



**WASHINGTON STATE
GAMBLING COMMISSION PUBLIC
MEETING - August 27, 2021**

Gambling Commission Headquarters
Lacey, WA

COMMISSIONERS



Bud Sizemore
Chair



Julia Patterson
Vice Chair



Alicia Levy



Kristine Reeves

EX OFFICIOS



Senator
Steve Conway



Senator
Jeff Holy



Representative
Shelley Kloba



Representative
Brandon Vick



Washington State Gambling Commission

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WAGamblingCommission



WAGambling



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STATE OF WASHINGTON

GAMBLING COMMISSION

“Protect the Public by Ensuring that Gambling is Legal and Honest”

Gambling Commission Meeting Agenda

Friday, August 27, 2021

[Click here to join the meeting](#)

Please note, agenda times are estimates only. Items may be taken out of sequence at the discretion of the Chair. Commissioners may take action on business items. Administrative Procedures Act Proceedings are identified by an asterisk (*)

PUBLIC MEETING

9:00 am	Call to Order	<i>Bud Sizemore, Chair</i>
Tab 1	*Consent agenda <ul style="list-style-type: none"> August 12, 2021 Commission Meeting minutes New Licenses and Class III Employees License 	(Action)
Tab 2	*RULE PETITION UP FOR DISCUSSION AND POSSIBLE FILING <ul style="list-style-type: none"> Self-Exclusion 	(Action) <i>Ashlie Laydon, Rules Coordinator</i> <i>John Chinn, Project Manager</i>
Tab 3	*RULE PETITION UP FOR DISCUSSION AND POSSIBLE FILING <ul style="list-style-type: none"> Electronic Raffles 	(Action) <i>Ashlie Laydon, Rules Coordinator</i> <i>Sonya Dolson, Special Agent Supervisor</i>
Tab 4	Default <ul style="list-style-type: none"> Lyna Thou, CR 2020-01588 	(Action and Possible Closed Session) <i>Adam Teal, Acting Legal Manager</i>
Tab 5	2022 Agency Request Legislation	(Action) <i>Tommy Oakes, Special Agent and Legislative Liaison</i>
Tab 6	Director Hire Update	<i>Lisa Benavidez, HR Director</i>
	Public Comment	
	Executive Session	
Public Comment can be provided:		
<ul style="list-style-type: none"> Before and during the Commission meeting you may email Julie.Anderson@wsgc.wa.gov ; or During the meeting you may use the Microsoft Office Teams Chat Box; If you are attending the meeting by phone, we will offer you an opportunity to comment. 		
	Adjourn	

Upon advance request, the Commission will pursue reasonable accommodations to enable persons with disabilities to attend Commission meetings. Questions or comments pertaining to the agenda and requests for special accommodations should be directed to Julie Anderson, Executive Assistant at (360) 486-3453 or TDD (360) 486-3637. Questions or comments pertaining to rule changes should be directed to the Ashlie Laydon, Rules Coordinator (360) 486-3473. Please silence your cell phones for the public meeting



STATE OF WASHINGTON
GAMBLING COMMISSION

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

August Gambling Commission Meeting Minutes

Virtual Meeting

*August 12, 2021

Commissioners Present:

Bud Sizemore, Chair (Via Teams)

Julia Patterson (Via Teams)

Alicia Levy (Via Teams)

Kristine Reeves (Via Teams)

Ex Officio Members Present:

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; Donna Khanhasa, Special Agent; Roger Sauve, Special Agent; Tommy Oakes, Professional Standards and Training Supervisor; Julie Anderson, Executive Assistant and Suzanne Becker, Assistant Attorney General.

Chair Sizemore called the virtual meeting to order at 9:32AM 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 Levy moved to approve the consent agenda as presented by staff.

Commissioner Patterson seconded the motion.

The motion passed. 4:0

Tab 2

Special Olympics of Washington (SOWA)

Roger Sauve, Special Agent (SA), Donna Khanhasa, Special Agent (SA) presented the materials for this tab. They were joined by Mary Do, Chief Operating Officer (COO) and Mark Sinay, VP Accounting and Administration from the Special Olympics of Washington (SOWA). SA Sauve shared the results of our program review of SOWA for the year ended 2019.

SA Khanhasa presented the Enhanced Raffle results. They discussed the 2020 results and answered questions.

Commissioner Reeves asked if the 2020 raffle violation was an anomaly in terms of their situation or was it a regular occurrence. **SA Khanhasa** stated that SOWA have not had any other violations and confirmed that SOWA operated the Enhanced Raffle within the plan approved by the commissioners.

Representative Kloba asked about the proceeds gained through the anomalous behavior.

SA Sauve stated that approximately \$4.9 million of the \$6.7 million was generated via online sales.

* 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.

Commissioner Reeves asked how many times the “dream house” had been awarded as a grand prize. **COO Do** stated that SOWA had not been able to reach the threshold of ticket sales to be able to award the house.

Commissioner Patterson reiterated that approximately 80% of the monies generated, was generated under the ticket sales method that was not an approved method.

Interim Director Griffin said that the tickets were sold through a voice over internet protocol. There is a question as to what is really meant by “fax” and staff will look to definition “fax” moving forward.

Commissioner Reeves asked COO Do to add more information to SOWA’s website indicating that the Dream House has never been won. COO Do agreed.

SA Khanhasa continued her presentation with the 2021 Enhanced Raffle plan request.

Chair Sizemore ask for public comment. There was no public comment.

Commissioner Reeves moved to approve the Western Washington Special Olympics 2021 Enhanced Raffles Request as presented by staff.

Commissioner Levy seconded the motion.

The motion passed. 4:0

Tab 3

2021 Session Recap: Law Enforcement Bills

Tommy Oakes, Professional Standards and Training Supervisor (PSTS) presented the materials for this tab. **PSTS Oakes** highlighted the bills that directly affects the Washington State Gambling Commission.

Commissioners Patterson and Reeves thanked him for the presentation.

Commissioner Reeves asked if WSGC had an anti-biased training program and if not, would the agency consider it in the future. Interim Director and PSTS Oakes agreed to work with her on future training for staff.

Chair Sizemore ask for public comment. There was no public comment.

Commissioners took a 10-minute break

Tab 4

Petition for Rule Change- Adopting Rules for Manufactures and Distributors

Ashlie Laydon, Rules Coordinator (RC) presented the materials for this tab. RC Laydon was joined by Walter Antoncich. This petition was heard at the July 2021 Commission Meeting and the Commissioners asked for additional time to review the matter further and also to allow staff time to provide additional information on manufacturers and distributors in the pull-tab industry. RC Laydon provided the additional information that Commissioners asked for and they discussed it. Staff continues to recommend denial of this petition as regulating lawful business relationships between distributors and manufacturers is generally outside the Commission’s mission. Additionally, there are other legal remedies that the petitioner could pursue, such as anti-trust laws, other than have the Commission adopt rules.

Chair Sizemore ask for public comment. There was no public comment.

Commissioner Patterson moved to deny the petition due to insufficient evidence to contradict the legal direction given by the agency's assistant attorney general in 2014.

Commissioner Levy seconded the motion.

The motion passed 4:0

Tab 5

Petition for Rule Change- Adopting Rules for Minimum Cash on Hand for HBCR's

RC Laydon presented the materials for this tab. She was joined by Ann Huysmans, of Galaxy Gaming Inc., Las Vegas, Nevada. Ms. Huysmans is proposing to amend WAC 230-15-050, Minimum cash on hand requirements, to allow operators who are running house-banked jackpots to keep the required jackpot money in a separate, off-site bank account rather than on the premises. The petitioner feels this change is needed because operators have expressed security concerns associated with keeping large sums of money on the premises.

Chair Sizemore ask for public comment.

Victor Mena, Operations Manager at Frontier Casino spoke in favor of the rule change stating, "it would increase the safety of the card rooms. "

Gary Saul, Consultant for Galaxy Gaming also spoke in favor of the rule change.

Commissioner Levy moved to initiate rulemaking proceedings by filing the rule as proposed for further discussion.

Commissioner Reeves seconded the motion.

The motion passed 4:0

Tab 6

Defaults

Adam Teal, Acting Legal Manager presented the material for this tab.

- **Shyanna Lockridge-CR 2021-00213**

Chair Sizemore asked if Shyanna Lockridge was present. She was not.

Commissioner Reeves moved to revoke Shyanna Lockridge's Public Card Room Employee License for the reasons presented by staff.

Commissioner Levy seconded the motion.

The motion passed 4:0

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

- **Lyna Thou-CR 2020-01588**

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

Commissioner Levy seconded the motion.

The motion failed 2:2

Commissioner Patterson moved to continue this discussion to the next public commission meeting on August 27, 2021.

Commissioner Reeves seconded the motion.

The motion passed. 3:1

Chair Sizemore declined.

This default will be on the August 27, 2021 agenda.

Tab 7

2022 Agency Request Legislation

Tina Griffin, Interim Director (ID) presented the materials for this tab. Commissioners discussed this topic and Commissioners agreed to hear this at the August 27, 2021 commission meeting for final approval.

Tab 8

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 will meet on August 25 for a Special Executive Session for the sole purpose of discussing the potential candidates to move forward in the interview process. At the August 27 commission meeting HRD Benavidez will give an update on the progress that was made on August 25.

Public Comment

There was no public comment.

Chair Sizemore announced that Commissioners would go into Executive Session to discuss potential agency litigation with legal counsel, including tribal negotiations.

The August 12th meeting adjourned at 3:29 PM.

There were 82 people that joined the meeting.



COMMISSION APPROVAL LIST
(New Licenses & Class III Gaming Employees)
August 2021

Index

	<u>PAGE</u>
NONPROFIT ORGANIZATIONS & COMMERCIAL BUSINESSES.....	1
DISTRIBUTOR REPRESENTATIVE.....	2
MANUFACTURER REPRESENTATIVE	2-3
NON-PROFIT GAMBLING MANAGER.....	3
SERVICE SUPPLIER REPRESENTATIVE.....	3
CARD ROOM EMPLOYEE	3-6
CLASS III GAMING EMPLOYEES	7-14

PAGES:14

Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 14.



HOUSE-BANKED PUBLIC CARD ROOM REPORT

Licensed and Operating		41			
	City	Commission Approval Date	License Expiration Date	Org #	License #
ALL STAR CASINO	SILVERDALE	Jan 14, 1999	Jun 30, 2022	00-18357	67-00058
BLACK PEARL RESTAURANT & CARD ROOM	SPOKANE VALLEY	Jan 10, 2013	Sep 30, 2021	00-22440	67-00321
BUZZ INN STEAKHOUSE/EAST WENATCHEE	EAST WENATCHEE	Oct 10, 2002	Dec 31, 2021	00-11170	67-00183
CARIBBEAN CARDROOM	KIRKLAND	Nov 14, 2019	Sep 30, 2021	00-24515	67-00343
CASINO CARIBBEAN	KIRKLAND	Nov 14, 2019	Sep 30, 2021	00-24512	67-00341
CASINO CARIBBEAN	YAKIMA	Nov 14, 2019	Sep 30, 2021	00-24513	67-00342
CHIPS CASINO/LAKEWOOD	LAKEWOOD	Apr 8, 1999	Dec 31, 2021	00-17414	67-00020
CLEARWATER SALOON & CASINO	EAST WENATCHEE	Feb 14, 2019	Dec 31, 2021	00-24296	67-00339
COYOTE BOB'S CASINO	KENNEWICK	Jul 10, 2009	Mar 31, 2022	00-21848	67-00282
CRAZY MOOSE CASINO II/MOUNTLAKE TERRACE	MOUNTLAKE TERRACE	Jul 10, 2009	Mar 31, 2022	00-21849	67-00283
CRAZY MOOSE CASINO/PASCO	PASCO	Jul 10, 2009	Mar 31, 2022	00-21847	67-00281
FORTUNE CASINO - RENTON	RENTON	Jan 8, 2015	Sep 30, 2021	00-23339	67-00327
FORTUNE CASINO - TUKWILA	TUKWILA	Oct 8, 2015	Jun 30, 2022	00-23465	67-00329
GOLDIE'S SHORELINE CASINO	SHORELINE	May 13, 1999	Dec 31, 2021	00-17610	67-00016
GREAT AMERICAN CASINO/EVERETT	EVERETT	Nov 12, 1998	Dec 31, 2021	00-19513	67-00194
GREAT AMERICAN CASINO/LAKEWOOD	LAKEWOOD	Aug 14, 2003	Jun 30, 2022	00-19258	67-00184
GREAT AMERICAN CASINO/TUKWILA	TUKWILA	Jan 15, 1998	Sep 30, 2021	00-12554	67-00012
HAWKS PRAIRIE CASINO	LACEY	Jul 12, 2001	Jun 30, 2022	00-17579	67-00091
IRON HORSE CASINO	AUBURN	Jan 9, 2003	Dec 31, 2021	00-19477	67-00192
JOKER'S CASINO SPORTS BAR & FIESTA CD RM	RICHLAND	Nov 12, 1998	Dec 31, 2021	00-15224	67-00006
LANCER LANES/REST AND CASINO	CLARKSTON	Nov 13, 2008	Sep 30, 2021	00-21681	67-00276
LAST FRONTIER	LA CENTER	Feb 11, 1999	Sep 30, 2021	00-11339	67-00055

