



STATE OF WASHINGTON  
GAMBLING COMMISSION

*"Protect the Public by Ensuring that Gambling is Legal and Honest"*

August Gambling Commission Meeting Minutes

Virtual Meeting

\*August 27, 2021

**Commissioners Present:**

**Bud Sizemore, Chair (Via Teams)**

**Julia Patterson (Via Teams)**

**Alicia Levy (Via Teams)**

**Kristine Reeves (Via Teams)**

**Ex Officio Members Present:**

**Senator Steve Conway (Via Teams)**

**Senator Jeff Holy (Via Teams)**

**Representative Shelley Kloba (Via Teams)**

**Staff Present – Virtually:**

Tina Griffin, Interim Director; Julie Lies, Tribal Liaison (TL); Ashlie Laydon, Rules Coordinator (RC); Adam Teal, Acting Legal Manager; Tommy Oakes, Special Agent Supervisor and Interim Legislative Liaison; Sonya Dolson, Special Agent Supervisor; John Chinn, Project Manager; Julie Anderson, Executive Assistant and Matt Kernutt, Assistant Attorney General.

**Chair Sizemore** called the virtual meeting to order at 9:01AM and mentioned that TVW would be livestreaming the meeting. He asked for a moment of silence to recognize the fallen law enforcement officers that lost their lives since the commission last met.

**Tab 1**

**Consent Agenda**

*Commissioner Patterson moved to approve the consent agenda as presented by staff.*

*Commissioner Reeves seconded the motion.*

*The motion passed. 3:0*

*Commissioner Levy was not present for this vote.*

**Tab 2**

**Self-Exclusion**

**Ashlie Laydon, Rules Coordinator and John Chinn, Project Manager** presented the materials in this tab. RC Laydon explained that the legislature directed the Gambling Commission to draft rules establishing a statewide self-exclusion program through Substitute House Bill 1302. The Gambling Commission has discretion in establishing the scope, process, and requirements of the self-exclusion program, however it must comply with the following requirements: the program must allow persons to voluntarily exclude themselves from gambling at authorized gambling establishments that offer house-banked social card games and any individual registered with the self-exclusion program is prohibited from participating in gambling activities associated with this program and forfeits all moneys and things of value obtained by the individual or owed to the individual by an authorized gambling establishment as a result of prohibited wagers or gambling activities. **PM Chinn** explained the process to be added to a self-exclusion list. He started with the self-exclusion initiation process, adding an

\* Governor Inslee issued [Proclamation 20-28.4](#) et al that suspended certain Open Public Meeting requirements, including in-person public meetings requirements for this Commission Meeting.

individual to the self-exclusion list, enforcing the self-exclusion terms, and then removal of an individual from the list. He also spoke about the licensee pre-implementation tasks and the licensee process for an updated list. Commissioners had questions regarding confirmation of identity of individuals that want to self-exclude. **Commissioner Reeves** asked about making the process to self-exclude as easy as possible and not to create barriers. She also asked if staff could look to the licensed behavioral health community and any other licensed professionals to see if that could be another avenue in which to identify individuals. **Commissioner Patterson** asked about confiscated monies from individuals that wish to self-exclude. She asked if the money would go to the state's problem gambling account or a designated provider. AAG Matt Kernutt said *"once this money is forfeited, it would be designated as public funds and it would just be dependent upon where the money is subsequently distributed. The gambling commission does have authority under this particular statute to determine where and how distributed"*. **Chair Sizemore** asked AAG Kernutt if the Commission had the authority to allow the money to go to the state problem gambling fund with the language that the legislature chose? **AAG Kernutt** said he would get back to the commission with some detailed advice. **Commissioner Reeves** had concerns about an opt-in model rather than an opt-out model. **Senator Holy** asked about the language change from gambling disorder to gambling problem. **Interim Director Griffin** explained that Dr. Kahlil Philanders recommended the language change.

