



STATE OF WASHINGTON  
GAMBLING COMMISSION

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

January Gambling Commission Meeting Minutes

Virtual Meeting

\*January 13, 2022

**Commissioners Present:**

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

**Alicia Levy (Via Teams)**

**Kristine Reeves (Via Teams)**

**Sarah E. Lawson (Via Teams)**

**Ex Officio Members Present:**

**Senator Steve Conway (Via Teams)**

**Senator Holy (Via Teams)**

**Representative Shelley Kloba (Via Teams)**

**Staff Present – Virtually:**

Tina Griffin, Interim Director (ID); Kriscinda Hansen, Chief Financial Officer (CFO); Lisa Benavidez, HR Director (HRD); Julie Lies, Tribal Liaison (TL); Oakes, Interim Legislative Liaison; Roger Suave, Special Agent; Tony Czar, Special Agent; Tony Hughes, Special Agent Supervisor; Ashlie Laydon, Rules Coordinator (RC); Julie Anderson and Suzanne Becker, Assistant Attorney General (AAG).

**Special Executive Session**

**Chair Sizemore** called the public meeting to order at 9:03AM. Interim Director Griffin called the roll to ensure a quorum for the Special Executive Session. Chair Sizemore, Commissioners Levy, Reeves and Lawson joined Representative Kloba to discuss potential agency litigation with legal counsel, including tribal negotiations. The Special Executive Session adjourned at 9:50AM. Commissioners took a 10-minute break.

**Public Meeting**

**Chair Sizemore** reconvened the public meeting at 9:58AM. He asked ID Griffin to call the roll to ensure a quorum. He asked for a moment of silence to acknowledge any law enforcement officers that have been lost since the last time the commission met.

**Tab 1**

**Consent Agenda**

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

*Commissioner Levy seconded the motion.*

*The motion passed. 4:0*

**Tab 2**

**Presentation – Special Olympics of Washington**

**Roger Sauve, Special Agent**, presented the materials for this tab along with Mary Do, Chief Operating Officer, and Mark Sinay, VP Accounting and Administration. SA Sauve stated that the Special Olympics of Washington (SOWA) is requesting approval to conduct a “Dream House Raffle,” an enhanced raffle in Western Washington. The proceeds will be used to further drive the vision of SOWA. Mary Do explained that the pandemic has slowed down the in-person

\* 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.

activities for their athletes and is looking forward to smaller local tournaments and getting back on track. She also stated that they are looking forward to the possibility of launching this raffle again in the next couple weeks. SOWA is requesting approval to hold a “Dream House” raffle. Commissioner Reeves inquired about the disclosure about the actual percentage of ticket holders that actually win the Grand Prize and reminded her that she made a verbal commitment last year to disclose on SOWA advertising material about the probability of winning the “Dream House”. Mary Do explained that the information is stated on their website.

### **Public Comment**

There was no public comment.

*Commissioner Reeves reiterated, the importance of transparency in this process and appreciates the work that SOWA does to serve this critical element of the community, but recognize that when we talk about gambling, particularly as we're going to go into a topic on self-exclusion next, we recognize that there are folks who are going to participate in this process and making sure that we are transparent about the probabilities of winning these items is important.*

*Commissioner Levy moved to approve Special Olympics of Washington to conduct an Enhanced Raffle for a Dream House.*

*Commissioner Lawson seconded the motion.*

*The motion passed 4:0*

### **Tab 3**

#### **Presentation - Self-Exclusion**

**Tony Hughes, Special Agent Supervisor**, presented the materials for this tab. SAS Hughes presented the proposed statewide Self-Exclusion program measurables. The program is scheduled to begin in May of 2022. Commissioners were given the opportunity to comment on the proposed program measurables before staff started developing the program.

### **Public Comment**

**Dallas Burnett** asked via the chat function in Teams if those that are self-excluded, have to submit another form to be removed from the Self-Exclusion program? He also asked, why would it be required if they choose upfront the time periods offered? **SAS Hughes** replied that that is the way the WAC is written.

### **Tab 4**

#### **Default**

**Adam Teal, Interim Legal Manager** presented the materials for this tab.

**Chair Sizemore** asked if Cuong Dang was present. He was not.

*Commissioner Levy moved to revoke Cuong Dang’s Public Card Room Employee license; Number 68-07669 as presented by staff.*

*Commissioner Reeves seconded the motion.*

*The motion passed. 4:0*

## **Tab 5**

### **Rule Petition to Amend Card Room Surveillance**

**Ashlie Laydon, Rules Coordinator** presented the materials for this tab along with Tim Merrill of Maverick Gaming. RC Laydon stated that the petitioner is proposing to amend existing rules to allow for the ability to monitor card room gambling activity from one card room to a centralized surveillance room. The petitioner feels this change is needed because the ability to have staff in a central location allows for the surveillance observers to be under experienced surveillance management that can provide consistent training. The petitioner stated that the surveillance management team would be able to work together when it comes to investigating, reporting, writing, and reviewing any questionable footage. The petitioner feels that a centralized surveillance monitoring location would be an opportunity to promote consistency and allow instant communication to gaming agents and allow the surveillance management an opportunity to respond to equipment malfunctions quickly and effectively, which will streamline reporting to the Gambling Commission. The petitioner also showed a presentation of what the central server would look like.

