlight. The enhanced raffle statute did pass, so we will be looking at if we have to bring any additional rules related to that, but that's the only new gambling-related activity that was passed by or update to a gambling related activity that was passed by the legislature.

Brian Considine:

I want to take this opportunity to thank Senator Conway and Representative Kloba for their incredible help this session with us meeting our budget priorities. Especially Senator Conway for providing the amendment for the \$3,600,000 in the committee. It is going to be a huge help to us, and we really appreciate it. Representative Kloba was also instrumental on the house side for everything and really appreciate her being chair and ex-officio now. That was a really big help, and thank you both. We are very pleased with the successes that we have. I know in talking with Roxanne at the health care authority, she's also very thankful and they are very thankful for our assistance.

Brian Considine:

With that, I don't think I have anything additional to add, but happy to answer any questions if you have any. Thank you.

Bud Sizemore:

Any questions for Brian? I guess the only thing I have, and this is probably either to you Tina or to Brian is there were several law enforcement changes this year in the legislature. And I'm wondering if we could in 90 or 120 days or so get kind of a briefing of how we anticipate that to impact the agency?

Tina Griffin:

Yes.

Brian Considine:

Yes, Mr. Chair. We can do that. I can say briefly we are not impacted by several of the large changes because limited law enforcement agencies were exempt on some of the ones we were worried that we'd have some significant costs on, and we can go through the others. There are still six or seven that may impact us, mostly on a training side of things. But happy to brief you on, this may be, we can get past sports wagering maybe in August. We can brief you on it in August, at the August commission meeting.

Bud Sizemore:

That would be great. Yeah, unless any commissioners have objection to that, I think it would be responsible for us to get that briefing and truly understand the landscape going forward.

Tina Griffin:

Yes, we're working with [inaudible 00:50:14] right now as well, in concert with them, and making changes as necessary to our, so our training program and policy to procedures, so we're very much on top of it. Thank you. [inaudible 00:50:26]

Bud Sizemore:

Okay.

Tina Griffin:

Brian will get it in August.

Brian Considine:

Yes, and also give this more time to really fully comprehend what changes we need to make in both policy and practice. Thank you.

Bud Sizemore:

Perfect. Thank you, Brian. I think that's all for you as well. The next item we have on the agenda is recognition. I think we have Special Agent Supervisor Bill McGregor with us to present an award, as well as to wish someone a fond farewell. Are you with us, Bill?

Bill McGregor:

Yes.

Bud Sizemore:

Welcome.

Bill McGregor:

Thank you. Today, I have Mark Richard with us. Mark's been with the agency for about 20 years since 2001. Became a certified fraud examiner in 2007. He's made multiple contributions on [inaudible 00:51:36] throughout the years with the agency. While working for the Gambling Commission, Mark was a reserve officer in Sonoma Police Department. [inaudible 00:51:46] California and King county for a while [inaudible 00:51:52] last year. He worked in the private sector. He was an international sales representative selling water [inaudible 00:51:59] equipment, which allowed him multiple trips around



the world. He also owned a business for 10 years. He was [inaudible 00:52:08] shopping cart cleaning and repair. Mark says he's enjoyed the Gambling Commission more than any other job he's had.

Bill McGregor:

Mark is, first off I guess I'd like to present Mark with his 20 year certificate and this 20 year pin for service with the Gambling Commission, all of which his service was in regulation for the operations units, so Mark, congratulations on that. 20 years.

Mark Richard:

Thanks, Bill.

Bill McGregor:

And then, also, Mark has announced his retirement. He'll be retiring the end of May, May 31st. Mark and his wife bought five acres in the country a few years ago, and have transitioned to country life. And in his retirement, he plans to finish developing their land and add some chickens and steers. Family members, oh. Steers and chicken on his land in his retirement. As that, Mark, we'd like to present him with his badge for his years of service. And I'd also like to just say, Mark, I was involved in hiring him 20 years ago, and thank you for all your years of service, and I really appreciate it, and you've been a great benefit to the Gambling Commission. Mark has worked down in the Tri-Cities area for his entire 20 years, so we'll miss him down there. [inaudible 00:53:51] thank you.

Mark Richard:

Thank you.

Bud Sizemore:

All right. I would allow Mark to speak if he would like.

Bill McGregor:

Mark.

Mark Richard:

Thank you, Chair Sizemore. [inaudible 00:54:18] enjoyable 20 years with the Gambling Commission. Time just flew by, and I just want to really give a shout out to the training staff. They're just incredible qualified people that share, and teach, and train very well. Great supervisor, of course. And that's it.

Bud Sizemore:

All right, well, Mark, I want to thank you for your service. From everything I understand, while you're leaving, your legacy will last for quite a while. Thank you.

