



STATE OF WASHINGTON
GAMBLING COMMISSION

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

February Special Gambling Commission Meeting Minutes

Virtual Meeting

*February 7, 2021

Commissioners Present:

Bud Sizemore, Chair (Via Teams)

Julia Patterson (Via Teams)

Kristine Reeves (Via Teams)

Sarah Lawson (Via Teams)

Ex Officio Members Present:

Staff Present – Virtually:

Tina Griffin, Interim Director (ID); Lisa Benavidez, Human Resources Director (HRD); Julie Lies, Tribal Liaison (TL); Ashlie Laydon, Rules Coordinator (RC); Tommy Oakes, Interim Legislative Liaison (ILL); Julie Anderson, Executive Assistant and Suzanne Becker, Assistant Attorney General (AAG)

Chair Sizemore called the virtual meeting to order at 8:35AM and mentioned that TVW would be livestreaming the meeting. ID Griffin called the roll to ensure a quorum. **Chair Sizemore** asked for a moment of silence to acknowledge any 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. 4:0

Interim Director's Report

ID Griffin asked the Commissioners to consider extending the 2018-2022 Strategic Plan to 2023. **Chair Sizemore** asked the Commissioners if they had any questions regarding the progress report or concerns with extending the plan for one more year. Hearing no objections from Commissioners, **Chair Sizemore** announced that the extension was granted.

Tab 2

Petition For Rule Change

Ashlie Laydon, Rules Coordinator presented the materials for this tab. RC Laydon introduced the petitioner, Todd Schuerman, from North Bend Washington and said he is proposing a rule change to allow for online sports betting and iGaming in Washington State. **Todd Schuerman** addressed the Commission and said, "I do see a need, and given the state of it being 2022, where everybody has apps on their phone, the access to sports betting, if you will, iGaming through 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.

app. Obviously, the Legislature works at a much slower speed than the constituents and the residents of the state. As we already know that, as of January 18th, residents in Washington State could still do everything online by utilizing the Oregon online through their lottery with DraftKings.

It's unfortunate that the Washington Legislature, and I do understand that my petition will probably be denied, but at least having it on the record would have hopefully stoked the interests of any other people participating and viewing this Commission's meeting today, that there is a request and there is legitimate, I guess you'd say, interest in having online access to iGaming and sports betting among Washington residents.

I do have to say that I'm remiss that Washington State is missing out on tax revenue due to the shortsighted nature of the Washington Legislature. We're going to miss out on 60 million in tax revenue this year alone, and over a billion dollars over the next 10 years from sports betting alone, not including iGaming, just based off of the figures coming from Louisiana, Arizona that have legalized sports betting within the last year, along with Washington State, but haven't restricted it to only tribal casino, and have opened it up to online access.

With that, I would say that there is a unique access to like FanDuel and DraftKings, where both of them offer fantasy sports. And I would encourage the Commission either to recommend to me to file another petition or to consider voting and approving online access to FanDuel and DraftKings. And the reason why is because fantasy sports is ruled nationally as not gambling. However, the IRS considers the transactions to be part of gambling transactions, even though it is not, according to the Supreme Court, a game of chance. So, it's not illegal to do fantasy sports in Washington State, nor is it in or against our constitution, and we don't need Washington Legislature to approve that. It's just not. The Supreme Court has already decided that the United States. So that has nothing to do with whether the Washington Gambling Commission is restricted to wait on the Legislature.”

Commissioner Patterson expressed her concerns for the addictive issues associated with online gambling. **Commissioner Reeves** asked the petitioner to clarify his statement about Washington resident’s ability to participate in online gambling through an Oregon platform. Mr. Schuerman confirmed that Washington residents can participate in online gambling using an Oregon platform. **Commissioner Reeves** asked Staff to investigate this further and asked for a follow up at a future meeting.

Public Comment

No Public Comment

Commissioner Reeves moved to deny the petition in writing on the basis that the petition would require a statutory amendment.

Commissioner Patterson seconded the motion.

The motion passed 4:0.

Tab 3

Legislative Update

Tommy Oakes, Interim Legislative Liaison presented the materials for this tab. **ILL Oakes** gave a short update on the 2022 legislation session. He updated the Commissioners on the law enforcement bills that effected the agency. He thanked the Commissioners, Ex Officios and Representative Goodman for their help. **Chair Sizemore** asked if anyone had any questions. **Commissioners Patterson and Reeves** complimented ILL Oakes and thanked him for his hard work and dedication while learning the legislative process.

Tab 4

Director Hire Update

Lisa Benavidez, Human Resources Director presented the material for this tab. HRD Benavidez reported that on January 20th Commissioners Patterson, Levy, Lawson, and Reeves met for a Special Meeting to conduct second interviews for the Director position. The Commissioners decided to move one candidate forward for further consideration and gave authorization to HRD Benavidez to engage in background checks and negotiations. HRD Benavidez hopes to have the references check completed this week. After reference checks are completed, HRD Benavidez will contact the candidate for further negotiations. Once that step is completed, she will bring the information forward to the Commissioners for decision on making an appointment. This will occur at an upcoming meeting. **Commissioner Patterson** asked if the Gambling Commission will be able to make a formal announcement at the next Commission meeting. **HRD Benavidez** replied, she hopes to have everything completed and ready for the March Commission meeting.

Commissioner Reeves inquired on the possibility of reviewing the background checks, polygraph, and psychological evaluation before the candidate is moved forward. **HRD Benavidez** replied, that the plan was not to do anything other than reference checks.

Commissioner Reeves expressed her concerns and reiterated what she thought was the motion from the Special Commission meeting.

AAG Becker explained that this specific topic could not be discussed in detail at the current meeting and if the Commissioners wanted to, they could call another Special Meeting to discuss this topic further.

Vice Chair Patterson asked HRD Benavidez what the timeline would be to conduct a full background check including all three of the aspects polygraph, psychological exams, and reference checks. **HRD Benavidez** explained that scheduling the psychological exam takes about two to three weeks. She indicated that best case scenario, it would take a month to schedule conduct and receive reports back.

Public Comment

Todd Schuerman, North Bend stated, “ *I am curious how the gambling commission justifies its limitations with the Legislature regarding online gambling and fantasy sports betting done online through CBS, ESPN, and other programs. Is it because social media and companies of that esteem just is because they offer a free entry or... Somehow, it's just not illegal for Washington State residents to participate in those programs that do offer cash prizes and*

rewards? So, I'm just curious on how the Commission is either limited or affected by those avenues.”

Chair Sizemore reminded **Todd Schuerman** that gambling is prohibited in the state of Washington unless expressly granted.

No further comments were provided.

The public meeting adjourned at 9:25AM and **Chair Sizemore** adjourned the meeting to Executive Session to discuss potential agency litigation with legal counsel, including tribal negotiations. He announced Executive Session should take approximately three and a half hours.

Executive Session adjourned at 11:45 AM.

There were 61 people in attendance.