Chair Sizemore inquired about staffing. Mr. Merrill stated that in his industry there is a lot of staff turnover and with centralizing his surveillance he believes he could retain staff by hiring more qualified personnel.

Commissioner Reeves reiterated what she thought Mr. Merrill to say was that his proposition to the commission is that this would create expedited efficiencies in compliance. Mr. Merrill confirmed.

### **Public Comment**

There was no public comment.

*Commissioner Levy moved to initiate rule-making proceedings as proposed for further discussion.*

*Commissioner Lawson seconded the motion.*

*The motion passed. 4:0*

**Commissioner Levy** commented that this sounded like a good idea, and is interested to dig further into some of the policy decisions.

## **Tab 6**

### **Petition to Amend WAC 230-15-140 Wager Limits for House-Banked Card Rooms**

**Ashlie Laydon, Rules Coordinator** presented the materials for this tab along with Tim Merrill of Maverick Gaming. RC Laydon stated that the petitioner is proposing to amend WAC 230-15-140, Wagering limits for house-banked card games, and WAC 230-15-135, Wagering limits for non-house-banked card games, to increase the single wager limit and bonus wager limit, and the maximum amount of a single wager on poker at Class F and house-banked card game licensees, from \$300 to \$500 on all tables with the ability to raise the limit to \$1,000 on 25% of the tables (rounded to the nearest whole number).

He feels this change is needed to keep the wagering limits for card rooms fair and consistent with competitors. The petitioner feels that raising the wager limits will allow the card room industry to continue to be competitive in the gambling market, which will allow the card rooms to keep jobs in local communities.

**Commissioner Reeves** asked Mr. Merrill to elaborate on the petition that was presented to the commission in 2016 that was withdrawn based on concerns. Mr. Merrill stated that Maverick Gaming has implemented a problem gambling centralized system on self-exclusion. Chair Sizemore asked Mr. Merrill if he could describe how this proposal fits in with the legislative declaration. Mr. Merrill said, *“The only difference is we have a small population of customers that do bet up to the maximum already and would like to bet higher. And if we don't provide them that product, then we may lose those customers to the tribal facilities where higher limits (?) have already been approved by the commission. And so, we're fighting to remain relevant in the communities in which we operate and keep those customers in our facility so that we can keep our team members employed.”*

### **Public Comment**

**RC Laydon** read public comment into the record.

1. *“Jerry Howe on behalf of Jokers Casino in Richland, Knob Hill casino in Yakima, Roxy's Casino in Seattle, Lancer Casino in Clarkston, Wild Goose Casino in Ellensburg, Clearwater Saloon and Casino in East Wenatchee, and Club 48 Poker Room in Yakima is in support of this petition to amend 230-15-135 in WAC, 230-15-140 to allow for increased wager limits in Class F in-house banked card rooms.”*
2. *“David Hill owner of Fortune Casinos and Fortune Poker in Hawks Prairie, who stated the following: I would like to express my opinion that the request for a limit increase proposed by Tim Merrill of Maverick Gaming takes things too far at this time. Understand Mr. Merrill's desire to increase the betting limits in order to be on a more even ground with the tribal casinos in Washington State, but I do not agree that the privately held card rooms must, should be treated the same as the tribal casinos that are operated by sovereign nations on Federal lands for the benefits of thousands of tribal members. As the owner of four WSGC licensed card rooms, I want to go on the record to state that I have no affiliation with Maverick and their representatives, and I do not support this request for Maverick Gaming.”*
3. Neil's comment from the chat is, *“I also would like the wager limits to increase.”*

### **Public Comment Provided by:**

1. **David Hill**, owner of the Fortune Casinos and Fortune Poker, and part owner of Hawks Prairie now. *“So, I wanted to address my comment. My concern is that I understand that, you know, card rooms and obviously it's a financial benefit for me if limits are raised, but the card rooms have kind of gone up, not in lockstep, but always following tribal. My concern was the thousand dollars limits. I think it's asking for too much. I think very few tribes, I believe only four at this time, are currently offering over \$500 limits. There's a process they have to go through in order to have higher limits. I don't believe anyone is regularly offering over a thousand. So, what I am comfortable with is \$500 limits. I would very much support the \$500 limit universally. I think the thousand-dollar unlimited tables is difficult to enforce. It's the reason that the Gambling Commission got rid of, back in I believe '06, when they got rid of the limited number of tables because of enforcement issues. But one of the biggest benefits, not only for being able to wager higher, but currently we have stacks of chips everywhere with \$300 limits. We have commissions on Pai Gow, potentially, and on Baccarat, with \$300. It's an odd amount. \$500 is a simple amount. It is a standardized chip. And basically, every casino in the world, 300 is an awkward number. But to me that's another positive for raising the limit to 500. But what I don't*