Licensed and Operating**41**

	City	Commission Approval Date	License Expiration Date	Org #	License #
LILAC LANES & CASINO	SPOKANE	Jul 12, 2007	Jun 30, 2022	00-21305	67-00267
MACAU CASINO	TUKWILA	Nov 14, 2019	Sep 30, 2021	00-24514	67-00344
MACAU CASINO	LAKEWOOD	Nov 14, 2019	Sep 30, 2021	00-24516	67-00345
NOB HILL CASINO	YAKIMA	Sep 12, 2001	Dec 31, 2021	00-13069	67-00173
PALACE CASINO LAKEWOOD	LAKEWOOD	Jan 14, 1999	Dec 31, 2021	00-16542	67-00028
PAPAS CASINO RESTAURANT & LOUNGE	MOSES LAKE	Aug 13, 1998	Jun 30, 2022	00-02788	67-00004
RC'S AT VALLEY LANES	SUNNYSIDE	Nov 16, 2017	Mar 31, 2022	00-16220	67-00336
RIVERSIDE CASINO	TUKWILA	Aug 14, 2003	Jun 30, 2022	00-19369	67-00187
ROMAN CASINO	SEATTLE	Feb 10, 2000	Mar 31, 2022	00-17613	67-00057
ROXY'S BAR & GRILL	SEATTLE	Nov 18, 2004	Jun 30, 2022	00-20113	67-00231
ROYAL CASINO	EVERETT	Sep 9, 2010	Jun 30, 2022	00-22130	67-00301
SILVER DOLLAR CASINO/MILL CREEK	BOTHELL	Sep 9, 2010	Jun 30, 2022	00-22131	67-00302
SILVER DOLLAR CASINO/RENTON	RENTON	Sep 9, 2010	Jun 30, 2022	00-22134	67-00305
SILVER DOLLAR CASINO/SEATAC	SEATAC	Sep 9, 2010	Jun 30, 2022	00-22128	67-00299
SLO PITCH PUB & EATERY	BELLINGHAM	Aug 12, 1999	Jun 30, 2022	00-16759	67-00038
THE PALACE	LA CENTER	Apr 9, 1998	Jun 30, 2022	00-16903	67-00010
WILD GOOSE CASINO	ELLENSBURG	Apr 8, 2004	Dec 31, 2021	00-20009	67-00212
WIZARDS CASINO	BURIEN	Feb 11, 2010	Dec 31, 2021	00-21998	67-00287
ZEPPOZ	PULLMAN	Nov 13, 2008	Mar 31, 2022	00-18777	67-00209

Licensed but Not Currently Operating**2**

	City	Commission Approval Date	License Expiration Date	Org #	License #
CLUB HOLLYWOOD CASINO	SHORELINE	Sep 9, 2010	Jun 30, 2022	00-22132	67-00303
EMERALD DOWNS	AUBURN	May 11, 2017	Mar 31, 2022	00-23814	67-00335

Applications Pending**1**

	City	Commission Approval Date	License Expiration Date	Org #	License #
LUCKY DRAGONZ CASINO	SEATTLE			00-23001	67-00323

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS

BINGO

SENIOR SERVICES COUNCIL/SAN JUAN CO
00-19260 01-02580

4102 FISHERMAN BAY RD
LOPEZ ISLAND WA 98261

RAFFLE

COLUMBIA BASIN COLLEGE FOUNDATION
00-13225 02-21195

2600 N 20TH AVE
PASCO WA 99301

ROCHESTER BOOSTER CLUB
00-12624 02-08892

19800 CARPER RD SW
ROCHESTER WA 98579

ST JOSEPH CHURCH
00-24767 02-21179

123 SW 6TH ST
CHEHALIS WA 98532

VASHON ALLIED ARTS
00-24459 02-21050

PO BOX 576
VASHON WA 98070

PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT

JJ'S GRILL & BREWHOUSE
00-22679 05-21107

8801 N INDIAN TRAIL RD S
SPOKANE WA 99208

SPORTS CENTER GUS'S PIZZA
00-24761 05-21716

214 E YAKIMA AVE
YAKIMA WA 98901

GAMBLING SERVICE SUPPLIER

BULLETPROOF SOLUTIONS INC
00-24795 26-00369

3040 WILLIAMS DR STE 510
FAIRFAX VA 22031

ENHANCED RAFFLE CALL CENTER

INCEPT CORPORATION
00-24777 31-00003

4150 BELDEN VILLAGE ST NW
CANTON OH 44718

COMMERCIAL AMUSEMENT GAMES OPERATOR

CLAW CADE LLC
00-24780 53-21554

14700 E INDIANA AVE SPC 1072
SPOKANE WA 99216

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

DISTRIBUTOR REPRESENTATIVE

KUBILUNAS, DAVID A
22-01253

JCM GLOBAL
LAS VEGAS NV 89119-3728

MANUFACTURER REPRESENTATIVE

BARGHOUTHI, ABDELRAHIM A
23-03032

IGT
LAS VEGAS NV 89113

GRAY, JONATHAN D
23-03238

BLUBERI GAMING USA INC
LAS VEGAS NV 89139

GRIZZLE, TRAVIS L
23-01690

EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175

HENDRICKSON, DAKOTA J
23-03235

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

LASKER, NICHOLAS J
23-03241

EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175

PULLIN, REMINGTON D
23-01772

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

RODRIGUEZ, FERNANDO A
23-03239

IGT
LAS VEGAS NV 89113

SALEMI, NICHOLAS J
23-03236

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

SALERA, DAVID
23-03234

IGT
LAS VEGAS NV 89113

SKELTON, CRAIG J SR
23-02136

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

STEVENS, ALISHA L
23-03237

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

STOLLE, ALAN M
23-02192

EVERI GAMES INC.
AUSTIN TX 78746

VILLAREAL, EDUARD J
23-03233

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

WEAKLY, MICAH S
23-03085

EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

MANUFACTURER REPRESENTATIVE

WHITNEY, ZACHARI R
23-03240

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

NON-PROFIT GAMBLING MANAGER

LANE, LINDA J
61-04734

FOE 00204
WENATCHEE WA 98801

YBARRA, BRIANNE K
61-04711

FOE 02218
ORONDO WA 98843

SERVICE SUPPLIER REPRESENTATIVE

CAMERON, CATHERINE C
63-00214

GAMING MANAGEMENT
LAKEWOOD WA 98499

ROBERTS, RICHARD C
63-00984

SALISHAN-MOHEGAN LLC
VANCOUVER WA 98660

CARD ROOM EMPLOYEE

AH YEN, SIOELI P
68-36306

B

PALACE CASINO LAKEWOOD
LAKEWOOD WA 98499-8434

ALVAREZ, DAVID A
68-36292

B

CRAZY MOOSE CASINO/PASCO
PASCO WA 99301

ANGEL, KIERA G
68-35808

B

CLEARWATER SALOON & CASINO
EAST WENATCHEE WA 98802

BEAN, JACOB T
68-36297

B

GREAT AMERICAN CASINO/LAKEWOOD
LAKEWOOD WA 98499

BETHANCOURTH CORONADO, AMAYA I
68-36300

B

NOB HILL CASINO
YAKIMA WA 98902

BINGHAM, NAKESHA I
68-36273

B

HAWKS PRAIRIE CASINO
LACEY WA 98516

BURLEIGH, SHEENA E
68-36302

B

FORTUNE POKER
RENTON WA 98057

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

CHAVEZ, AMANDA L 68-29626	B	RC'S AT VALLEY LANES SUNNYSIDE WA 98944
CLARK, KIMBERLY A 68-35743	B	BUZZ INN STEAKHOUSE/EAST WENAT EAST WENATCHEE WA 98802
CRAVEN, SYLVIA S 68-01610	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
DOLIN, ASIA S 68-36298	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434
FORS, JEFFREY A 68-36281	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
FORTMAN, EMILY M 68-36282	B	BUZZ INN STEAKHOUSE/EAST WENAT EAST WENATCHEE WA 98802
FRANK, TRYSTAN L 68-36126	B	CLEARWATER SALOON & CASINO EAST WENATCHEE WA 98802
FRANKEL, ROBERT W 68-35433	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
GENG, XIAOHAN 68-36235	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
GOMEZ, ANNA C 68-36280	B	RC'S AT VALLEY LANES SUNNYSIDE WA 98944
HORNBY, ADRIANNE M 68-14042	B	BLACK PEARL RESTAURANT & CARD I SPOKANE VALLEY WA 99206-4719
INCIONG, WILLAINE F 68-36256	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499
JONES, KAYLA R 68-32711	B	CLEARWATER SALOON & CASINO EAST WENATCHEE WA 98802
KIM, KENNY J 68-34050	B	JOKER'S CASINO SPORTS BAR & FIEST RICHLAND WA 99352-4122
LE, HANH T 68-36301	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
LEI, YAN YAN 68-36305	B	CASINO CARIBBEAN KIRKLAND WA 98034

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

LEMKE, ALEX M 68-36291	B	WILD GOOSE CASINO ELLENSBURG WA 98926
LUU, VI K 68-14451	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
NAIROUZ, EBRAHIM F 68-34675	B	IRON HORSE CASINO AUBURN WA 98002
NEIL, ZACHARY W 68-34212	B	HAWKS PRAIRIE CASINO LACEY WA 98516
PAK, KAREN 68-32541	B	RIVERSIDE CASINO TUKWILA WA 98168
PHAN, NAM H 68-36299	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434
PHAT, KALVIN A 68-36266	B	FORTUNE CASINO - RENTON RENTON WA 98055
REED, MAKAYLA C 68-34723	B	WILD GOOSE CASINO ELLENSBURG WA 98926
RIDER, TYLER M 68-36274	B	BLACK PEARL RESTAURANT & CARD I SPOKANE VALLEY WA 99206-4719
ROGGENKAMP, CHRISTOPHER M 68-36295	B	LAST FRONTIER LA CENTER WA 98629-0000
SEARLS, KATHERINE R 68-22235	B	LILAC LANES & CASINO SPOKANE WA 99208-7393
SINN, MISTY B 68-31907	B	CLEARWATER SALOON & CASINO EAST WENATCHEE WA 98802
SNOW, RONALD S 68-35263	B	JOKER'S CASINO SPORTS BAR & FIEST RICHLAND WA 99352-4122
STEWART, JORDAN J 68-36290	B	ZEPPOZ PULLMAN WA 99163
SU, TIANLONG 68-36286	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
TENG, JEVEN N 68-36270	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499

PERSON'S NAME
 LICENSE NUMBER

EMPLOYER'S NAME
 PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

TORRES, VIOLET R 68-36275	B	RC'S AT VALLEY LANES SUNNYSIDE WA 98944
TRAN, LORENZO D 68-36276	B	FORTUNE CASINO - RENTON RENTON WA 98055
TUAFAFIE, TONY P 68-36307	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
TUOT-BLACK, LINDY P 68-36285	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
VLK, ANGEL K 68-31516	B	CLEARWATER SALOON & CASINO EAST WENATCHEE WA 98802
WATTS, PETER O 68-36277	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
WEBB, DENZEL E 68-36284	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434
WHITE, DAVID J 68-11880	B	LILAC LANES & CASINO SPOKANE WA 99208-7393
WILEY, KIM S 68-34955	B	LAST FRONTIER LA CENTER WA 98629-0000
WITHROW, JAMIE M 68-35726	B	CLEARWATER SALOON & CASINO EAST WENATCHEE WA 98802
WU, YILAN 68-36296	B	ROMAN CASINO SEATTLE WA 98178

