



STATE OF WASHINGTON
GAMBLING COMMISSION

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

November Gambling Commission Meeting Minutes

Virtual Meeting

*November 16, 2021

Commissioners Present:

Bud Sizemore, Chair (Lacey HQ)

Julia Patterson (Via Teams)

Alicia Levy (Via Teams)

Kristine Reeves (Via Teams)

Sarah E. Lawson (Via Teams)

Ex Officio Members Present:

Senator Steve Conway (Via Teams)

Representative Shelley Kloba (Via Teams)

Staff Present – Virtually:

Tina Griffin, Interim Director; Julie Lies, Tribal Liaison (TL); Sayee Vaitheesvaran, Chief Information Officer (CIO); Ashlie Laydon, Rules Coordinator (RC); Adam Teal, Acting Legal Manager; Julie Anderson, Executive Assistant; Rashida Robbins, Administrative Assistant and Suzanne Becker, Assistant Attorney General.

Chair Sizemore called the public meeting to order at 9:05AM. Interim Director Griffin called the roll to ensure a quorum. Chair Sizemore asked for a moment of silence to acknowledge any law enforcement officers that have been lost since the last time the commission met. Chair Sizemore introduced the newest Commissioner, Sarah Lawson. She gave a short biography. The Commission is now fully staffed with 5 Commissioners.

Chair Sizemore rearranged the agenda to begin the meeting with Tab 2 to accommodate Senator Conway and Representative Kloba's schedules.

Tab 2

Sauk Suiattle Indian Tribe's Compact Amendment Hearing

The Honorable Nino Maltos II, Chairman Sauk Suiattle Indian Tribe; Kehl Van Winkle, Legal Counsel; Tina Griffin, Interim Director and Julie Lies, Tribal Liaison presented the materials for this tab. **Interim Director Griffin** began the presentation by explaining the process and **Tribal Liaison Lies** provided a detailed account of the compact changes to the Tribe's Amendment. The Honorable Nino Maltos II thanked the Commissioners and staff for their work.

Public Comment

There was no public comment. TL Lies mentioned that there was no public comment that came through email.

Commissioner Reeves moved to forward the proposed compact amendment to the governor for review and final execution.

Commissioner Levy seconded the motion.

* 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.

The motion passed 7:0
Vice Chair Patterson
Commissioner Levy
Commissioner Reeves
Commissioner Lawson
Chair Sizemore
Senator Conway
Representative Kloba

Next steps include forwarding the agreement to Governor Jay Inslee for his signature and final execution.

Tab 1

Consent Agenda

Commissioner Levy moved to approve the consent agenda as presented by staff.
Commissioner Reeves seconded the motion.
The motion passed. 5:0

Interim Director's Report

Interim Director Tina Griffin provided a brief update on the 32nd annual Centennial Accord meeting that was held at Squaxin Island Tribe. She also briefed the Commissioners on Sports Wagering Enforcement action that has occurred in the last month. ID Griffin introduced Chief Financial Officer Kriscinda Hansen. She also recognized Michelle Rancour on her 15 years of state service.

Tab 4

Presentation – IT Modernization

Sayee Vaitheesvaran, Chief Information Officer presented the materials for this tab. CIO Vaitheesvaran gave a short presentation on the current state of the various IT systems, the IT modernization process and funding.

Public Comment

There was no public comment.

Tab 3

Presentation – Sports Wagering Report

Dr. Kahlil Philander, Washington State University and Tina Griffin, Interim Director presented the materials for this tab. ID Griffin gave an overview of the study. It includes four general areas, an overview of the gaming markets and policies nationwide, a survey of Washington residents about sports wagering, a market forecast for Washington and Washington economic impact forecast. ID Griffin shared a summary of the report in each of these four areas. The report will be posted on our website along with this PowerPoint once WSU has published the report.

Commissioner Patterson asked how the study was funded. ID Griffin replied that forfeiture funds were used to pay for this report as the report provides information on how the illegal sports wagering market can be pushed more effectively to the legal market.

Commissioner Patterson also asked of the three economic indicators, how do we understand the economic impact to the players. **Dr. Philander** said “*Economic impact studies are in some ways a little bit of a boiler plate activity that focuses on a handful of economic measures. Most typically people are concerned about jobs that are noted to be relevant in typically political decision-making activities. What they fail to capture is this idea of the consumer surplus, and the consumer surplus is basically the difference between what a consumer pays for an activity and the actual benefit that they get. And I think that's what you're trying to get at, is what's the value to the consumer for an activity like this. There's almost no good study in any single industry that accurately captures the consumer surplus.*”

Representative Kloba thanked Dr. Philander for the report. She said “*I recognize that you had a very specific to-do list in the things that you were to study, it was very prescriptive and did a great job on that. But given your background, I'm wondering if you have any sort of additional viewer commentary on when we think of about the value to the state and how many dollars it's bringing in and so on, it wasn't your assignment to think about the economic impact or the social impact of problem gambling with this expansion and its effect.*” **Dr. Philander** said, “*I think that the United States and now Washington state are going through probably the biggest shift it's ever seen since perhaps the late 80s, early 90s, when a lot of casinos were opening, the biggest change it's ever seen in terms of the normalization of gambling within society and our culture. So, what's become normative now is that everybody's seeing ads for gambling on TV when they watch football on Sundays or football on Saturdays. Every time somebody logs onto social media, they're being sent ads about DraftKings or FanDuel or BetMGM, or any of these online gaming operators, often even if they're not in a state where that's currently legal and offered. And even media companies like Fox or ESPN are creating strategic agreements with betting companies in order to leverage their own brands to make inroads in the sports betting marketplace.*”

Commissioner Patterson noticed that 50% of people who are engaged in gambling is through office pools. She asked if Dr. Philander could explain that. He didn't have a direct answer to that question.