*support is the thousand dollars. I think that's taking things a step too far to where we're effectively in line with the tribes. And I don't think that's the right move for us at this time."*

2. **Roxanne Waldron**, Problem Gambling Program Manager at the Healthcare Authority. *"I always must advocate from the point of view of problem gambling. And it's always a concern when wager limits are being raised and their opportunities to spend more money faster. So, I have deep concerns about this, but I'd need some more time to look at the research to be able to comment on any proposed rule change."*

4. **Max Faulkner**, Managing Partner at Atomic Ball and Jokers here in Richland. *"I represent a lot of the small mom and pop casinos, many casinos, and has card rooms we have in the state. By that, I mean, we're, you know, here we're small card room, but we have a bowling center, arcade, comedy club nightclub. So, I have 134 employees just right here. And I looked at the seven places that I'm affiliated with as probably well over 400 employees in the seven little mini casinos here. Also, we paid the City of Richland last year, \$421,000 in gaming tax too, so, you know, we're nice, and we consider ourselves the community asset here too, have a lot of events and marriage, and stuff like that. I go back to the early days when we, we had a \$25 limit when you opened your card room. And, and then after about six months, if you pass all the requirements, you could go to hundred dollars. When they we're trying to get, when the card rooms get \$300 limits several years ago, I thought, wow, that really doesn't, you know, I'm okay with it, but it really doesn't apply to me. We don't have any players that big. You know, I'm kind of, I like to gamble, but I'm like a five- and ten-dollar player. Well, I was wrong. We have a lot of \$300 players and they often, they're betting \$300 on more than a couple of spots. And we even had to go to purple \$500 chips here that we can bring out to the table if somebody's on a winning streak, they have stacks of hundred dollars, black and \$25 green chips and it takes a lot of time to do the fills and stuff like that. So, we've got the purple \$500 chips, even that's the kind of play. And I think some of those people, maybe they went to Vegas, in a life before, but you know, now that we can accommodate some of that, they stay here. I'm just speculating on that though. But as many of you know, the minimum wage keeps going up and it's gone up again, another 80 cents and, and that's fine. I just did a little math this morning in the back of my head on what that would cost us, because we are just going to raise everybody surveillance, security. So, we have about 15 people average, roughly, employees in the casino day give or take 15, 16 hours, 17 hours. So, it's going to cost us in payroll well over \$70,000 just in Jokers this year. So that's another \$70,000 that we got out of cover somehow, if we're going to stay in business. And you know, in gambling, our win, we have a gross win then we pay our expenses out that. Our gross win is basically the edge on a bet, the house edge on blackjack is about 2%, roughly, times average bet size to cover minimum wage. We can raise the price of a hamburger to cover that. But in, in the casino, in the house bank card room, it's still only a 2% edge on that blackjack bet. You can't change that. Number of bets, we can promote, you know, market, try to get more people in, but average bet size, if we accept Tim Merrill and Maverick's \$500 limit, again, that's only a very small portion of the people, but, but it's something, you know, it will increase our, our average bet size a little bit. We're in support of that \$500 limit to help cover basically, to help cover the huge, I mean, 80 cents doesn't seem like much and, and I'm glad that people have it, but when you multiply it over all the hours, we're open, all the employees, we got to cover 70,*

80, \$90,000 in more payroll this year. So that, that will help us cover that payroll and stay in business. So, thank you. And all right. Any questions? I can talk about this all day.”

*Commissioner Levy moved to initiate rule making for further discussion.*

*Chair Sizemore seconded the motion.*

*Commissioner Reeves would like to find another way, in which to get to some more of that quantitative data that draws the correlation for us into the changing economic status that would warrant this petition being approved. Interim Director explained that the agency could pull together stakeholders for a more in-depth conversation outside of rulemaking. Commissioner Lawson agreed that a more informal conversation outside of rulemaking would flesh out these issues. Chair Sizemore said he was committed to putting in effort and time on this discussion outside of the rulemaking process. He asked the petitioner how he wanted to proceed. The petitioner asked how the commission was comfortable allowing limits to increase for tribal facilities and not private enterprise. ID Griffin stated that that was through negotiations.*

*The petitioner withdrew his petition. The Commissioners withdrew their motions.*

## **Tab 7**

### **Petition to Amend- Use of an iDROP Kiosk**

**Ashlie Laydon, Rules Coordinator** presented the materials for this tab. Tim Merrill of Maverick Gaming in Kirkland, Washington is proposing to amend several rules to allow for the use of ticket-in/ticket-out using the iDROP kiosk device in card rooms to purchase and redeem tickets for table games play. According to the petitioner, iDROP enables players to purchase chips directly at the live gaming table from the dealer and brings ticket-in/ticket-out to live gaming tables, thus allowing players move directly from live game to live game without having to go to the cage cashier. The petitioner shared a short video demonstrating the iDROP device.