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

CHEHALIS CONFEDERATED TRIBES

FLURE-PEAN, AALIYAH B
69-50654

MARK, KORTNEY R
69-50640

COLVILLE CONFEDERATED TRIBES

GARCIA, ANTHONY D
69-50739

COWLITZ INDIAN TRIBE

BIRD, SHANNA M
69-50702

BOUCHARD, TIMOTHY D
69-50626

BRADLEY, TAMMIE L
69-50604

CHERLOW, ALEX L
69-50705

CRITCHFIELD, BRIAN A
69-50737

DAVIS, ANDREW M
69-50732

DAVIS, SAVANNA C
69-50609

FRIED, ATILLA
69-50606

FRITSCH, KEPULEKANEOKALOHA P
69-50704

GAMAYO, CLIFFORD A
69-50603

GEGENHEIMER, NATHAN O
69-50679

GOLDEN, KRISTEN R
69-50677

GUTHRIE, ANDREW R
69-50680

HOLTMANN, FREDERICK W
69-50621

KITCHEN, SARAH O
69-50681

MAURER, AARON B
69-26946

MCMILLIN, LEVI
69-47149

MEDEARIS, JASON C
69-50622

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

COWLITZ INDIAN TRIBE

MILLER, RICK L
69-50703

MITCHELL, PAUL E
69-50736

PIERCE, JENNIFER M
69-50608

ROSS, PATRICIA C
69-42062

RUSSELL, ROXY L
69-50701

STEFFANSON, BRUCE A
69-46598

TIMM, OLIVIA N
69-41851

TRIPERINAS, MINDY A
69-50678

TURNBULL, ROBERT P
69-50650

WALES, BRANDY M
69-42257

WATTS, LINDA R
69-44536

WOOD, KEVIN C
69-50676

KALISPEL TRIBE

BRADLEY, CODY J
69-50722

DEHNEL, BLAKE A
69-50721

ERICKSON, RYAN A
69-50682

GULLEDGE, STACY L
69-50723

KOPEPASSAH, LINDIS M III
69-42755

LAWRENCE, JENNIFER L
69-50683

LUMMI NATION

HARRY, AGNES J
69-50719

LEWIS, JESSICA L
69-50720

LUNAN, ROBERT G
69-01675

SAMY, KAND
69-50649

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

MUCKLESHOOT INDIAN TRIBE

ALCANTARA, MICHAEL V
69-50729

BREMNER, HERBERT P
69-50711

CARD, DELORES M
69-33516

CARPENTER, CHEYENNE C
69-50642

FROEHLICH, JAREN D
69-50643

KEELINE, LEONDRA L
69-50707

LIVELO, JESSEBECK C
69-50730

LOZIER, ANTHONY D JR
69-40797

MAFNAS, RAINA G
69-44187

MARES, ELIZABETH M
69-46636

MERCER, EMILY M
69-50708

MOI, TAGALOA S
69-50709

ORIBIO, NATASHA M
69-50644

SERVIS, BRYCE A
69-50710

SIMONS, BRENDAN J
69-50728

TAYLOR, CECELIA R
69-50645

NISQUALLY INDIAN TRIBE

BLANKENSHIP, JON A
69-08412

KELLER, JOSHUA L
69-50668

LOPEZ, ANDREA N
69-50670

ROJAS, MONICA J
69-50669

VISSER, STACY R
69-10885

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

PORT GAMBLE S'KLALLAM TRIBE

MAKEY, AUSTIN T
69-50672

PUYALLUP TRIBE OF INDIANS

AUMOEUALOGO, VINETA V
69-50700

CHOI, JOSHUA H
69-50699

CLARKE, ADAM G
69-50725

GALEAI, JAZZYKA M
69-50692

JIMERSON, DENNIS W JR
69-50718

KNAUS, JAMAAL C
69-32751

MURDOCK, LEONARD
69-50661

RAMIREZ PEREIRA, SAUL D
69-50660

SANCHEZ, JULIAN
69-50726

TAGOVAILOA, MATUA-O-USOALI'E
69-50724

QUINAULT NATION

BRADEN, KARL R
69-10950

SKOKOMISH TRIBE

MOORE, KENNETH L
69-06687

SNOQUALMIE TRIBE

THAYER, MATTHEW A
69-07747

SPOKANE TRIBE

ABRAHAMSON, SINCIRE Z
69-50698

AKECH, DUT J
69-50685

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SPOKANE TRIBE

BRYANT, SAMANTHA L
69-50630

BUSCH, MICHAEL J
69-50689

CRISTOBAL, STEPHANIE W
69-50706

FIANDER, JONATHON J
69-50686

FORD, DARRELL D
69-27839

HALL, STEPHEN C
69-50688

RODGERS, WILLIAM J
69-50690

SHARPBACK, CARMELITA M
69-50691

SIMON, CYNTHIA L
69-43854

TERBASKET, CANDACE D
69-44282

WOOD, JOY-DEE G
69-50687

SQUAXIN ISLAND TRIBE

COLLINS, ROBERT L
69-45653

DACANAY, RUDOLPH E JR
69-33858

DENYS, CRYSTAL W
69-50637

HANDLEY, WILLIAM J
69-14909

HUYNH, VU
69-04198

MIDDAUGH, BRYCE D
69-30376

MYERS, ANDREW S
69-43963

RISHER, SAMUEL C
69-27748

WOODRUFF, SCOTT A
69-36900

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

STILLAGUAMISH TRIBE

BRAITHWAITE, ADAM L
69-50667

MOODY, WILLIAM D
69-50666

PETERS, KATIANA H
69-50746

SANTILLAN-MENDOZA, JENNY
69-50663

SMITH, KODI R
69-50664

STEGNER, ANDRE J
69-50665

WALLACE, TERESA L
69-50747

SUQUAMISH TRIBE

DUNCAN, SARA M
69-39847

DURNIN, TYLER P
69-50745

HARGROVE, JEFFREY J
69-43783

HISCOTT, DEBRA L
69-50695

JACOB, CHARLES A JR
69-38725

LOHRE, AUSTIN J
69-48722

LUDWIG, AFLY
69-50744

RAVINE, SAHAR
69-50662

SIMONS, TRISTAN K
69-50696

SMART, PRAYOON J
69-48454

WUCO, JAMIE L
69-50697

SWINOMISH INDIAN TRIBAL COMMUNITY

BERMUDEZ, MARIA E
69-42002

GARCIA, KAYE A
69-50712

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SWINOMISH INDIAN TRIBAL COMMUNITY

MACCONNELL, GLODE L
69-42949

SYMONDS, JACK L
69-50673

THE TULALIP TRIBES

BRIDGER, REBECCA S
69-50634

FUGATE, MELISSA A
69-50636

GOLVEO, CRISTIAN T
69-50716

HORTON, JOSIAH D
69-50632

JOHNSON, LYLE P
69-50658

KARELS, COURTNEY L
69-50671

KOEPLIN, ALEXANDER J
69-50659

LACLAIRE, ROBERT K
69-50713

LARSEN, CHRISTIAN J
69-50714

MARTIN, ANTONIO J
69-19868

MASON, KEITH R
69-50715

NELSON, AIMEE N
69-50656

NGUYEN, DUNG V
69-11926

SALVADOR EUGENIO, JAYDEN A
69-50633

SREY, KERYN Y
69-13940

TIFF, CURTIS L
69-50657

WEBB, JEANNIE L
69-20888

WILLIAMS, TAKOTA A
69-50635

ZHAO, CAN
69-50717

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

UPPER SKAGIT INDIAN TRIBE

WEST, STEVEN A
69-50684

YAKAMA NATION

CHINO, MELISSA J
69-38485

FERNANDEZ, JESSICA A
69-11443

FISCHER, LOUIS A
69-37726

HALE, CATINA M
69-50693

HARMON, TREVER L
69-50675

MCJOE, SILAS J
69-48176

PIMENTEL, ARMANDO A
69-50674

SWAN, COLETTE K
69-47473

VALLADARES JAIMES, JUAN
69-50694



Staff Proposed Rule-Making
Chapter 230-23 WAC- Self-Exclusion Rules

August 2021 – Discussion & Possible Filing
October 2019 – Initiated Rule-Making

Tab 2: AUGUST 2021 Commission Meeting Agenda.	Statutory Authority 9.46.070; 9.46.071
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Who Proposed the Rule Change?

Washington State Gambling Commission Staff

Background

BOLD = Changes made after October 2019 Commission Meeting.

At the October 2019 meeting, Commissioners initiated rule-making to adopt new rules to establish a statewide self-exclusion program. Before you today is draft language which:

- **Establishes a centralized, statewide self-exclusion program,**
- **Outlines how participants may request self-exclusion,**
- **Establishes periods of enrollment for the program,**
- **Acknowledges that enrollment is voluntary,**
- **Addresses disclosure of program information,**
- **Establishes licensee responsibilities, and**
- **Addresses how the list may be shared.**

The Gambling Commission has been directed by the legislature, through Substitute House Bill 1302, to draft rules establishing a statewide self-exclusion program. 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. The Gambling Commission may adopt rules for forfeiture of any moneys or things of value, including wagers, obtained by an authorized gambling establishment while an individual is registered with the self-exclusion program.

Attachments:

- **Chapter 230-23 WAC**
- **Stakeholder Feedback**
- **Small Business Economic Impact Statement**
- **Process Flowcharts**

Stakeholder Outreach and Feedback

Draft language was sent out to all licensees, tribal gaming entities, Washington State Health Care Authority, the Problem Gambling Task Force, and others with a vested interest in problem gambling on May 3, 2021 for review and feedback. Feedback was received from the following stakeholders:

- Cory Thompson
- Douglas Granstrand, Bill's Place
- Dr. Kahlil Philander, Washington State University
- Kevin Crum, ABS Business Data, LLC
- Kevin Zenishek, Northern Quest Resort & Casino
- Laurie Myers, All Star Lanes & Casino
- Maureen Greeley, Evergreen Council on Problem Gambling
- Nanci Watson, concerned citizen (also testified at May 13, 2021 public meeting)
- Roxane Waldron, Washington State Health Care Authority
- Ryan Keith, Washington State Health Care Authority

Input was sought from the clinical and research community on whether licensees should be prohibited from adding individuals interested in self-exclusion to operator-level programs instead of the state-wide, centralized program and how player accounts should be handled. Feedback was received from:

- Dr. Kahlil Philander, Washington State University
- Maureen Greely, Evergreen Council on Problem Gambling
- Roxane Waldron, Washington State Health Care Authority
- Dr. Ty Lostutter, UW Medicine

A Small Business Economic Impact Statement (SBEIS) was completed on August 6, 2021.

Implementation of this new chapter, chapter 230-23 WAC, self-exclusion rules, is not anticipated to impose more than minor costs on house-banked card room licensees. Initial costs will be higher as licensees will be required to notify individuals already enrolled in operator-level programs, develop procedures for implementation, and train staff. Monthly costs of implementation are expected to be relatively low and will depend on how many individuals enroll. Initial and monthly costs will vary between licensees depending on location, clientele, and staffing structure.

The SBEIS and final draft language was sent out to stakeholders for review and feedback on August 9, 2021. Feedback was received from the following stakeholders:

- Delano Saluskin, Confederated Tribes of the Yakama Nation
- Pat Hosier, TIL Gaming and Fortune Casinos
- Roxane Waldron, Health Care Authority
- Tim Woolsey, Suquamish Tribe of the Port Madison Indian Reservation
- Vern Westerdahl, Roxbury Lanes & Casino

Staff Recommendation

Staff recommends filing draft language for further discussion.

Chapter 230-23 WAC
SELF-EXCLUSION

NEW SECTION

WAC 230-23-001 Purpose. The purpose of this chapter is to establish a centralized, statewide self-exclusion program, administered by the commission, allowing a person with a ~~gambling problem or~~ gambling disorder to voluntarily exclude themselves from licensed house-banked card rooms and participating tribal gaming facilities.

[]

NEW SECTION

WAC 230-23-005 Definitions. The following definitions apply only to this chapter:

(1) "Licensee" means a house-banked card room licensee.

(2) "Participant" means a person who has enrolled in the voluntary self-exclusion program.

(3) "Self-exclusion list" means a list maintained by the commission of persons who have requested to be voluntarily excluded

from house-banked card room licensees and participating tribal gaming facilities in the state of Washington.

(4) "Voluntary self-exclusion program" or "program" means the voluntary self-exclusion program authorized under RCW 9.46.071, and does not apply to gambling via horse-racing or lottery.

[]

NEW SECTION

WAC 230-23-010 Request for self-exclusion. (1) Any person may request to be placed on the self-exclusion list voluntarily excluding themselves from house-banked card room licensees:

(a) In person at our office, 4565 7th Avenue S.E., Lacey, Washington 98503, or at a house-banked card room licensee by:

(i) Submitting a completed form, which we provide on our website at www.wsgc.wa.gov; and

(ii) Providing proof of identity. Acceptable forms of identification include:

(A) A valid driver's license from any state;

(B) A government-issued identification card containing the person's name, photograph, and date of birth; or

(C) A valid passport; and

(iii) Submitting a photograph showing only the head and shoulders; or

(b) Through the mail to Washington State Gambling Commission, P.O. Box 42400, Olympia, Washington 98504 by:

(i) Submitting a completed form, which we provide. The form must be notarized; and

(ii) Submitting a photograph showing only the head and shoulders.

(2) The form must be:

(a) Completed with no areas left blank; and

(b) Signed under penalty of perjury by the person seeking self-exclusion; and

(c) Be properly notarized if submitting by mail.

(3) Upon receipt of a completed form, the licensee will forward it to us within seventy-two hours.

[]

NEW SECTION

WAC 230-23-015 Period of enrollment. (1) At the time of

enrollment, the participant must select a period of enrollment for self-exclusion:

- (a) One year;
- (b) Five years; or
- (c) Ten years.

(2) The enrollment period selected begins and the participant is considered enrolled:

- (a) Upon receipt of the notarized form by mail; or
- (b) The date the completed form was accepted by the licensee or by us when submitted in person.

(3) Once enrolled, the participant cannot be removed from the program prior to the selected period of enrollment for voluntary self-exclusion.

(4) Upon expiration of the selected period of enrollment, the participant will be removed from the program.

[]

NEW SECTION

WAC 230-23-020 Voluntary self-exclusion. Participants who

voluntarily self-exclude acknowledge the following during the period of enrollment:

(1) The ultimate responsibility to limit access to all house-banked card rooms and participating tribal gaming facilities within the state remains theirs alone; and

(2) The self-exclusion request is irrevocable during the enrollment period selected and cannot be altered or rescinded for any reason; and

(3) The exclusion is in effect at all licensed house-banked card rooms and participating tribal gaming facilities in the state of Washington, which is subject to change, and all services and/or amenities associated with these gaming facilities including, but not limited to, restaurants, bars, bowling alleys, check cashing services, cash advances; and

(4) Player club memberships and accounts will be closed and all accumulated points immediately redeemed for nongaming items as the licensee's policy allows at the licensed location the participant initially enrolls for self-exclusion. All player club memberships and accounts held at other licensees and participating tribal gaming facilities will be closed and zeroed out; and

(5) New player club memberships, direct mail and marketing service complimentary goods and services and other such privileges and benefits will be denied; and

(6) Disclosure of certain information is necessary to implement the participant's request for self-exclusion; and

(7) If found on the premises of a house-banked card room licensee or participating tribal gaming facility, for any reason other than to carry out their duties of employment, they will be escorted from the premises; and

(8) All money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities will be confiscated under RCW 9.46.071 and WAC 230-23-030; and

(9) To not recover any losses from the purchase of chips and/or participating in authorized gambling activities.

[]

NEW SECTION

WAC 230-23-025 Disclosure of self-exclusion information. (1)

Personal information submitted by a participant under the self-exclusion program is exempt from public disclosure under the Public Records Act and may not be disseminated for any purpose other than the administration of the self-exclusion program or as otherwise permitted by law.

(2) No house-banked card room licensee, employee, or agent thereof shall disclose the name of, or any information about any participant who has requested self-exclusion to anyone other than employees and agents of the house-banked card room licensee whose duties and functions require access to such information.

(3) The licensee may release the names and identifying information of participants on the self-exclusion list to contracted service providers that provide check cashing, cash advances, marketing, automated teller machines, and other financial services.

(a) The identifying information must be limited to the address, driver's license or state-issued identification number, photograph, and physical description; and

(b) Only the name and identifying information may be disclosed to contracted service providers. The licensee must neither disclose the

reasons for providing the name and identifying information nor disclose that the person is on the self-exclusion list; and

(c) The licensee must require by written contract that the contracted service provider implement measures designed to ensure the confidentiality of the names and identifying information and to prohibit the release of the names and identifying information to any other person or entity; and

(d) The licensee must immediately report to us all instances of a participant accessing or attempting to access the services provided by the contracted service providers.