Tina Griffin:

Thank you, Mark.

Bud Sizemore:

All right. Thank you, sir. That now brings us to our public comment section of the meeting. Is there anyone that would like to address the commission on any specific topics or general topics? Now would be the time, so I will ask if you do wish to make public comment, to go ahead and utilize the functions of the Teams platform or a chat. Nancy Watson, if you could go ahead and go on camera, unmute yourself and then identify yourself for the record.

Nancy Watson:

Thank you. I'll just tell you a little bit about myself before I launch into my comment.

Bud Sizemore:

If you can state your name for the record as well, please.

Nancy Watson:

Oh, yeah. I will. My name is Nancy Watson. I live in the Puget Sound area. I grew up on Fox island and was the daughter of a social worker, so I spent most of my childhood listening to stories about problems in the community of all kind. But I got an MBA in finance, and ended up working in business for my entire career. I retired a couple of years ago, and one thing that was really on my mind is that there were children, I call them children, in the family that could be almost as old as 40, and yet had struggled with problems ever since they dropped out of high school.

Nancy Watson:

You might have thought I'd lose interest in this topic after someone is having trouble that long, but really I wanted to get to the bottom of it. I took four people, again, I call them children, but they're not children, they're adults, four kids into my home to see what I can find out about some of the problems in the community. And the problems they had is homelessness, depression, mental depression. Some of them had been incarcerated. Some of them, well, really all of them suffered from substance abuse and poverty. And the one thing they all had in common was using methamphetamines, which is a shocking drug.

Nancy Watson:

Now, the reason I'm bringing this to this meeting, because you might wonder, "Well, what in the world could meth addiction have to do with gambling?" And I'll tell you, I've had quite an education for the last couple of years because casinos are a favorite place for methamphetamine addicts to go because they're open all night, and these people are on drugs that make them stay up all night. Of the four kids I'm working with, two of them are problem gamblers. They have very severe problems. They've both been banned for life. What I've learned is that they bans are not enforced. It's just an empty promise that, "Yeah, you come back here we're going to charge you with trespassing." Nothing changes, they just continue to go. It goes on for years like that.

Nancy Watson:

The other problem I see is I'm trying to help these kids become self sufficient, and to getting jobs. And I have one of my, let's call them a ward, one who did get a job and was making money. And what I found was it only took a couple months of working before he would get paid and go to the casino, and then two days, the entire paycheck would be gone.

Nancy Watson:

Now, I'll just tell you, I'm supporting these people. They do get food stamps, but I'm supporting them and so it's a matter of considerable interest to me the problem gambling thing because the amounts of money are unbelievable. Now, I've called the help line in Louisiana. I've talked even to the director there. I've called more than once. I've tried to get to step two, where you would talk to a counseling organization. I left a voicemail message. So, I've kind of been wrestling with this for a while, and I just wanted to share it with you guys because we talk about problem gambling and getting counseling for it. There's such a huge percentage of people with problem gambling who are drug addicts. And I wish there was a more polite euphemism for it, but I'm talking about heroin addicts and people who use meth on a daily basis. It's just [inaudible 00:59:41] It's shocking. I hate to say it, it sounds like I'm a crazy person, but it's literally true.

Nancy Watson:

So, here's what I wanted to ask the commission to consider. Instead of waiting for people to get to such a severe problem that they can't even get help or go to meetings, I suggest that as you think about problem gambling, you find a way to intervene at the earliest possible stage. Don't wait until it's pathological. If somebody calls on that darn phone, what I'm saying is if they call on the phone, you get yourself a validated assessment instrument, like the Victorian Gambling Screen, like the US South Oaks Gambling Screen. Don't worry about if it's a perfect screen. If somebody calls on the phone, do a full assessment. And I'm telling you, if the people in Louisiana who do these calls, if they don't have time, transfer these people to me. I'll put in a landline so I can do the screen. If we don't start gathering information about these people who have these problems, and we just let them go off in the community, I think we're in big trouble.

Nancy Watson:

The next thing I would say is make sure to gather information on what type of gambling is causing the trouble. People who researched this say it's slot machines. Now, I know that sounds totally rude that slot machines are the problem, but according to the studies that have been done, slot machines are the number one source of problem gambling. I think the people Louisiana, when they take these calls, they need to find out from the person themselves what kind of gambling is causing the problem.

Nancy Watson:

The last thing I'll say is that there's research being done on quick-start interventions, where you don't go through a big complicated program, but you have brochures, you have workbooks. You have just a quick conversation with someone on the phone to help guide you in the right direction. I mean, again, I would be happy to volunteer to take these calls. I almost think we need to put people in the casino so that they can just be there with something around their neck saying, "Do you think you might have a gambling problem?" And let people just walk up and ask them.