**Commissioner Reeves** asked staff if this sort of device was offered anywhere else in our state. **ID Griffin** said that this was not authorized in commercial, nonprofit or tribal gaming facilities. Ticket-in, ticket-out is authorized for tribal lottery systems, but nothing is authorized in the state of Washington for table games.

### **Public Comment**

There was no public comment.

*Commissioner Reeves moved to initiate rule-making proceedings as proposed for further discussion.*

*Commissioner Levy seconded the motion.*

*The motion passed 4:0*

## **Tab 8**

### **Chapter 230-19 WAC- Sports Wagering.**

**Ashlie Laydon, Rules Coordinator** presented the materials for this tab. RC Laydon stated at the October 2021 public meeting, Commissioners chose to file draft language for further discussion. Language was filed with the Office of the Code Reviser on October 19, 2021, to be published in the Washington State Register (issue 21-21-094) and was posted on our agency website. At the December 2021 public meeting, Commissioners chose to file changes to the proposed rules for

further discussion based on comments from tribal partners and vendor stakeholders. Language was filed with the Office of the Code Reviser on December 22, 2021, to be published in the Washington State Register. Staff met with tribal partners to get feedback on the proposed rules on January 6 and 7, 2022. Based on that feedback staff recommends filing for discussion and possible action on the proposed changes to WAC 230-03-085 and withdrawing the proposed Chapter 230-19 WAC.

***Commissioner Lawson moved to file the draft rule language withdrawing WAC 230-19 and amending WAC 230-03-085 for further discussion as presented by staff.***

***Commissioner Levy seconded the motion.***

***The motion passed 4:0***

## **Tab 9**

### **Legislative Update**

**Tommy Oakes, Interim Legislative Liaison** presented the materials for this tab. ILL Oakes updated the commissioners on the Agency Request Legislation as well as legislation impacting the Special Agents involved in law enforcement.

### **Public Comment**

There was no public comment.

## **Tab 10**

### **Agency Director Hiring Update**

Lisa Benavidez, HR Director, presented the materials for this tab. HRD Benavidez updated the Commissioners of the ongoing process to hire a new WSGC Director. Both candidates chosen to move forward in the hiring process have accepted the opportunity for a second interview. They will be interviewed by the Commissioners during executive session of a special commission meeting the following week. Immediately following those interviews, the commissioners will have the option to make a motion on which, if any of those candidates they would like to move forward. If a decision is made to move candidates forward, then HR staff will move the finalist through the reference checks and other background checks and examinations required for the position. An update is planned for the February Commission meeting.

**Commissioner Reeves** thanked the commission staff and HRD Benavidez for all the work that everyone has done, whether it's drafting the questions, et cetera, and really engaging the commission in the process and she looks forward to the opportunity to connect next week.

### **Public Comment**

**Roxanne Waldron** state problem gambling program manager. Stated, *“One is on the HB 1674, which is authorizing sports wagering and commercial card rooms and horse racing at horse racing venues. I'm not going to address this being an expansion of a new gambling activity. I know it's a much larger discussion. However, I did have some specific concerns about it that I wanted to bring to your attention. One is that the 1-800-GAMBLER number is the helpline number for West Virginia, not Washington state. Secondly, there is no steady funding tied to problem gambling based on volume. In fact, it offers 50% of unclaimed winnings that sit for a year. So, that has nothing to do with the volume of sports wagering. And secondly, or thirdly, it's*

*not clear as it's written, if it supersedes the BNO tax, and that's really unclear to me in analyzing this bill. So, I just wanted to bring that to your attention that as the state problem gambling program manager, I see some issues with that bill around how it is written. Secondly, I just want to say for future consideration, and I know we're moving forward with the sports wagering rules right now. And so, I didn't want to bring this up during this conversation, but I think in future consideration, it will win and if you look at the rules again, I might think about looking and adopting a sports better's bill of rights. There is one in Virginia, that's a great model. It's only one page, but it covers protection for sports betters. So, I wanted to bring that up as something to think about for the future."*

**There was no further public comment.**

**Chair Sizemore** stated that the commissioners would recess for 10 before Executive Session and will return to the Public Meeting for the sole purpose of adjournment.

There were 99 people that joined the meeting.

**Chair Sizemore** adjourned the meeting at 2:02 PM.