[]

NEW SECTION

WAC 230-23-030 Licensee responsibilities. Each licensee must:

(1) Make available to all patrons the self-exclusion form developed and provided by us; and

(2) Accept completed self-exclusion forms, including:

(a) Verifying the participant's identity as required on the form;

and

(b) Forwarding the form to us within seventy-two hours of receipt; and

(3) Upon enrollment, Provide the participant with information and resources for ~~problem gambling and~~ gambling disorder treatment; and

(4) Designate a person or persons to be the contact person with us for purposes of self-exclusion procedures, including receipt and maintenance of the self-exclusion list, submission of the licensee's procedures, and all other communications between us and the licensee for self-exclusion purposes; and

(5) Implement updates to the state-wide self-exclusion list within forty-eight hours of being notified by us that the self-exclusion list has been modified; and

(65) Upon discovery that a participant has breached their self-exclusion and obtained access to the licensed premises, the licensee must take steps to:

(a) Immediately remove the participant from the premises; and

(b) Confiscate all money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities; and

(c) Notify us of the breach within seventy-two hours; and

(76) Train all new employees, within three days of hiring, and annually retrain all employees who directly interact with gaming patrons in gaming areas. The training must, at a minimum, consist of:

(a) Information concerning the nature of ~~problem gambling~~ gambling disorders; and

(b) The procedures for requesting self-exclusion; and

(c) Assisting patrons in obtaining information about ~~problem~~ gambling disorder treatment programs.

This section must not be construed to impose a duty upon employees of the licensee to identify ~~problem gamblers~~ individuals with gambling disorders or impose a liability for failure to do so; and

(87) Notify participants who have requested to be excluded from house-banked card room licensees of this rule of the new statewide program, provide them with the form, and information on how they can participate in the statewide self-exclusion program. This must be accomplished within three business days following the effective date of this rule; and

(98) Establish procedures and systems for our review and approval, which:

(a) Utilize player tracking systems and other electronic means, including checking all taxable patron winnings against the self-exclusion list, to assist in determining whether a participant has engaged in any authorized activities; and

(b) Close player club memberships and accounts. All accumulated points may be immediately redeemed by the participant for nongaming items as the licensee's policy allows at the licensed location the participant initially enrolls for self-exclusion. All player club memberships and accounts held at other licensees and participating tribal gaming facilities will be closed and zeroed out; and

(c) Deny check cashing privileges, player club membership, complimentary goods and services, and other similar privileges and benefits to any participant; and

(d) Ensure participants do not receive targeted mailings, telemarketing promotions, player club materials, or other promotional materials relative to gaming activities at house-banked card room licensees; and

(e) Verify patrons who win a jackpot prize are not participants of the program before payment of funds; and

(f) Ensure participants are not gambling in their establishment; and

(g) Ensure the confidentiality of the identity and personal information of participants; and

(h) All money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities are confiscated under RCW 9.46.071, in which the licensee will:

(i) Issue a check for the same monetary value within three business days after collecting or refusing to pay any winnings from gambling or chips in the possession of a participant on the self-exclusion list to:

(A) The problem gambling account created in RCW ~~412~~.05.751; and/or

(B) A charitable or nonprofit organization that provides ~~problem gambling and~~ gambling disorder services or increases awareness about ~~problem gambling and~~ gambling disorders; and

(ii) Document and retain for one year:

(A) Surveillance evidence identifying the date, time, and amount of money or things of value forfeited, the name and identity verification of the participant on the self-exclusion list; and

(B) A copy of the canceled check remitting the forfeited funds as required above.

[]

NEW SECTION

WAC 230-23-035 Sharing the self-exclusion list. We may enter into mutual sharing agreements ~~tribal-state compacts~~ with federally recognized Indian tribes or tribal enterprises that own gambling operations or facilities with class III gaming compacts who wish to voluntarily participate in the self-exclusion program. ~~The tribal-state compacts may allow for the mutual sharing of self-exclusion lists.~~

[]

Stakeholder Feedback on May 3, 2021 Draft Language

From: [Cory Thompson](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: Re: Draft Self-Exclusion Rules for Review
Date: Monday, May 3, 2021 12:22:25 PM
Attachments: [image003.png](#)
[image005.png](#)

External Email

Ashlie,

Thank you for putting this together. I believe there should be more onus put on the card rooms to insure the people that are self-excluded as a result of their gambling problem do not gain entry. I can see a situation where someone is allowed to play and then has their money/chips confiscated as they are playing, which, in essence, rewards the card room for allowing them to play. Currently, security does not do a very good job, in general, in keeping self-excluded people out due to apathy as well as the high turnover rate in the industry.

:o),

Cory Thompson
425-235-5655
cory@letitrideparties.com

Visit our website at www.letitrideparties.com

On Mon, May 3, 2021 at 11:38 AM Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov> wrote:

Hello,

The Gambling Commission, pursuant to [HB 1302](#) now codified in [RCW 9.46.071](#), seeks your review and input on draft rules establishing a statewide self-exclusion program. The goal of the Commission is to create a centralized, state-wide self-exclusion system that will allow individuals to voluntarily self-exclude themselves from gambling at licensed house-banked card rooms in a single request. We are also trying to develop a system where Tribal operators can connect into our system once it is established for the cardroom industry.

Attached are draft rules establishing this system for your review. All comments, questions, and concerns are welcome. Please submit written feedback by May 14, 2021 at 5pm to myself via email at ashlie.laydon@wsgc.wa.gov or through our [website](#).

Please contact me if you have any questions.

Thank you,

Ashlie Laydon

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov



Washington State
GAMBLING
COMMISSION

Protect the public by ensuring that gambling is legal and honest.



From: doug@billsplacetav.com
To: [Laydon, Ashlie \(GMB\)](#)
Subject: RE: Draft Self-Exclusion Rules for Review
Date: Monday, May 3, 2021 2:04:26 PM
Attachments: [image003.png](#)
[image005.png](#)

External Email

Bill's Place in Yakima WA, even though we have a card room license, doesn't have any actual card games being played.

Therefore, its hard to comment on these rule changes as we have no idea what the impact to the licensee will actually be.

Thank you,

Douglas H Granstrand
Bill's Place
310 W Walnut St Apt A
Yakima WA 98902
(509) 901-6191

From: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Sent: Monday, May 3, 2021 11:38 AM
Cc: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>; Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>; Rancour, Michelle (GMB) <michelle.rancour@wsgc.wa.gov>; Chinn, John (GMB) <john.chinn@wsgc.wa.gov>
Subject: Draft Self-Exclusion Rules for Review

Hello,

The Gambling Commission, pursuant to [HB 1302](#) now codified in [RCW 9.46.071](#), seeks your review and input on draft rules establishing a statewide self-exclusion program. The goal of the Commission is to create a centralized, state-wide self-exclusion system that will allow individuals to voluntarily self-exclude themselves from gambling at licensed house-banked card rooms in a single request. We are also trying to develop a system where Tribal operators can connect into our system once it is established for the cardroom industry.

Attached are draft rules establishing this system for your review. All comments, questions, and concerns are welcome. Please submit written feedback by May 14, 2021 at 5pm to myself via email at ashlie.laydon@wsgc.wa.gov or through our [website](#).

Please contact me if you have any questions.

Thank you,

Ashlie Laydon

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov



Protect the public by ensuring that gambling is legal and honest.



Laydon, Ashlie (GMB)

From: Philander, Kahlil <kahlil.philander@wsu.edu>
Sent: Monday, May 10, 2021 7:26 PM
To: Laydon, Ashlie (GMB)
Cc: Considine, Brian (GMB); Ty W Lostutter
Subject: Re: Self-exclusion Proposed Draft Rules
Attachments: KP markup - 04282021 Self Exclusion Rules Stakeholder Review.docx

External Email

hi Ashlie,

here are my mark up notes on the document

no major issues here, just a couple of things to consider

i'm curious whether Ty has a strong opinion on WAC 230-19-XXX Licensee's Responsibilities item (7)

happy to discuss anything by phone if that's helpful: 702-722-7342

kahlil

From: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>
Sent: May 3, 2021 11:45 AM
To: Philander, Kahlil; tylost@uw.edu
Cc: Laydon, Ashlie (GMB)
Subject: Self-exclusion Proposed Draft Rules

Hello Dr. Philander and Dr. Lostutter,

Attached are the Gambling Commission's proposed draft self-exclusion rules that we are sending out to stakeholders today. I'm sending them to you for your review and comment.

Additionally, WSGC wants to ensure the greater behavioral health community has an opportunity to review and comment on these rules. We are sending them to Roxane for distribution to the Problem Gambling Task Force, and to ECPG. However, please let me know if you recommend we send it to additional groups or people.

All comments, questions, concerns are welcome and please submit written feedback to Ashlie Laydon, WSGC's Rules Coordinator, by May 14, 2021 at 5pm. Comments can be sent directly to her at ashlie.laydon@wsgc.wa.gov<mailto:ashlie.laydon@wsgc.wa.gov> or through our website<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.com%2Fv3%2F__https%3A%2F%2Fgcc02.safelinks.protection.outlook.com%2F%3Furl%3Dhttps%3A%2F%2Fwsgc.wa.gov%2Fnews%2Frequest-public-comment%26data%3D04*7C01*7Cbrian.considine*40wsgc.wa.gov*7C5b0509fa902f4a91c66408d90b6de74b*7C11d0e217264e400a8ba057dcc127d72d*7C0*7C0*7C637553388953057100*7CUnknown*7CTWFpbGZsb3d8eyJWljiMC4wLjA wMDAiLCJQljoiv2luMzliLCJBTiI6I1haWwiLCJXVCi6Mn0*3D*7C1000%26sdata%3DiM1pD4TLIIW2waDTkWP6xE3XKcbess i87JIDIRhzyhc*3D%26reserved%3D0__%3BJSUIJSUIJSUIJSUIJSUIJSUI!!JmPEgBY0HMsZNaDT!67m8N046MNSLyPQVpITZer LAZ0y8Xc4hFaDnHfm0AKqSuPxjqFv-O8xpWtlq1Yfv2LjQg%24&data=04%7C01%7CASHlie.laydon%40wsgc.wa.gov%7C62be6773533a4bd9479608d91424

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Thank you for your time and consideration,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 486-3469 (office)
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov<mailto:Brian.considine@wsgc.wa.gov>

[FB icon]<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.com%2Fv3%2F__https%3A%2F%2Fwww.facebook.com%2FWAGamblingCommission%2F__%3B!!JmPEgBY0HMsZNaDT!67m8N046MNSLyPQVpITZerLAZ0y8Xc4hFaDnHfm0AKqSuPxjqFv-O8xpWtIql1baM29qLw%24&data=04%7C01%7Cashlie.laydon%40wsgc.wa.gov%7C62be6773533a4bd9479608d914241b69%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C637562967610966806%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTil6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&data=Y0PJoXD8yHwPqEL3Cz%2F68rTNkt0r4hZfQ6Czc%2BRlcvY%3D&reserved=0> [twitter icon]
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<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.com%2Fv3%2F__https%3A%2F%2Fwww.instagram.com%2Fwagambling%2F__%3B!!JmPEgBY0HMsZNaDT!67m8N046MNSLyPQVpITZerLAZ0y8Xc4hFaDnHfm0AKqSuPxjqFv-O8xpWtIql1YxUwex_Q%24&data=04%7C01%7Cashlie.laydon%40wsgc.wa.gov%7C62be6773533a4bd9479608d914241b69%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C637562967610966806%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTil6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&data=VZ60B4vnGoOU2ifXnTxDplj1WYcOHFAyrSjNXblwGbk%3D&reserved=0> [In-2C-21px-R]
<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Furldefense.com%2Fv3%2F__https%3A%2F%2Fwww.linkedin.com%2Fcompany-beta%2F16262525%2F__%3B!!JmPEgBY0HMsZNaDT!67m8N046MNSLyPQVpITZerLAZ0y8Xc4hFaDnHfm0AKqSuPxjqFv-O8xpWtIql1ZQeO0Nngx%24&data=04%7C01%7Cashlie.laydon%40wsgc.wa.gov%7C62be6773533a4bd9479608d914241b69%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C637562967610966806%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTil6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&data=CBtIIAoLvPjAGI8htknUwm0AJQrFFS4JdroECA0GiDc%3D&reserved=0>

SELF-EXCLUSION RULES

WAC 230-19-XXX Purpose

The purpose of this chapter is to establish a centralized, statewide self-exclusion program, administered by the Commission, allowing a person with a gambling problem or gambling disorder to voluntarily exclude themselves from licensed house-banked card rooms and participating tribal gaming facilities.

WAC 230-19-XXX Definitions

The following definitions apply only to this chapter:

- (1) "Licensee" means the house-banked card room licensee.
- (2) "Participant" means a person who has enrolled in the program.
- (3) "Self-Exclusion List" means a list maintained by the Commission of individuals who have requested to be voluntarily excluded from house-banked card room licensees and participating tribal gaming facilities in the State of Washington.
- (4) "Voluntary self-exclusion program" or "program" means the voluntary self-exclusion program authorized under RCW 9.46.071, and does not apply to gambling via horse-racing or lottery.

WAC 230-19-XXX REQUEST FOR SELF-EXCLUSION

(1) Any person may request to be placed on the self-exclusion list voluntarily excluding themselves from house-banked card room licensees by submitting a completed form, which we provide, in person at our office or at a house-banked card room licensee or by mail:

(a) In person at our office or at a house-banked card room licensee by:

- (i) Submitting a completed form, which we provide; and
- (ii) Providing proof of identity. Acceptable forms of identification are: a valid driver's license from any state; a government-issued identification card containing the person's name, photograph, and date of birth; or a valid passport; and
- (iii) Submitting a photograph showing only the head and shoulders; or

(b) Through the mail by:

- (i) Submitting a completed form, which we provide. The form must be notarized; and
- (ii) Providing proof of identity. Acceptable forms of identification are a copy of: a valid driver's license from any state; a government-issued identification card containing the person's name, photograph, and date of birth; or a valid passport; and
- (iii) Submitting a photograph showing only the head and shoulders. Copies of photographs from identification will not be accepted.