Nancy Watson:

That's all I'll say, and I apologize for sounding like my hair's on fire, but I'm telling you the amount of money that I personally have put into casino gambling here in Tacoma over the last couple of years, thousands of dollars. Because when these people blow their paycheck, I am on the hook to care for them. I realize I can turn them back into the street. They would be homeless again. I'm not going to do it. So I want instead to get the problem gambling issue resolved at its source, not out in the community, but right there where the problem is starting. Thank you very much for your attention.

Bud Sizemore:

And thank you Nancy for your obvious passion, not only for this issue, but for people. That is so appreciated. I'm glad that you came before us today, and I'm not sure if you're aware or not, and I'll leave it to those that are leading the effort, but the chair of the Problem Gambling Task Force and the vice chair of the Problem Gambling Task Force, on my screen are in the top left corner, one and two. So Vice Chair Patterson actually chairs that. That group, and I'll allow her to address what you brought forward, and then certainly if Senator Conway has some thoughts, he as well.

Julia Patterson:

Thanks, Mr. Chair. I really appreciate you because you didn't just come to complain. You actually came with some solutions, and I think they are definitely worth considering. Mr. Chair, maybe we should ask the Problem Gambling Task Force to take a look at her solution, or her question is to whether or not when people call in, do we have the ability to do an assessment, a validated assessment on the phone? Is that happening in the state of Washington? And it sounds like you don't think it is. I think we should present that question to the Problem Gaming Task Force, and maybe ask the task force to give us advice on how to proceed with that. That eventually could end up being a recommendation that comes from the task force.

Julia Patterson:

The second point that you made is that we should be aware of which types of gambling are resulting in the highest addictive behaviors. And you said slot machines. I'm going to tell you that I don't know that that question has ever been asked in all the meetings I've been in. Which types of gambling are affecting people the most? You're saying it's slot machines. I think that maybe we should drill down on that. Because if we know that, then we can do things to help those who are inclined to use slot machines.

Julia Patterson:

And then the third point you made, the quick start interventions. I'd have to learn a little bit more about that. But all three of your ideas, your suggestions, are ideas that I would like to have the task force take a look at. Thank you for bringing us ideas. Really great.

Nancy Watson:

Well, thank you very much for your kind words. And I know you must get a lot of people coming in there in complaining, but I take out all of my energy by downloading articles on the internet, scientific research on gambling, so I'm kind of an [enveteraned 01:05:37] reader, going all the way back to my Evergreen State College years. So that's why I'm able to have ideas instead of just be howling at the moon. Because I've probably gone through a ream of paper. I had to get a whole file box of all of my gambling research so far. This is just, I am determined to see something about this.

Nancy Watson:

Well, thank you again.

Julia Patterson:

I would really encourage you to, well, let's stay in touch.

Nancy Watson:

Okay.

Julia Patterson:

I'll let you know what kind of progress the task force is making.

Nancy Watson:

All right. Thank you very much again. I appreciate it.

Bud Sizemore:

Thank you Nancy. Any further public comment? I would hate to have to follow that impassioned speech, but the floor is open if anyone else would like to approach and have public comment.

Moreen Greely:

Chair Sizemore-

Bud Sizemore:

Hi, Moreen.

Moreen Greely:

Hi there. Moreen [Greely 01:06:45] with the Evergreen Council on problem gambling. I'm sorry, I can't turn my camera on because I don't have the bandwidth because I also live in the country. But I just wanted to thank both Nancy and Chair Patterson for addressing this issue. Nancy, so that you know, and for the record, I am the director of the Evergreen Council on problem gambling here in Washington state, and I did want to let you know I'd love to touch base with you after the meeting and talk to you more.

Moreen Greely:

But for right now, I do want to point out that, in fact, we have done research in the state of Washington on types of gambling that are most popular and that also create most difficulty for folks. And probably even more important is the Problem Gambling Task Force with the assistance of the Gambling Commission and the healthcare authority are about to go out with a new prevalent study that will get new data on this, and we hope address some issues around COVID, substance use disorders, and also prepare the way for getting some baseline information on sports wagering and what that will look like in the future.

Moreen Greely:

So, hope to deal with that. I also want to just address that we are aware for the brief intervention. We do use the South Oaks Gambling Screen here in Washington as well as a couple of shorter screening tools that I'm happy to introduce you to. And we are currently working on developing a warm handoff or a warm transfer that does exactly what you say so that when someone calls the health line, they don't have to have that gap between their health line call and getting to a treatment provider, but they can get to someone who can speak with them immediately and do some assessment.

Moreen Greely:

Just briefly wanted to address those issues. I'm sure there are many more, and I will certainly look forward to speaking with you in person.