ID Griffin thanked Dr. Philander and asked the Commissioner's for their approval to send the report, “*WSU Sports Betting in Washington State*”, to the governor and appropriate legislative committees, by December 1 of this year.

Commissioner Patterson moved to approve that staff forward the report “WSU Sports Betting in Washington State”, to the governor and appropriate legislative committees, by December 1, 2021.

Commissioner Levy seconded the motion.

The motion passed. 5:0

Short Break

Tab 5

Presentation – Staffing Update

Tina Griffin, Interim Director presented the materials for this tab. ID Griffin shared the staffing levels of the agency and noted that staff levels are down to 88 from 119. She mentioned that vacancies from this year stemmed from retirements and staff moving to other states. She also said that nine staff members left due to the vaccination mandate. ID Griffin spoke about recruitment challenges as well as the retirement bubble. She asked the commissioners for patience and understanding, given the current staffing levels.

Chair Sizemore asked for an update on staffing levels at the February Commission meeting. **Commissioner Patterson** asked if the job qualifications for a special agent are the same as for a police officer. **ID Griffin** said the Gambling Commission is limited jurisdiction and police officers are general jurisdiction. She reiterated that we are working on our recruitment efforts to make the Gambling Commission more competitive. **Commissioner Reeves** asked for a report back at our next commission meeting on incentive pay for staff of all levels.

Tab 6

Chapter 230-23 WAC- Self-Exclusion.

Ashlie Laydon, Rules Coordinator presented the materials for this tab. RC Laydon reiterated the information regarding self-exclusion that the Commissioners have had before them at the last two commission meetings. At this time, this tab is up for discussion only. Final action will take place on this tab at the December 7th commission meeting.

Public Comment

There was no public comment.

Tab 7

Chapter 230-19 WAC- Sports Wagering.

Ashlie Laydon, Rules Coordinator presented the materials for this tab. RC Laydon reiterated the information regarding Sports Wagering Chapter 230-19 that Commissioners have had before them at the last two commission meetings. At this time, this tab is up for discussion only. Final action on these materials will be taken at the December 7 commission meeting.

Public Comment

There was no public comment.

Tab 8

Applying for a gambling service supplier license.

Ashlie Laydon, Rules Coordinator presented the materials for this tab. RC Laydon reiterated this information that the Commissioners have had before them at the last two commission meetings. At this time, this tab is up for discussion only. Final action will occur at the December 7 commission meeting.

Public Comment

There was no public comment.

Tab 9

Minimum cash on hand requirements.

Ashlie Laydon, Rules Coordinator presented the materials for this tab. RC Laydon reiterated this information that the Commissioners have had before them at the last two commission meetings. Currently, this tab is up for discussion only. Final action will occur at the December 7 commission meeting.

Public Comment

There was no public comment.

Tab 10

Defaults

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

Marcus Smith; CR 2020-01067

Chair Sizemore asked if Marcus Smith was present. He was not.

Commissioner Levy moved to revoke the Public Card Room Employee license of Marcus Smith as presented by staff.

Commissioner Reeves seconded the motion.

The motion passed 5:0

Konthea Chum; CR 2021-00047

Chair Sizemore asked if Konthea Chum was present. She was not.

Commissioner Levy moved to revoke the Public Card Room Employee license of Konthea Chum as presented by staff.

Commissioner Reeves seconded the motion.

The motion passed 5:0

Miao J. Li; CR 2021-00310

Chair Sizemore asked if Miao J. Li was present. She was not.

Commissioner Levy moved to revoke Miao J. Li's Class III Employee certification as presented by staff.

Commissioner Patterson seconded the motion.

The motion passed 5:0

Colleen Davis; CR 2021-00685

Chair Sizemore asked if Colleen Davis was present. She was not.

Commissioner Levy moved to revoke Colleen Davis' Class III Employee certification as presented by staff.

Commissioner Patterson seconded the motion.

The motion passed 5:0

Robby Denuyl; CR 2021-00751

Chair Sizemore asked if Robby Denuyl was present. He was not.

Commissioner Levy moved to revoke Robby Denuyl's Class III Employee certification as presented by staff.

Commissioner Patterson seconded the motion.

The motion passed 5:0

Han Lam; CR 2021-00759

Chair Sizemore asked if Han Lam was present. He was not.

Commissioner Levy moved to revoke Han Lam's Public Card Room Employee license as presented by staff.