(2) The form must be:

- (a) Completed with no areas left blank, and
- (b) Signed under penalty of perjury by the person seeking self-exclusion, and
- (b) Be properly notarized if submitting by mail.

(3) Upon receipt of a completed form, the licensee will forward it to us within 72 hours.

WAC 230-19-XXX Period of Enrollment

SELF-EXCLUSION RULES

(1) At the time of enrollment, the participant must select the period of self-exclusion:

- (a) One year,
- (b) Five years, or
- (c) Ten years.

(2) The self-exclusion time period selected begins and the participant is considered enrolled:

- (a) Upon receipt of the notarized form by mail or
- (b) The date the completed form was accepted by a licensee or us when submitted in person.

(3) Once enrolled, the participant cannot be removed from the program prior to the selected period of voluntary self-exclusion.

(4) Upon expiration of the selected period of enrollment, the participant will be removed from the program.

WAC 230-19-XXX Voluntary self-exclusion

During the period of enrollment, the participant acknowledges and agrees:

(1) The ultimate responsibility to limit access to all house-banked card rooms within the State remains theirs alone; and

(2) The self-exclusion request is irrevocable during the enrollment period selected and cannot be altered or rescinded for any reason; and

(3) The exclusion is in effect at all house-banked card room licensees in the State of Washington and participating Indian Gaming Facilities, which is subject to change, and all services/amenities associated with these gaming facilities, including but not limited to, restaurants, bars, bowling, check cashing services, cash advances, etc.; and

(4) Player club memberships and accounts will be closed and any points or benefits accrued in the participant's existing loyalty program account, if any, expire based on the established expiry date(s) and no refund or replacement will be provided; and

(5) New player club memberships, direct mail and marketing service complimentary goods and services and other such privileges and benefits will be denied; and

(6) Disclosure of certain information is necessary to implement the participant's request for self-exclusion; and

(7) If found on the premises of a house-banked card room licensee, for any reason other than to carry out their duties of employment at the licensed establishment, they may be charged with criminal trespass; and

(8) All money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities outlined in this Chapter will be forfeited under RCW 9.46.071; and

(9) To not recover any losses from the purchase of chips and/or participating in authorized gambling activities outlined in this Chapter.

Commented [KP1]: I would suggest changing this to:
6- months
One-year
Five-years (if a renewal)

A study by McCormick et al. on the BC program found substantial improvements in wellness within 6-months. This therefore may be adequate to provide the necessary break from gaming, and may improve enrollment counts as it seems less daunting to enroll for 6-months over one-year.

Re: the five-year renewal option, this ensures that you don't run into issues in the future where individuals have overcommitted themselves to a multi-year ban and have unrecindable regret (this will occur anyway, but ensuring that people understand the program before they commit for multiple years is helpful).

With a multi-year horizon, its hard for individuals to anticipate things like moving to a different town where most of the social interaction is based around hospitality in a gaming facility.

Commented [KP2]: Here I would suggest having an "active re-enrollment" process. Effectively, after expiration, the individual remains excluded, but may complete a form to become eligible to return.

Commented [KP3]: This is a reasonable regulation, though I would suggest that the internal policies be to focus on re-education of the individual on program values, rather than elect to criminalize the self-enrolled act

Commented [KP4]: You may have already addressed this, but ensure that your disclosed rules (e.g. jackpot entitlement rules) note this separate treatment of individuals enrolled in the self-exclusion program. The was a successful action against BCLC (I think it was Hagh dust v bc lottery) because the game rules weren't updated to account for the different treatment of self-exclusion enrollees.

SELF-EXCLUSION RULES

WAC 230-19-XXX Disclosure of Self-Exclusion Information

(1) Personal information submitted by a participant under the self-exclusion program is exempt from public disclosure under the Public Records Act and may not be disseminated for any purpose other than the administration of the self-exclusion program, or as otherwise permitted by law.

Commented [KP5]: typo

(2) No house-banked card room licensee, employee or agent thereof shall disclose the name of, or any information about any participant who has requested self-exclusion to anyone other than employees and agents of the house-banked card room licensee whose duties and functions require access to such information.

(3) The house-banked card room licensee may release the names and identifying information of participants on the self-exclusion list to contracted service providers that provide check cashing, cash advances, marketing, automated teller machines or other financial services.

(a) The identifying information must be limited to the address, driver's license or state issued identification number, photograph, and physical description; and

(b) Only the name and identifying information may be disclosed to contracted service providers. The house-banked card room licensee must neither disclose the reasons for providing the name and identifying information nor disclose that the person is on the self-exclusion list; and

(c) The house-banked card room licensee must require by written contract that the contracted service provider implement measures designed to ensure the confidentiality of the names and identifying information and to prohibit the release of the names and identifying information to any other person or entity; and

(d) The house-banked card room licensee must immediately report to us all instances of a participant accessing or attempting to access the services provided by the contracted service providers.

WAC 230-19-XXX Licensee's Responsibilities

Each house-banked card room licensee must:

- (1) Make available to all patrons the self-exclusion form developed and provided by us; and
- (2) Accept complete self-exclusion forms, verify the participant's identity as required on the form, and forward the form to us within 72 hours of receipt; and
- (3) Provide the participant with information and resources for problem gambling and gambling disorder treatment; and
- (4) Designate a person or persons to be the contact person with us for purposes of self-exclusion procedures, including receipt and maintenance of the self-exclusion list, submission of the licensee's procedures, and all other communications between us and the licensee for self-exclusion purposes; and
- (5) Upon discovery that a participant has breached their self-exclusion and obtained access to the licensed premises, the licensee must take steps to:
 - (a) Immediately remove the person from the premises,
 - (b) Confiscate all money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities outlined in this Chapter, and
 - (c) Notify us of the breach within 72 hours; and
- (6) Train all new employees, within 3 days of hiring, and annually re-train all employees who directly interact with gaming patrons in gaming areas. The training must, at a minimum, consist of

SELF-EXCLUSION RULES

information concerning the nature of ~~problem gambling~~ gambling disorders, the procedures for requesting self-exclusion, and assisting patrons in obtaining information about ~~problem gambling~~ gambling disorder treatment programs. This section must not be construed to impose a duty upon employees of the licensee to identify ~~problem gamblers~~ individuals with gambling disorders or impose a liability for failure to do so; and

- (7) Notify participants who have requested to be excluded from house-banked card room licensees prior to the effective date of this rule of the new statewide program, provide them with the form, and information on how they can participate in the statewide self-exclusion program. This must be accomplished within three business days following the effective date of this rule; and
- (8) Establish procedures and systems for our review and approval, which:
 - (a) Utilize player tracking systems and other electronic means, including checking all taxable patron winnings against the self-exclusion list, to assist in determining whether a participant has engaged in any authorized activities outlined in the chapter; and
 - (b) Close player club memberships and accounts for participants. Any points or benefits accrued in the participant's existing loyalty program account, if any will expire based on the established expiry date(s) and no refund or replacement will be provided; and
 - (c) Deny casino credit, check cashing privileges, player club membership, complementary goods and services, and other similar privileges and benefits to any participant; and
 - (d) Ensure participants do not receive targeted mailings, telemarketing promotions, player club materials or other promotional materials relative to gaming activities at house-banked card room licensees; and
 - (e) Verify patrons who win a jackpot prize are not participants of the program before payment of funds; and
 - (f) Ensures participants are not gambling in their establishment; and
 - (g) Ensures the confidentiality of the identity and personal information of participants; and
 - (h) All money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities outlined in this Chapter are forfeited under RCW 9.46.071, in which the licensee will:
 - (1) Issue a check for the same monetary value within three business days after collecting or refusing to pay any winnings from gambling or chips in the possession of a participant on the self-exclusion list to:
 - (A) The problem gambling account created in RCW 42.05.751, and/or
 - (B) A charitable or nonprofit organization that provides problem gambling services or increases awareness about problem gambling; and
 - (2) Document and retain for one year:
 - (A) Surveillance evidence identifying the date, time, and amount of money or things of value forfeited, the name and identity verification of the participant on the self-exclusion list; and
 - (B) A copy of the canceled check remitting the forfeited funds as required above.

Commented [KP6]: "responsible gambling and gambling disorder"

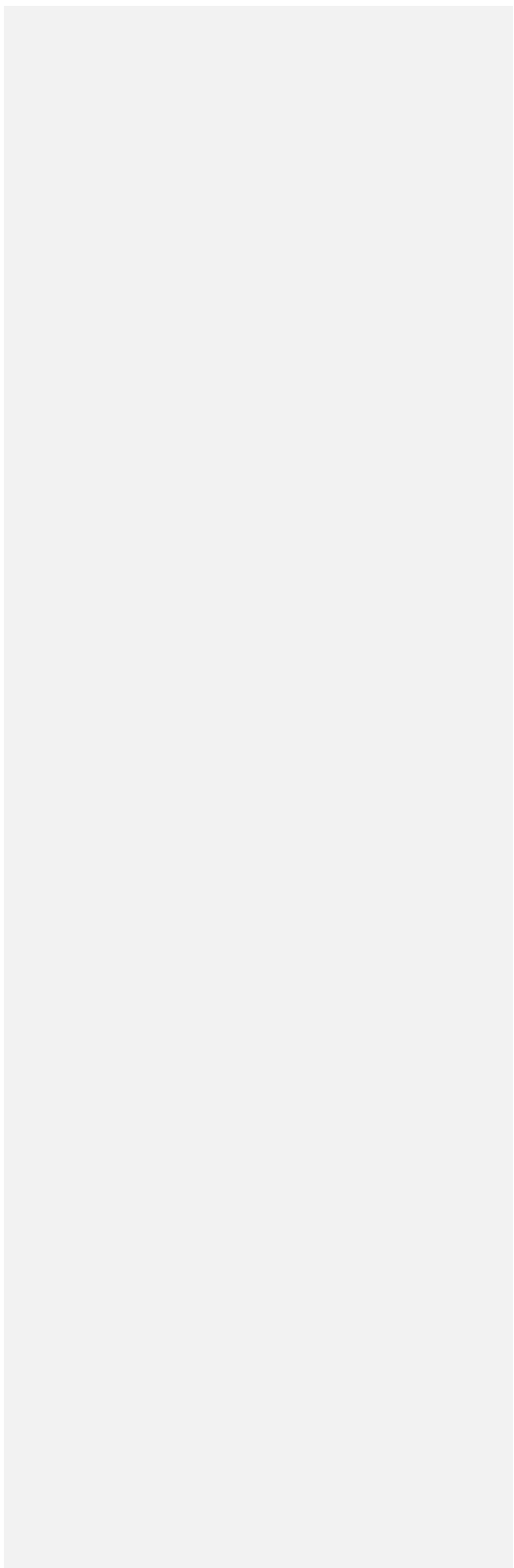
Commented [KP7]: "responsible gambling and gambling disorder"

SELF-EXCLUSION RULES

WAC 230-19-XXX Sharing the self-exclusion list.

We may enter into Tribal-State Compacts with federally recognized Indian tribes or tribal enterprises that own gambling operations or facilities with class III gaming compacts to voluntarily participate in the self-exclusion program. The Tribal-State Compacts may allow for the mutual sharing of self-exclusion lists.

DRAFT



From: [Kevin Crum](#)
To: [Laydon, Ashlie \(GMB\)](#)
Cc: [Considine, Brian \(GMB\)](#); [Griffin, Tina \(GMB\)](#); [Rancour, Michelle \(GMB\)](#); [Chinn, John \(GMB\)](#)
Subject: Re: Draft Self-Exclusion Rules for Review
Date: Monday, May 10, 2021 12:45:39 PM
Attachments: [image003.png](#)
[image005.png](#)

External Email

Hi Ashlie,

Thank you for the opportunity to review and comment on this rules package. Our Sonoma player rewards system currently is installed in 33+ licensed cardrooms in Washington and our system does have the ability to mark player's as self excluded which then prevents any play or rewards activity to be initiated from those accounts. Our system could tie in to the new statewide system by way of an External API that would allow our casino operator customers to ensure that they follow the new requirements while using the same system they have been.

Each player account in our system is tied their Driver's License or state issued ID number. If the state's system would allow us to query the state ID number on a periodic basis we could then seamlessly update the accounts on the Sonoma side when they have been entered into the self exclusion database. It would be easiest to do that at a system level rather than casino by casino, but we could make the system work either way.

What will be the process by which such an interface between our Sonoma system and the new statewide system can be made to work together? How can I get started on that?

Kevin Crum
ABS Business Data, LLC

On Mon, May 3, 2021 at 11:38 AM Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov> wrote:

Hello,

The Gambling Commission, pursuant to [HB 1302](#) now codified in [RCW 9.46.071](#), seeks your review and input on draft rules establishing a statewide self-exclusion program. The goal of the Commission is to create a centralized, state-wide self-exclusion system that will allow individuals to voluntarily self-exclude themselves from gambling at licensed house-banked card rooms in a single request. We are also trying to develop a system where Tribal operators can connect into our system once it is established for the cardroom industry.

Attached are draft rules establishing this system for your review. All comments, questions, and concerns are welcome. Please submit written feedback by May 14, 2021 at 5pm to myself via email at ashlie.laydon@wsgc.wa.gov or through our [website](#).

Please contact me if you have any questions.

Thank you,

Ashlie Laydon

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov



Washington State
GAMBLING
COMMISSION

Protect the public by ensuring that gambling is legal and honest.



From: [Considine, Brian \(GMB\)](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: FW: NOTICE: Gambling Commission Draft Self-Exclusion Rules for Review
Date: Wednesday, May 5, 2021 11:28:24 AM
Attachments: [image002.png](#)
[image007.png](#)
[Self Exclusion Rules Stakeholder Review.docx](#)
[image005.png](#)

FYI...