Bud Sizemore:

Thank you for that, Moreen. Nancy.

Nancy Watson:

Yeah. Thanks very much. And I'll follow up on that. I was aware that we had done some research on this, and really part of my concern is I've gone through every state compact in the area where I love, with any tribal nation. And what is concerning is if you look at number of slot machines approved by the state from the earliest year, and then you come forward to see how the number of slot machines has grown, it just appears to me that much of the study of gambling problems predates this huge growth in the number of slot machines. It's part of my concern because I know it's expensive, you can only do a study every 10 years.

Nancy Watson:

That's very legitimate, but that's why I think I would just love to see the people on the help line gather current data. I dream of real-time data, real-time data, not data from 2000. Not data from 1999. Real-time data about what's happening in Washington with problem gambling. And beyond that, I would love to see literal feedback on what's happening with each person once they reach out for help. Do a longitudinal study and follow them. Call them back and find out how did this work out for you. I just think there's so much that can be done, and that's what happens when you're retired and you have so much time on your hands and just say, "Hey, the sky is the limit. I'll work for free. We can do anything."

Nancy Watson:

Okay. I'll be quiet. Thank you.

Julia Patterson:

Thank you Nancy. All right. Any other public comment? I am not seeing anyone else unmute or raise their hand, so I will, I guess go around the horn. Anything from commissioners or ex-officios? Kind of go through the order before we adjourn. Okay. Seeing none. We will be going into executive session to discuss potential agency litigation with legal council, including tribal negotiations. And then following that, we will go back into regular session for the sole purpose of adjournment. Prior to doing that, Commissioner Patterson.

Julia Patterson:

I have one little thing to let my colleagues know about, and that is that the Problem Gambling Task Force is going to be having a quarterly meeting. That's where all members of the task force will be coming together. The task force will be inviting Tina to come and make a presentation to us on the topic of sports wagering. Yes, that's right. And then we're going to be inviting Brian to come in and talk to us about self-exclusion efforts. Did I get that backwards? Brian's going to do sports wagering. Tina's going to do self-exclusion. There you go.

Bud Sizemore:

Do you have the date on that?

Julia Patterson:

Yes. The date is going to be on May 26th at nine o'clock. That's the quarterly meeting. Because of this meeting, the community, the major players in the community without are interested in seeing us make good progress with ts topic are going to be fully informed about this work that we're doing on the Gambling Commission. I hope if any of you have time for another Zoom meeting, I really would encourage you to attend.

Bud Sizemore:

I would, if Suzanne is still on the phone, or on the line here, I assume, can we have more... Do we worry about quorum issues if commissioners are simply observing that meeting, more than two?

Suzanne Becker:

Well, that's always a bit of a tricky question. There's always a question of quorum issues if more than two commissioners are together. However, the OPMA does permit the passive receipt of information by commissioners. So, say if you were to attend and simply listen but not participate, that would likely work within the structure of the OPMA.

Bud Sizemore:

Okay. Thanks for that. Then-

Julia Patterson:

Mr. Chair, if it's okay with you, I'd like to ask staff to send out a link. I'd like to ask staff to ask Roxanne [Waldrin 01:14:06] to send out a link to commissioners and ex-officios for this quarterly meeting so that if they want to attend, it's easy for them.

Bud Sizemore:

Okay. Yep. I would like to receive that as well. So yes, thank you. Okay. Any additional [inaudible 01:14:28] from commissioners or ex-officios? Well, I want to add my thanks along with what I think Brian expressed. I think our ex-officios did amazing work for this agency during this past legislative session in a super tough environment, so I want to certainly extend my gratitude as well.

Bud Sizemore:

With that, we are going to go into executive session. I want to give commissioners 15 minutes to gather some lunch. And then we can have kind of a working executive, eating executive session. Let's say 20 minutes. So, at 1:30 let's be in executive session, anticipated to last 90 minutes, at which time when we're completed with that, we will go back into public session for the sole purpose of adjourning. We are-

Tina Griffin:

June [inaudible 01:15:37] meeting?

Bud Sizemore:

Oh, excuse me. Yes. I guess last little bit of information. Our June meeting is anticipated to be two days, so I believe the 10th and 11th. Location will be your living room or your office, as it may be, but

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anticipate a couple of pretty long days in June. With that, we will recess to executive session beginning at 1:30 for about 90 minutes. And with that, we are at recess. Thanks everyone.



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Speaker 1:

Wait just a second until we've started recording. Now we're recording.

Speaker 2:

Okay. Hello, everyone. I wanted to just apologize for executive session lasting a few minutes longer than anticipated, but it is now it looks like 3:07 and we are back in open session for the sole purpose of adjournment. We are now adjourned. Thanks, Suzanne.