### **Public Comment**

**Roxane Waldron**, Program Manager for the State Problem Gambling Program addressed the Commission. She said, *"As you know, from your packets, I have submitted several letters on areas of concerns that I have. Before I get started on those, I just want to say that I do agree with Senator Holy about keeping problem gambling in the definition along with gambling disorder. The reason for that is that we know that people tend to underestimate the difficulty that they are having with gambling. And if they get to the point where they think they might have a problem having to come in under gambling disorder, they may see that and say, "Oh, that's too severe, that's not me, that's not appropriate for me." So I actually disagree respectfully with Holy I do think that it should be included. So that's my comment about that. And I appreciate Senator Holy that you raised that.*

*So, first of all, my first main area of concern, which I've talked about before is that I believe the forfeited money should be coming to the State Problem Gambling Program, and that would be from the commercial card rooms only, not the tribal. I understand that tribes are sovereign nations and have the right to decide where their funding will go. I did make a recommendation for changing to the wording. I'm not going to read that out here unless requested but it is in my letter. And the reasons for why I think this change should be made is that the State Problem Gambling already has contract monitoring and financial auditing as part of the established oversight for both revenue and expenditures.*

*And so this way, the public can have confidence that the people's money is being used appropriately, and that there is a paper trail in case of concern. And then leaving it open for commercial vendors to decide where they're sending the funding, it means that the State Problem Gambling Program will be essentially vying for this additional funding as a state agency with other non-state organizations. And in my role as a State Problem Gambling Program manager and the only staff person in the program, it's not appropriate for me to reach out and lobby commercial vendors for a forfeited funds. So that sort of leaves me at a disadvantage in that regard.*

*Additionally, due to WAC 230-15-710, which covers how progressive jackpot games will be removed from play, licensees have several options for dispersal of any remaining jackpot prizes including donating the money to a nonprofit gambling organization in Washington State. And I know that as a result, the Gambling Commission has fairly recently distributed funds to the Evergreen Council on problem gambling. However, the State Problem Gambling Program it's not a possible recipient on that list. So it's received none of the forfeited progressive jackpot game prizes, leaving the state program in a disadvantaged position on that. So, having the State Problem Gambling Program as the recipient for the self-exclusion forfeited funds would help to equal that up.*

*So, the State Program is also projected in this current biennium that we've just entered to have a funding gap for treatment of about \$150,000. So, I'm already submitting a request to have supplemental appropriation to help cover that. But this just illustrates that our need is growing, and we need to have more funds available in an ongoing way for treatment. So as a low barrier program, the State Problem Gambling Program seeks to provide services to all eligible residents of Washington State. So, we need to have that funding available. So that's probably the biggest issue for the State Program.*

*I'm also concerned about the online registration not being available. We did talk about that quite a bit. So, I support Representative Kloba and others who have asked for additional research into that. We know that people have been gambling more online at home because of the pandemic. Research shows that internationally to be true, even though online gambling, isn't legal in Washington State, we know that it's happening. So, I also think that people need to have the ability to ban themselves from the comfort of their homes without having to seek out a notary in-person.*

*We do have things in society like DocuSign and other kinds of verification programs, so I fully support having that as a goal. I don't think it should hold off on starting the program, but I do think it should be a goal. So finally, in the draft rules, there don't appear to be any specific consequences for the Washington State commercial vendors if they don't adhere to the licensee responsibilities per the new rules. So, I would recommend that the Gambling Commission at least consider language about how non-tribal venues will be held responsible such as a fine or additional consequence. I think just saying administrative action will be taken it doesn't feel like it has any teeth in it.*

*And I think when we think about what will motivate licensees to do a good job some will do it because they want to do a good job and others will need a motivation that has to do with the stake, unfortunately. So I just want to advocate for that. So I've run through a lot of things in a really short period of time. So thank you for the opportunity to present. And I'm available for any questions as well”.*

**ID Griffin** reiterated the takeaways to remove the notary or to add an option of notary and/or licensed treatment professional to verify the identity and sign off on the form. Representative Kloba stated that a notary would be acceptable but having an additional licensed treatment professional to sign on as a witness would be helpful. Staff will reach out to the behavioral health community within the Problem Gambling Task Force to see what term of enrollment they recommend. Commissioners would like an annual report beginning one year after implementation. **Commissioner Patterson** requested that staff investigate an online option within six months after the commission has completed its IT modernization process.

Rules were held over for additional work by staff as directed by the Commissioners.