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 486-3469 (office)
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



From: Kevin Zenishek <kzenishek@northernquest.com>
Sent: Wednesday, May 5, 2021 11:09 AM
To: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>
Subject: FW: NOTICE: Gambling Commission Draft Self-Exclusion Rules for Review

External Email

Brian,

If you hadn't caught it already, there is a typo in the section below. KZ

WAC 230-19-XXX Disclosure of Self-Exclusion Information

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- (2) No house-banked card room licensee, employee or agent thereof shall disclose the name of, or any information about any participant who has requested self-exclusion to anyone other than employees and agents of the house-banked card room licensee whose duties and functions require access to such information.
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 - (c) The house-banked card room licensee must require by written contract that the contracted service provider implement measures designed to ensure the confidentiality of the names and identifying information and to prohibit the release of the names and identifying information to any other person or

entity; and

(d) The house-banked card room licensee must immediately report to us all instances of a participant **accessing** or attempting to access the services provided by the contracted service providers.

Kevin Zenishek

Executive Director of Casino Operations

Northern Quest Resort & Casino
509.242.7000 Office
509.954.5915 Cell

kzenishek@northernquest.com northernquest.com



From: Rancour, Michelle (GMB) <michelle.rancour@wsgc.wa.gov>

Sent: Tuesday, May 4, 2021 9:57 AM

To: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>

Cc: Lies, Julie (GMB) <julie.lies@wsgc.wa.gov>; Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>;

Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>

Subject: [EXTERNAL] NOTICE: Gambling Commission Draft Self-Exclusion Rules for Review

Hello,

The Gambling Commission, pursuant to [HB 1302](#) now codified in [RCW 9.46.071](#), seeks your review and input on draft rules establishing a statewide self-exclusion program. The goal of the Commission is to create a centralized, state-wide self-exclusion system that will allow individuals to voluntarily self-exclude themselves from gambling at licensed house-banked card rooms in a single request. We are also trying to develop a system where Tribal operators can connect into our system once it is established for the cardroom industry.

Attached are draft rules establishing this system for your review. All comments, questions, and concerns are welcome. Please submit written feedback by May 14, 2021 at 5pm to myself via email at ashlie.laydon@wsgc.wa.gov or through our [website](#).

Please contact me if you have any questions.

Thank you,

Ashlie Laydon

Rules Coordinator | Legal and Records Division
Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

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Washington State
GAMBLING
COMMISSION

Protect the public by ensuring that gambling is legal and honest.



Laydon, Ashlie (GMB)

From: laurie@playallstar.com
Sent: Friday, May 14, 2021 3:34 PM
To: Laydon, Ashlie (GMB)
Subject: Self-Exclusion Rules

External Email

Ashlie,

After reading the rules put forth by the Gambling Commission, I have a few comments and concerns.

- On the request for self-exclusion through the mail and having it "NOTARIZED" would not be something that a patron would most likely complete. All Star has received letter's in the mail from patrons that wish to be excluded from the casino for a period of time and usually have a phone number which we call and talk to them and discuss their length of exclusion and the rules we follow at our establishment. Them sending in a head and shoulders picture of themselves would probably not happen. These steps would deter patrons that need to exclude themselves from doing so with so many steps. This seems extreme for a "Voluntary" exclusion.

- Period of enrollment seems extreme with options of 1, 5 or 10 years. I agree that problem gambling is a serious problem. The process of keeping records for 10 years seems extreme. Patrons looks could be very different in 10 years. When their expiration of the period of enrollment is reached, will the participant receive any notification? Maybe a letter asking if they want to further their self exclusion with updated information.

- In businesses with other revenue sources and entertainment, patrons should have the choice to just exclude themselves from the casino not the entire business since this is "Voluntary."

Laurie Myers
All Star Lanes & Casino

From: [Considine, Brian \(GMB\)](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: FW: State-wide Self-Exclusion
Date: Wednesday, July 14, 2021 2:32:17 PM
Attachments: [Voluntary Self Exclusion Best Practices.ECPG.July 2021.pdf](#)
[image003.png](#)
[image005.png](#)

Doesn't look like you were included...

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 486-3469 (office)
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



From: Maureen Greeley <Mlgreeley@evergreencpg.org>
Sent: Wednesday, July 14, 2021 12:31 PM
To: Chinn, John (GMB) <john.chinn@wsgc.wa.gov>; Waldron, Roxane (HCA) <roxane.waldron@hca.wa.gov>; kahlil.philander@wsu.edu; tylost@uw.edu
Cc: Robbins, Rashida (GMB) <rashida.robbs@wsgc.wa.gov>; Maureen Greeley <Mlgreeley@evergreencpg.org>; Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>; Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>; Patterson, Julia (GMB) <julia.patterson@wsgc.wa.gov>
Subject: RE: State-wide Self-Exclusion

External Email

Good afternoon!

John, thank you so much for including ECPG in this email. While we agree wholeheartedly that providing individuals with a state-wide system where they can choose to register for a voluntary self-exclusion program once and be successfully barred from multiple gaming locations across the state is fantastic (kudos to WSGC for moving forward on this important initiative), I would like to address the concerns you listed below. I am also attaching a copy of our Council's new briefing paper on ***Best Practices and Broad Perspectives for Voluntary Self-Exclusion Program Development***. I hope you will find it helpful as you continue the rules development process.

Because Voluntary Self-Exclusion programs are, first and foremost, tools for individuals who believe that they have a problem with gambling and can voluntarily bar themselves from entering one or more gambling venues to help prevent their gambling behaviors.

And, because Voluntary Self-Exclusion Programs are important tools that the Gaming Industry can offer their guests to enhance customer service and corporate responsibility, support harm-minimization, and assist self-excluding individuals to get the help they need to address their problems and achieve their goals. We believe the best way to accomplish this is to ensure that registration in voluntary self-exclusion programs in Washington State is available at multiple access points (casino/card room, TGA, Health Care services location; through WSGC, via Internet, and more). If that means that more than one list must be kept at different locations, while not optimal, it should be offered.

The key here is to make this tool as easily accessible as possible. And so, it is crucial that all processes and procedures (wherever and however the registration takes place) are consistent. All registration points must use the same forms; take the same type and size of picture; provide training for their staff who will be interacting with registrants; and ensure that accurate and meaningful information on treatment referrals and support services are discussed with the individual when they register.

For many people, Voluntary Self-Exclusion is their first step in seeking help (and it is a difficult step to make). It is far more than an enforcement/regulatory system – it is a harm-minimization and treatment support opportunity that must be offered to the full extent possible.

Therefore, ECPG would highly recommend that WSGC and stakeholders add to the rule-making discussions ways in which to make the State-wide Voluntary Self-Exclusion Program accessible to individuals at as many locations as possible, particularly within Washington State Casinos and Card Rooms.

Happy to discuss further and/or help support your efforts.

Warmly,

~Maureen

Maureen L. Greeley
Executive Director



360.352.6133

www.evergreencpg.org

24/7 Helpline: 800.547.6133

From: Chinn, John (GMB) <john.chinn@wsgc.wa.gov>

Sent: Tuesday, June 29, 2021 8:48 AM

To: Waldron, Roxane (HCA) <roxane.waldron@hca.wa.gov>; Maureen Greeley <Mlgreeley@evergreencpg.org>; kahlil.philander@wsu.edu; tylost@uw.edu

Cc: Robbins, Rashida (GMB) <rashida.robbins@wsgc.wa.gov>

Subject: State-wide Self-Exclusion

Greetings,

In working through the rules development process we are looking for feedback from the clinical and research communities on a specific area of concern.

The current state of self-exclusion in the House-Banked Card Rooms in Washington consists of individual lists that are not shared. Currently an individual enters into an agreement with a house-banked card room to self-exclude themselves from that place of business. This creates a less than ideal situation in assisting individuals in dealing with their gambling problem or gambling disorder. Once the state-wide system is operational licensees will be required to notify individuals on their self-exclusion lists of the state-wide system and provide a means of taking advantage the new system. Not all will respond so the licensees will be required to maintain both their individual lists as well as the state-wide list.

Our question, should the licensees be prohibited from adding individuals to their proprietary self-exclusion list instead of the state-wide system? From an operational perspective the simple answer is yes, but this doesn't take in to consideration the clinical perspective. We would like your feedback on the merits of requiring only using the state-wide system going forward and not adding new names to the individual site-specific lists.

I would appreciate your feedback by July 9, 2021. If you have any questions please contact me at john.chinn@wsgc.wa.gov

Thank you,

John Chinn
Project Manager
WSGC



EVERGREEN
council on problem gambling

BEST PRACTICES AND BROAD PERSPECTIVES FOR VOLUNTARY SELF-EXCLUSION PROGRAM DEVELOPMENT

The Evergreen Council on Problem Gambling (ECPG) is a 501(c)(3) nonprofit organization committed to providing services and programs for those with a gambling or gaming problem/Gambling Disorder, their families, employers, students, treatment professionals, and the greater community through gambling addiction treatment support, information and education, advocacy, research, and prevention efforts. Founded in 1991, ECPG maintains a position of neutrality on gambling and gaming, recognizing that most people who gamble do so for recreation and suffer no serious problems. However, for some, gambling becomes a serious addiction, devastating to the individual and family. ECPG is the Washington State Affiliate of the National Council on Problem Gambling.

ECPG MISSION

The Evergreen Council on Problem Gambling is dedicated to increasing awareness of public health issues around problem gambling and gaming, expanding the availability and integration of services, and supporting advocacy, research, and programs for education, prevention, treatment, recovery, and responsible gambling and gaming.

Supporting the Gaming Industry's efforts to provide information and tools to reduce harms by offering Voluntary Self-Exclusion Programs is an important part of ECPG's work. Our Council provides this brief overview of *Best Practices and Broad Perspectives* to assist Gaming Operators in developing Voluntary Self-Exclusion Programs that are designed to help and empower people in getting the help they need to address their gambling problems and achieve their health goals.

CONTENTS:

Introduction

Expectations and Purpose

Guest Interaction and Registration

Support Services and Resources

Self-Exclusion Period/Term Options

Self-Exclusion Extension and/or Active Reinstatement

Compliance and Breaches of Agreement

Promoting Awareness of Self-Exclusion Program

Breaking Down Barriers

References and Resources

Note: This is a brief overview only. Each content area has many components to consider and will, undoubtedly, bring up additional questions. Please do not hesitate to let our ECPG Staff know if there are other ways we can assist in discussions, planning, and program development.

INTRODUCTION

Self-exclusion is, first and foremost, a tool for individuals who believe that they have a problem with gambling and can voluntarily bar themselves from entering one or more gambling venues to help prevent their gambling behaviors. Most people report that they decided to self-exclude themselves, although family and friends may also play a role in the decision to self-exclude. Financial problems often constitute the main reason for self-exclusion and most people report that they are unable to stop gambling of their own accord. Severe financial hardship, stress caused by their gambling problems that affect their physical and mental health, desperation, and suicidal thoughts are all among the feelings shared by individuals as they contemplate signing up for Self-Exclusion Programs.

When people are considering self-exclusion, they are looking for help. Voluntary Self-Exclusion Programs are important tools that the Gaming Industry can offer their guests to enhance customer service and corporate responsibility, support harm-minimization, and assist self-excluding individuals to get the help they need to address their problems and achieve their goals. Self-Exclusion programs should help and empower people, not make them feel like criminals. Here is some of the information gleaned from research that may be helpful when considering development of Self-Exclusion Programs.

Despite evidence for effectiveness, only a small proportion of individuals with gambling-related problems or Gambling Disorder ever seek treatment and support resources for their problem. Voluntary self-exclusion (VSE) programs are an ideal circumstance to engage individuals who are reluctant or have not yet sought formal treatment, given that individuals are already electing to prevent themselves from gambling through self-exclusion. (Yakovenko, I., & Hodgins, D. (2021). Effectiveness of a voluntary casino self-exclusion online self-management program. *Internet Interventions* 23 (2021) 100354 Elsevier B.V.)

This self-directed intervention is often the first serious attempt a person makes to control their gambling (Blaszczynski et al. 2004).

Participants in self-exclusion programs state that the program had been very helpful in regaining control of their financial affairs and overcoming relationship problems. Furthermore, many participants found the process of enrolling into the program empowering and saw it as the start of their recovery. (Croucher et al. 2006)

Benefits include participants reporting decreases in gambling expenditure and improved financial circumstances; decreases in gambling frequency and time spent gambling; reduction in problem gambling severity and negative consequences of gambling; reduction in related psychological difficulties including depression and anxiety; and feeling they have more control of their circumstances. (Gainsbury 2014)

EXPECTATIONS AND PURPOSE

For Voluntary Self-Exclusion Programs to be effective, clear information about the self-exclusion program and wide promotion of the program are both important. Casino staff and Tribal Gaming Authority/Regulators should have an effective training program for all staff who have a role in enforcing the self-exclusion program, including refresher training.

“The features and principles of a self-exclusion program should be fully understood by individuals who wish to self-exclude, employees of gaming venues, gaming venue operations, and regulatory bodies. This is essential in order to clarify expectations regarding the role and limits of all parties including legal and governmental authorities and avoid unrealistic expectations and unfair criticisms.” (Gainsbury 2014)

Some of the areas that must be covered with the guest at the time of Self-Exclusion Registration (pursuant to the Gaming Venue’s Policies and Procedures):

- Agreement not to enter gaming areas, not to play gaming machines, or not to enter the venue at all
- Authorizing Casino/Regulatory staff to stop them from entering or remaining in a gaming area or venue from which they are excluded
- Accept their personal responsibility to stay away from the venue
- Clear roles and expectations, including how compliance breaches will be managed; and how Self-Exclusion Extensions or Reinstatements are handled
- Clear description of Self-Exclusion term options – let the individual choose, do NOT lead them into any particular option
- Clear information on player cards and loyalty points (does individual have more than one player card or is registered under more than one name?)
- Cessation of promotional materials
- Winnings forfeiture policies
- Share options for support resources (treatment and recovery resources; financial management counseling; community resources)

GUEST INTERACTION AND REGISTRATION

Registration in a Voluntary Self-Exclusion Program should not be cumbersome or stigmatizing to the guest. Staff training at multiple access points is key to ensuring consistency and a professional process.