Commissioner Patterson seconded the motion.

The motion passed 5:0

Tab 11

Agency Director Hiring Update

Vice Chair, Julia Patterson presented the materials for this tab. Vice Chair Patterson reminded the Commissioners and staff that at the Special Commission meeting on November 10th, Commissioners decided to move two candidates forward in the Director search for second interviews. She also mentioned that the Commissioners would be in favor of an in-person interview and that they would like to participate in the drafting of the interview questions.

Public Comment

Nanci Watson, private citizen of Washington sent in an email that she wanted on the record.

"I am a retired Human Resource Consultant and the mother of four adult children. Three years ago, I decided to take up the example of my mother, long a social worker, by taking into my care four persons drawn within the family. They have problems and I call them "children" though they are not.

Through this work, I have become intensely aware of the impact of drug addiction, homeless, crime, jail, and even prison upon our community. Looming large in my mind was the problem of "meth" addiction which has become increasingly common. I was reminded of the old-time magazines, called "penny dreadfuls," targeting young, blue collar workers in Britain from 1830's and onward with illustrations of fates to be avoided.

In addition, I became aware of the role casino gambling played in amplifying the impact of the better-known problems mentioned above. My "children" explained that casinos were a big part of "meth" culture and also important to the homeless community as a warm place to get out of the cold. I was asked, "Where else can you go to meet a friend at 2:00 am?"

In my career I worked with several casinos in California. When I arrived for my first meetings, at 8:00 or 9:00 a.m. the main floor would be full of "slot machines" and lined with patrons, apparently having been up all night, standing quietly, like ghosts, as though they had no home to go to.

Concerned, I started reading.

On April 30, 2021, I contacted a member of the WSGC team, based on a press release. My question was regarding how funding for problem gambling was established in our state. He was extraordinarily helpful and encouraged me to reach out to the Problem Gambling Taskforce, which I did that very day, expressing my interest in working with the taskforce.

I explained that I have a family member with a severe gambling problem. She explained that they were very far along with their workgroups and it would be too difficult to catch up at this late date. I went on to begin attending public meetings the next week, in May 2021. I reached out to the Evergreen Council for Problem Gambling, as recommended, to obtain additional information.

In June I followed up again to ask about those on the task force who had been severely impacted by problem gambling and represented the community at large, (as opposed to base on agency or professional affiliation). I wanted to contact them and was curious to learn how they were selected.

As it happened, the person representing the community, impacted by problem gambling, had stopped attending. Subject to approval by the Steering Committee, I was invited to attend the next quarterly meeting coming up at the end of September. At that time, three months later, I learned that it would not be able to be included in a working group after all. The work they were doing was just too far along, but I would be welcome to attend the remaining quarterly meetings as an official task force member. Based on what I have learned so far, my impression is that Problem Gambling is not going to go quietly. The idea of clinical treatment as a solution is experimental and the cost of a clinical approach is expensive. It needs to be pursued but we cannot wait for that solution.

There are things we can do immediately to engage with the community and build the data available to us, without clinical staff and without any change to tax procedures.

Here is where I would start:

1. Create a tracking database for use by the Problem Gambling Hotline and establish a procedure for each call to include these questions:

- a. Tell me about the problem you are having?*
- b. Would you like to be contacted by a peer counselor?*
- c. What is your name and phone number?*
- d. What is the name of the primary gambling operation patronized by you?*
- e. When was your first visit to this operation?*
- f. How often do you visit?*
- g. How many miles is this operation from your home?*
- h. What is the largest amount of money lost in one day?*
- i. How much do you typically lose in a week?*
- j. Is there another operation that you also patronize at least once a week?*
- k. Obtain name and phone number for follow up*

2. Create a procedure for the police that are on site at the gambling operations to perform a wellbeing check on any person exhibiting distress, crying, yelling, exhibiting frustration, etc. Have them collect the information as shown above and forward it to the Administrator of the Problem Gambling hotline.

3. Create a Problem Gambling Oversight group made up of representatives from the community and representing each segment known to be vulnerable to problem gambling, individuals to review the data collected periodically and advise on opportunities for change. Utilize this oversight group to determine whether additional taxation or revenue sharing is warranted based on the data collected above.

4. Create a state law that requires any money received under the terms of a tribal gambling compact to be made a matter of public record and placed in the hands of the State, County, or City executive with oversight over finance and regulation of those tasks performed government or nonprofit organization, in connection with gambling devices as described in the Johnson Act. This would include at a minimum revenue sharing with local police, treatment providers, outreach and providers, and other non-profits as

application.

5.Update each Tribal Compact to include a review of the revenue sharing each year considering regulatory requirements, with any changes and the reasons for these to be a matter of the public record.”

Chair Sizemore stated that the next meeting of the Washington State Gambling Commission will be held virtually and is scheduled for December 7. After a short lunch break the Commissioners went into executive session for approximately 90 minutes to discuss potential agency litigation with legal counsel, including tribal negotiations.

There were 64 people that joined the meeting.

Chair Sizemore adjourned the meeting at 2:02 PM.