## **Commissioners took a 10-minute break**

### **Tab 3**

#### **Electronic Raffles**

**Ashlie Laydon, Rules Coordinator and Sonja Dolson, Special Agent Supervisor** presented the materials for this tab. RC Laydon said that at the March 2020 meeting, Commissioners accepted a petition and chose to initiate rule-making to allow sports teams' charitable foundations to operate electronic raffles at sporting events. RC Laydon explained the necessary terms and requirements. The petitioners respectfully request amending the raffle rules to allow for the sale of 50/50 raffles tickets at professional sports games and matches via electronic devices and systems in compliance with current applicable state statutes. Staff feels that this rules package addresses the concerns that stakeholders have expressed, except for those concerns that cannot be addressed without amending the Gambling Act, such as the use of a cloud-based server, allowing for electronic selection of winning raffle tickets and issuance of electronic receipts. SAS Dolson addressed the commission with a more in-depth explanation of the rules. She was joined by Eric Pettigrew representing the Seattle Kraken, Drew Johnston of the Seattle Seahawks, and Amber Carter of the Seattle Mariners. Each of the representatives of the Major League Teams present thanked the Commissioners and staff for their support and help in providing an easier way for fans to contribute to the teams supporting charities. Representative Kloba asked if this raffle would be an expansion of gambling. **AAG Kernutt** said he would like more time to speak with AAG Becker and come back to staff with at least a reasonable legal opinion associated with that, prior to final adoption. Commissioner Patterson asked what the process would be if it were considered an expansion of gambling. AAG Kernutt said, *"if this was deemed to be an expansion of gambling, I'm not saying that it is. I want to be very, very clear. That is not a legal opinion yet associated with this... Then it would be outside the authority of the Gambling Commission. It would need to be a legislative question if that is the case. I, unfortunately, am not prepared to answer that question today for the Commission. I apologize for that, but we can work with staff associated with that, and would also, obviously in evaluating that, welcome the petitioner's views associated with that to evaluate their legal position as well. But if it is an expansion of gambling, it would be a legislative determination outside the scope of the Gambling Commission's authority"*. **Senator Conway** asked if any team could offer these raffles. **ID Griffin** replied, only major league teams at this point that are affiliated with a non-profit organization.

#### **Public Comment**

There was no public comment.

*Commissioner Reeves moved to initiate draft rule-making for further discussion as presented by staff.*

*Commissioner Levy seconded the motion.*

*The motion passed 4:0.*

### **Tab 4**

#### **Default**

**Adam Teal, Acting Legal Manager** presented the material for this tab. This default was held over from the August 12, 2021 commission meeting. Staff was able to confirm that the

commission had not received a license renew application for Ms. Thou and therefore, Ms. Thou's Class III gambling employee certification had expired.

Chair Sizemore asked if Lyna Thou was present. She was not.

*Commissioner Levy moved to revoke Lyna Thou's Class III Employee certification as presented by staff.*

*Commissioner Reeves seconded the motion.*

*The motion passed 4:0*

## **Tab 5**

### **2022 Agency Request Legislation**

**Tommy Oakes, Special Agent Supervisor and Interim Legislative Liaison** presented the materials for this tab. SAS Oakes stated that at the July 8, 2021 and August 12, 2021 public meetings, Commissioners decided to move forward with one agency request bill to address nonprofit housing and community center qualifications to offer low stakes unlicensed bingo activities. He also presented the 2022 agency request legislation will amend the commissions nonprofit qualification statute (RCW 9.46.0209) and the unlicensed nonprofit "public" activity statute (RCW 9.46.0321) to address the low stakes senior bingo complaints and concerns we have received in the past. The proposed bill will also raise the twice-per-year limit in RCW 9.46.0321 for bingo, raffles, and amusement games to twelve times per year.

### **Public Comment**

There was no public comment.

*Commissioner Patterson moved to approve the 2022 Agency Request Legislation as presented by staff.*

*Commissioner Levy seconded the motion.*

*The motion passed 3:0.*

*Commissioner Reeves abstained.*

## **Tab 6**

### **Director Hire Update**

**Lisa Benavidez, Human Resources Director** presented the materials for this tab. HRD Benavidez gave a short update on the director hiring process. Commissioners Patterson, Reeves and Levy met on August 25 for a Special Executive Session for the sole purpose of discussing the potential candidates to move forward in the interview process. The decision was made to move eight candidates forward for an interview. HD Benavidez explained the next steps in the process as follows: human resources will contact the eight candidates identified by the Commissioners to offer them an interview; those interviews will occur in executive session; those interviews will likely be scheduled in October.

*Commissioner Reeves moved to forward candidates A2, A5, A7, A9, A11, A13, A48 and A50 forward for an interview.*

*Commissioner Levy seconded the motion.*

*The motion passed 3:0  
Chair Sizemore recused himself.*

**Public Comment**

There was no public comment.

**Chair Sizemore** announced that at 12:55 p.m. Commissioners and staff would go into Executive Session after a 20 minute break to discuss potential agency litigation with legal counsel, including tribal negotiations.

The August 27<sup>th</sup> meeting adjourned at 1:58 PM.

There were 72 people that joined the meeting.