- Make registration available at multiple access points (casino, TGA and/or Corporate offices; Health Care services location; casino hotel guest services...)
- Registration should take place in a comfortable, private, friendly setting that ensures confidentiality and respects the individual (don't make them feel like a criminal or engage in stigmatizing behaviors and verbal communications – encourage the guest in making healthy gaming choices that can include self-exclusion as an individual tool to support those choices.)
- Ensure all processes and procedures are consistent regardless of where registration takes place (use the same forms; take the same type and size of picture; same staff training...)
- Staff interacting with guests during the Self-Exclusion Registration should be specially selected and trained to provide a responsive, respectful, and professional process. Trained “Ambassadors/Supervisors” should conduct meeting, explanations, and registration.
 - Do not offer the guest an opportunity to engage in “one last bet” or to “finish spending their free-play money.”
 - Self-Exclusion Registration should be handled discreetly and in a timely fashion. It is best to offer the guest a seat in a comfortable, quiet, private area. If, for any reason, the guest is asked to wait for assistance with Self-Exclusion Registration, do not offer or ask the guest to wait at a gaming machine or gaming table, or within or near the gaming floor.

SUPPORT SERVICES AND RESOURCES

Ensure that information on resources and/or actual resources are available to assist players.

- Share options for support resources (treatment and recovery resources; financial management counseling; community resources)

People using self-exclusion programs noted the following items that should be stronger: Many gamblers felt that the programs did not provide them with sufficient resources on problem gambling treatment and support during the ban period; that the detection process was not strong enough; the program was not well advertised; and they should be able to renew a self-exclusion agreement without going back to the casino (Ladouceur et al. 2000).

All self-exclusion participants' names must be removed from marketing lists and participants should be made aware that any winnings during the self-exclusion period (indicating the individual has breached the self-exclusion agreement) will be forfeited and made available to a Tribal or nonprofit organization that supports prevention/awareness, treatment, and recovery support for those affected by problem gambling.

SELF-EXCLUSION PERIOD/TERM OPTIONS

(No Early Reinstatement Options)

Periods of self-exclusion in gaming venues across the world vary substantially. But most often options range from 6 months to irrevocable lifetime bans.

Almost all research indicates that it is best to offer a range of exclusion time periods. ECPG recommends a minimum of 1 year to allow individuals sufficient time to enter treatment if desired. Longer bans may be more effective, and ECPG recommends offering the Lifetime (irrevocable) *option* for those who might choose it. Offer one or two other interim options (2 years and/or 3 years) that are not Lifetime so that individuals have choices that do not deter them from registering for the self-exclusion program when only a Lifetime exclusion is offered. “In general, most participants felt that longer bans were better because they felt that most gamblers with problems do not realize how serious their problems are at the time of self-exclusion. Most participants recommended a minimum ban length of one year because they felt that shorter bans were easy to wait-out and did not provide enough time for people who had self-excluded to stabilize and develop healthier behaviours.” (Responsible Gambling Council, 2008)

ECPG RECOMMENDED SELF-EXCLUSION TERMS:

1 year

2 year

3 year

Lifetime (irrevocable)

SELF-EXCLUSION EXTENSION AND/OR ACTIVE REINSTATEMENT

A reinstatement process should be put in place before the self-excluded individual is permitted re-entry into casino/gaming facilities. Prior to the end of the self-exclusion term, individuals should be contacted with appropriate information and clear details regarding reinstatement requirements. Individuals should be able to extend the Self-Exclusion period.

ECPG recommends an Active Reinstatement Process, whereby the individual must apply to be reinstated (preferably in writing). This allows, yet again, an opportunity to provide the individual with support and information regarding treatment and support resources, rather than a Passive Reinstatement where the individual can automatically re-enter the casino after the end of the exclusion period. If the individual does not initiate reinstatement prior to the initial term end, then the ban, as well as any consequences for breaches, would continue in force. (NOTE: This needs to be clearly stated on Self-Exclusion forms and materials and explained carefully to the individual – suggest signing/initially next to this provision).

Even if reinstatement is granted, suggest a 30-day waiting period after approval and resend a package with information on problem and responsible gambling, treatment and recovery resources, and financial management counseling options.

Determine how many times you want to offer an extension before the ban should be permanent. Suggestion: Initial Self-Exclusion; Second (Extension); with Third Request – consider initiating Lifetime Self-Exclusion as permanent/irrevocable ban.

COMPLIANCE AND BREACHES OF AGREEMENT; CONSEQUENCES

(Enforcement and Support)

Be clear upfront on what the consequences are and make sure you use any breach as another opportunity to share treatment and support resources with respect and confidentiality. Potential consequences might include:

- Verbal warning and/or warning letter – in discreet and respectful meeting with a trained Ambassador/Supervisor
- Escorted off premises
- Trespass charge
- Fines (not recommended by ECPG)
- Forfeiture of any winnings while Self-Excluded (winnings to go to Tribal or nonprofit program for problem gambling prevention/awareness, treatment, and recovery supports.)

PROMOTING AWARENESS OF SELF-EXCLUSION PROGRAM

Most gaming venues have great opportunities to advertise self-exclusion programs on their websites and through print materials and displays throughout the casino, including in “discreet locations” such as restrooms; on ATM machines; potential for information kiosk/Responsible Gaming Center within casino.

Promotion of the self-exclusion program as well as support services and resources should be available at the casino as well as information provided in the general community and through health and mental health centers and other relevant support services. Relevant professionals (treatment professionals, financial counselors, court systems) should all be informed about the program so that they may refer clients as appropriate.

A major aspect of promoting self-exclusion programs is educating casino/gaming staff, Tribal Gaming Authority and other regulatory staff at every level on the program. Anyone interacting with a guest should be aware of the program and how to access it in a timely manner. Create a *Culture of Responsible Gaming* throughout your venue and at all levels – from the top down.

BREAKING DOWN BARRIERS

Individuals who have experienced the self-exclusion process report mixed feelings in a wide variety of studies and reports. When the staff is supportive and compassionate, the guest felt comfortable. Often, however, reports that staff were rude, uncaring, and disrespectful, or staff and situations (isolated dark rooms behind the security office; noisy areas that didn't offer privacy) that made the guest feel "like a criminal" were barriers.

It is important to remove any unnecessary complexities in the application and registration process, including for those who have limited proficiencies in English, and unnecessary legal jargon....Individuals should have the ability to enact agreements away from gaming venues, such as at a central administrative office, with a health or mental health treatment provider or legal professional, or via the Internet or mail. (Gainsbury 2014)

During the process of enrollment, privacy and confidentiality were an important concern. Venue staffs' attitude was also frequently criticized: staff members were perceived as not sufficiently briefed on the process and did not provide reasonable sensitivity, encouragement, or support. (Hing, Nuske, et al, 2015; Hing et al, 2014).

RESOURCES AND REFERENCES

Croucher, J.S., Croucher, R.F., & Leslie, J.R. (2006) *Report of the Pilot Study on the Self-Exclusion Program conducted by GameChange (NSW)*.

Gainsbury, S.M. (2014) *Review of self-exclusion from gambling venues as an intervention for problem gambling. **Journal of Gambling Studies**, 30(2), 229-251.*

Hing, N., Nuske, E., Tolchard, B, & Russell, A (2015). *What influences the types of help that problem gamblers choose? A preliminary grounded theory model. **International Journal of Mental Health Addiction**, 13(2), 241-256.*

Hing, N. Tolchard, B., Nuske, E., Holdsworth, L. & Tiyce, M. (2014). *A process evaluation of a self-exclusion program: A qualitative investigation from the perspective of excluders and non-excluders. **International Journal of Mental Health and Addiction**, 12(4), 509-523.*

Ladouceur, R., Jacques, C., Giroux, I., Ferland, F., & Leblond, J. (2000) *Analysis of a casino's self-exclusion program. **Journal of Gambling Studies** 16, 453-460*

Responsible Gambling Council (2008) *From Enforcement to Assistance: Evolving Best Practices in Self-Exclusion*

Yakovenko, I., & Hodgins, D. (2021) *Effectiveness of a voluntary casino self-exclusion online self-management program. **Internet Interventions** 23 (2021) 100354 Elsevier B.V.*

Rules Coordinator (GMB)

From: dan.heisel@watech.wa.gov on behalf of WSGC Web <no.reply@wsgc.wa.gov>
Sent: Thursday, April 29, 2021 3:07 PM
To: Rules Coordinator (GMB)
Subject: Request for Public Comment Submission from wsgc.wa.gov

External Email

Submitted on Thursday, April 29, 2021 - 3:04pm Submitted by anonymous user: 131.191.55.234 Submitted values are:

Select a Topic: Staff-Initiated Rule Change: Self-exclusion

Name: Nanci Watson

Organization: Private party

Comments: I believe that a financial penalty should be imposed upon cases where individuals are admitted, allowed to gamble on slot machines, and paid out. Screening is inadequate at the Emerald Queen Casino which I am most familiar with and word has it that they cancelled all bans after covid reopening while awaiting statewide guidelines. This does not protect the community.

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwsgc.wa.gov%2Fnode%2F19%2Fsubmission%2F2378&data=04%7C01%7Crules.coordinator%40wsgc.wa.gov%7C3a2fb08fedcc496081dc08d90b5b1f00%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C637553308321647691%7CUnknown%7CTWFPbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IkhWwiLCJXVCi6Mn0%3D%7C1000&sdata=7gl3L6l6lu0WN3BDcTkW1eGLpkln82t3REn7L5inrq8%3D&reserved=0>

From: [Waldron, Roxane \(HCA\)](#)
To: [Considine, Brian \(GMB\)](#)
Cc: [Laydon, Ashlie \(GMB\)](#); [Chinn, John \(GMB\)](#); [Panek, Kara M. \(HCA\)](#)
Subject: RE: Self-exclusion Proposed Draft Rules
Date: Monday, May 3, 2021 12:19:08 PM
Attachments: [image005.png](#)
[image006.png](#)
[image007.png](#)
[image008.png](#)
[image009.png](#)
[image011.png](#)
[image013.png](#)
[image001.png](#)

Thanks, I will circulate to the PGTF today.

Brian and John, I'm really surprised that this language still says that forfeited funds can be sent to ***either*** the state pg fund and/or a 'non-profit charitable org,' despite the fact that non-Tribal venues are required to pay the business and occupation tax into the problem gambling account.

Here's my suggested language, which I will also forward to Ashlie:

(h) → All money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities outlined in this Chapter are forfeited under RCW 9.46.071, in which the licensee will:

(1) → Issue a check for the same monetary value within three business days after collecting or refusing to pay any winnings from gambling or chips in the possession of a participant on the self-exclusion list as follows:

- (A) → For licensees subject to the state business and occupation tax for problem gambling, forfeited funds must be transferred to the problem gambling account created in RCW 41.05.751-42.05.751, and/or
- (B) → For Tribal venues, forfeited funds can be used for that Tribe's problem gambling program, and/or donated to a charitable or nonprofit organization that provides problem gambling services or increases awareness about problem gambling, and/or; and the state problem gambling account created by RCW 41.05.751; and



Waldron, Roxane (HCA)

I'd like to see this changed to be that all forfeited funds from a non-Tribal venue go to the problem gambling account.

I'm also going to check with California about their language that forfeited funds go into their state pg program account.

Thanks for your continued support for the State Problem Gambling Program.

Roxane Waldron, MPA

Problem Gambling Program Manager
Division of Behavioral Health and Recovery
Health Care Authority
work cell: (360) 867-8486 – *please leave messages here (I am working remotely)*
Pronouns: She/Her/Hers
roxane.waldron@hca.wa.gov



From: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>
Sent: Monday, May 3, 2021 11:44 AM
To: Waldron, Roxane (HCA) <roxane.waldron@hca.wa.gov>
Cc: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>; Chinn, John (GMB) <john.chinn@wsgc.wa.gov>
Subject: Self-exclusion Proposed Draft Rules

Hello Roxane,

Attached are the Gambling Commission's proposed draft self-exclusion rules that we are sending out to stakeholders today. I'm sending them to you for HCA's review and comment.

Also, I'm hoping you'll send them to the PGTF, if that is appropriate. I think that's what was done with Lottery's proposed rules; however, I can send it out to the PGTF if you prefer that route.

Additionally, WSGC wants to ensure the greater behavioral health community has an opportunity to review and comment on these rules. We are sending them to ECPG and the researchers who worked on the problem gambling study. However, please let me know if you recommend we send it to additional groups or people.

All comments, questions, concerns are welcome and please submit written feedback to Ashlie Laydon, WSGC's Rules Coordinator, by May 14, 2021 at 5pm. Comments can be sent directly to her at ashlie.laydon@wsgc.wa.gov or through our [website](#).

Please let me know if you have any questions.

Thank you,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
(360) 486-3469 (office)
(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



From: [Waldron, Roxane \(HCA\)](#)
To: [Laydon, Ashlie \(GMB\)](#)
Cc: [Considine, Brian \(GMB\)](#); [Chinn, John \(GMB\)](#)
Subject: Comments on Self-Exclusion Rules -- Stakeholder review
Date: Monday, May 3, 2021 12:30:28 PM
Attachments: [04282021 Self Exclusion Rules Stakeholder Review_R Waldron.docx](#)
[image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

Hi Ashlie,

Here are my few comments on the rules—as you saw in my last email, my major concern is with the language for the forfeiture of self-exclusion funds.

Thanks,

Roxane Waldron, MPA

Problem Gambling Program Manager
Division of Behavioral Health and Recovery
Health Care Authority
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Washington State
Health Care Authority

www.hca.wa.gov



SELF-EXCLUSION RULES

WAC 230-19-XXX Purpose

The purpose of this chapter is to establish a centralized, statewide self-exclusion program, administered by the Commission, allowing a person with a gambling problem or gambling disorder to voluntarily exclude themselves from licensed house-banked card rooms and participating tribal gaming facilities.

WAC 230-19-XXX Definitions

The following definitions apply only to this chapter:

- (1) "Licensee" means the house-banked card room licensee.
- (2) "Participant" means a person who has enrolled in the program.
- (3) "Self-Exclusion List" means a list maintained by the Commission of individuals who have requested to be voluntarily excluded from house-banked card room licensees and participating tribal gaming facilities in the State of Washington.
- (4) "Voluntary self-exclusion program" or "program" means the voluntary self-exclusion program authorized under RCW 9.46.071, and does not apply to gambling via horse-racing or lottery.

WAC 230-19-XXX REQUEST FOR SELF-EXCLUSION

(1) Any person may request to be placed on the self-exclusion list voluntarily excluding themselves from house-banked card room licensees by submitting a completed form, which we provide, in person at our office or at a house-banked card room licensee or by mail:

(a) In person at our office or at a house-banked card room licensee by:

- (i) Submitting a completed form, which we provide; and
- (ii) Providing proof of identity. Acceptable forms of identification are: a valid driver's license from any state; a government-issued identification card containing the person's name, photograph, and date of birth; or a valid passport; and
- (iii) Submitting a photograph showing only the head and shoulders; or

(b) Through the mail by:

- (i) Submitting a completed form, which we provide. The form must be notarized; and
- (ii) Providing proof of identity. Acceptable forms of identification are a copy of: a valid driver's license from any state; a government-issued identification card containing the person's name, photograph, and date of birth; or a valid passport; and
- (iii) Submitting a photograph showing only the head and shoulders. Copies of photographs from identification will not be accepted.

(2) The form must be:

- (a) Completed with no areas left blank, and
- (b) Signed under penalty of perjury by the person seeking self-exclusion, and
- (b) Be properly notarized if submitting by mail.

(3) Upon receipt of a completed form, the licensee will forward it to us within 72 hours.

WAC 230-19-XXX Period of Enrollment

SELF-EXCLUSION RULES

- (1) At the time of enrollment, the participant must select the period of self-exclusion:
 - (a) One year,
 - (b) Five years, or
 - (c) Ten years.
- (2) The self-exclusion time period selected begins and the participant is considered enrolled:
 - (a) Upon receipt of the notarized form by mail or
 - (b) The date the completed form was accepted by a licensee or us when submitted in person.
- (3) Once enrolled, the participant cannot be removed from the program prior to the selected period of voluntary self-exclusion.
- (4) Upon expiration of the selected period of enrollment, the participant will be removed from the program.

WAC 230-19-XXX Voluntary self-exclusion

During the period of enrollment, the participant acknowledges and agrees:

- (1) The ultimate responsibility to limit access to all house-banked card rooms within the State remains theirs alone; and
- (2) The self-exclusion request is irrevocable during the enrollment period selected and cannot be altered or rescinded for any reason; and
- (3) The exclusion is in effect at all house-banked card room licensees in the State of Washington and participating Indian Gaming Facilities, which is subject to change, and all services/amenities associated with these gaming facilities, including but not limited to, restaurants, bars, bowling, check cashing services, cash advances, etc.; and
- (4) Player club memberships and accounts will be closed and any points or benefits accrued in the participant's existing loyalty program account, if any, expire based on the established expiry date(s) and no refund or replacement will be provided; and
- (5) New player club memberships, direct mail and marketing service complimentary goods and services and other such privileges and benefits will be denied; and
- (6) Disclosure of certain information is necessary to implement the participant's request for self-exclusion; and
- (7) If found on the premises of a house-banked card room licensee, for any reason other than to carry out their duties of employment at the licensed establishment, they may be charged with criminal trespass; and
- (8) All money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities outlined in this Chapter will be forfeited under RCW 9.46.071; and
- (9) To not recover any losses from the purchase of chips and/or participating in authorized gambling activities outlined in this Chapter.

Commented [WR(1): Is this the participant (individual who is signing up) or the participating venue?

SELF-EXCLUSION RULES

WAC 230-19-XXX Disclosure of Self-Exclusion Information

- (1) Personal information submitted by a participant under the self-exclusion program is exempt from public disclosure under the Public Records Act and may not be disseminated for any purpose other than the , administration of the self-exclusion program, or as otherwise permitted by law.
- (2) No house-banked card room licensee, employee or agent thereof shall disclose the name of, or any information about any participant who has requested self-exclusion to anyone other than employees and agents of the house-banked card room licensee whose duties and functions require access to such information.
- (3) The house-banked card room licensee may release the names and identifying information of participants on the self-exclusion list to contracted service providers that provide check cashing, cash advances, marketing, automated teller machines or other financial services.
 - (a) The identifying information must be limited to the address, driver's license or state issued identification number, photograph, and physical description; and
 - (b) Only the name and identifying information may be disclosed to contracted service providers. The house-banked card room licensee must neither disclose the reasons for providing the name and identifying information nor disclose that the person is on the self-exclusion list; and
 - (c) The house-banked card room licensee must require by written contract that the contracted service provider implement measures designed to ensure the confidentiality of the names and identifying information and to prohibit the release of the names and identifying information to any other person or entity; and
 - (d) The house-banked card room licensee must immediately report to us all instances of a participant accessing or attempting to access the services provided by the contracted service providers.

WAC 230-19-XXX Licensee's Responsibilities

Each house-banked card room licensee must:

- (1) Make available to all patrons the self-exclusion form developed and provided by us; and
- (2) Accept complete self-exclusion forms, verify the participant's identity as required on the form, and forward the form to us within 72 hours of receipt; and
- (3) Provide the participant with information and resources for problem gambling and gambling disorder treatment; and
- (4) Designate a person or persons to be the contact person with us for purposes of self-exclusion procedures, including receipt and maintenance of the self-exclusion list, submission of the licensee's procedures, and all other communications between us and the licensee for self-exclusion purposes; and
- (5) Upon discovery that a participant has breached their self-exclusion and obtained access to the licensed premises, the licensee must take steps to:
 - (a) Immediately remove the person from the premises,
 - (b) Confiscate all money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities outlined in this Chapter, and
 - (c) Notify us of the breach within 72 hours; and
- (6) Train all new employees, within 3 days of hiring, and annually re-train all employees who directly interact with gaming patrons in gaming areas. The training must, at a minimum, consist of

SELF-EXCLUSION RULES

information concerning the nature of problem gambling, the procedures for requesting self-exclusion, and assisting patrons in obtaining information about problem gambling programs. This section must not be construed to impose a duty upon employees of the licensee to identify problem gamblers or impose a liability for failure to do so; and

- (7) Notify participants who have requested to be excluded from house-banked card room licensees prior to the effective date of this rule of the new statewide program, provide them with the form, and information on how they can participate in the statewide self-exclusion program. This must be accomplished within three business day following the effective date of this rule; and
- (8) Establish procedures and systems for our review and approval, which:
 - (a) Utilize player tracking systems and other electronic means, including checking all taxable patron winnings against the self-exclusion list, to assist in determining whether a participant has engaged in any authorized activities outlined in the chapter; and
 - (b) Close player club memberships and accounts for participants. Any points or benefits accrued in the participant's existing loyalty program account, if any will expire based on the established expiry date(s) and no refund or replacement will be provided; and
 - (c) Deny casino credit, check cashing privileges, player club membership, complementary goods and services, and other similar privileges and benefits to any participant; and
 - (d) Ensure participants do not receive targeted mailings, telemarketing promotions, player club materials or other promotional materials relative to gaming activities at house-banked card room licensees; and
 - (e) Verify patrons who win a jackpot prize are not participants of the program before payment of funds; and
 - (f) Ensures participants are not gambling in their establishment; and
 - (g) Ensures the confidentiality of the identity and personal information of participants; and
 - (h) All money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities outlined in this Chapter are forfeited under RCW 9.46.071, in which the licensee will:
 - (1) Issue a check for the same monetary value within three business days after collecting or refusing to pay any winnings from gambling or chips in the possession of a participant on the self-exclusion list to:
 - (A) The problem gambling account created in ~~RCW-42.05.751~~ RCW 41.05.751, and/or, is a Tribal casino.
 - (B) A charitable or nonprofit organization that provides problem gambling services or increases awareness about problem gambling; and
 - (2) Document and retain for one year:
 - (A) Surveillance evidence identifying the date, time, and amount of money or things of value forfeited, the name and identity verification of the participant on the self-exclusion list; and
 - (B) A copy of the canceled check remitting the forfeited funds as required above.

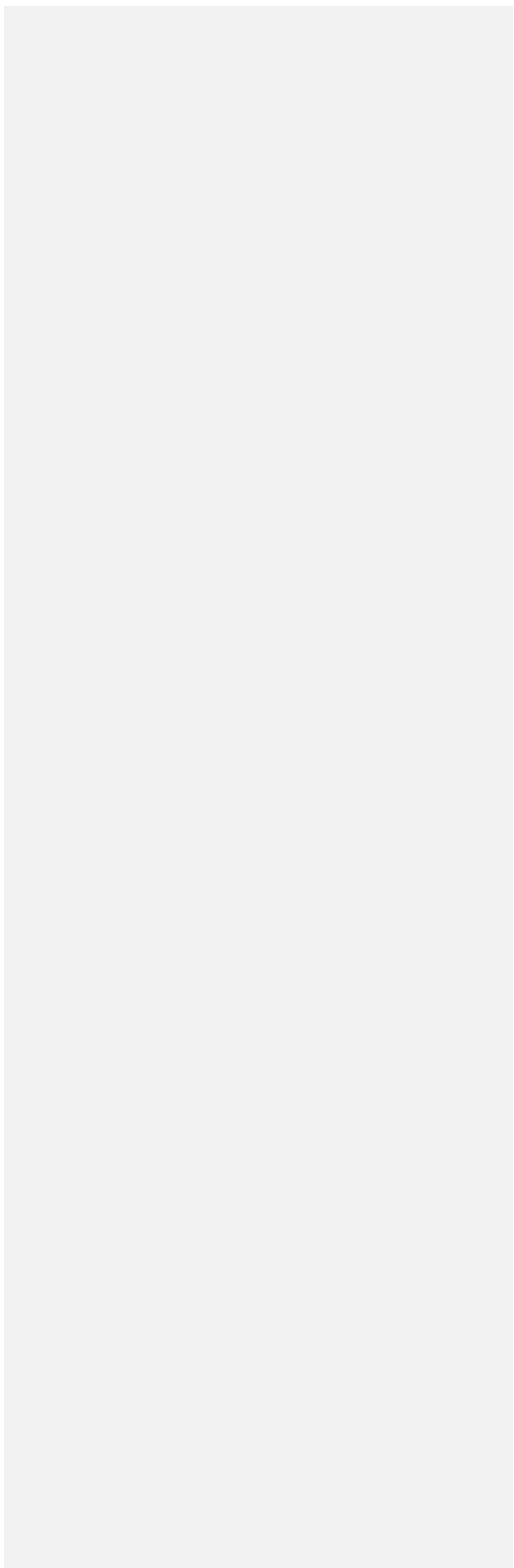
Commented [WR(2): I'd like to see this changed to be that all forfeited funds from a non-Tribal venue go to the problem gambling account

SELF-EXCLUSION RULES

WAC 230-19-XXX Sharing the self-exclusion list.

We may enter into Tribal-State Compacts with federally recognized Indian tribes or tribal enterprises that own gambling operations or facilities with class III gaming compacts to voluntarily participate in the self-exclusion program. The Tribal-State Compacts may allow for the mutual sharing of self-exclusion lists.

DRAFT



From: [Keith, Ryan \(HCA\)](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: RE: [DO NOT ENCRYPT] Voluntary self-exclusion program -- proposed draft rules
Date: Friday, May 7, 2021 2:09:12 PM
Attachments: [04282021 Self Exclusion Rules Stakeholder Review.docx](#)
[image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)

Hi Ashlie,

Roxane has suggested that you're the right person to pass along feedback regarding the draft rules for the voluntary self-exclusion program. After reading through it, I had a few items to note –

Voluntary self-exclusion section -

In the language around section (9) ("*To not recover any losses from the purchase of chips and/or participating in authorized gambling activities outlined in this Chapter.*"), I would note that as written this does not prohibit them from attempting or initiating recovery of any losses, and does not clearly state that any such losses are not eligible to be recovered. It seems to clash with the language of forfeiture in the section that immediately proceeds it.

Disclosure of Self-Exclusion Information section -

This section has multiple items that outline that disclosure of personal information of participants is not allowed, but does not indicate any penalty for a licensee/employee if they do disclose any personal information (also listed under Licensee's Responsibilities, 8-g). It indicates "or as otherwise permitted by law" but does not cite any relevant statute that may apply. Disclosure could be by mistake or it could be malicious, and both participants and licensees would benefit from clarity on the matter.

For dissemination of any forfeited funds -

More clarification and guidance in language is needed for item h-1-b ("*A charitable or nonprofit organization that provides problem gambling services or increases awareness about problem gambling*"), as it is overly broad and could be abused as written. If the option to direct funds other than to the state problem gambling account is retained, then the WSGC should maintain a list of non-profit organizations that they have vetted that meet the criteria that is intended under the draft language.

I hope that's helpful feedback, if there are any questions or clarifications needed, feel free to reach out to me any time. Thanks!

Ryan Keith, MPA
Grant Manager

Division of Behavioral Health and Recovery

(Office) 360-725-5237

(Fax) 360-763-4702

ryan.keith@hca.wa.gov

Washington State
Health Care Authority

www.hca.wa.gov      

From: Waldron, Roxane (HCA) <roxane.waldron@hca.wa.gov>

Sent: Monday, May 3, 2021 12:38 PM

To: Waldron, Roxane (HCA) <roxane.waldron@hca.wa.gov>

Cc: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>

Subject: [DO NOT ENCRYPT] Voluntary self-exclusion program -- proposed draft rules

Hello Problem Gambling Task Force Members,

Happy May!

Attached are the WA State's Gambling Commission's proposed draft voluntary self-exclusion rules that are being circulated today.

WSGC invites comments, questions, concerns about the proposed language.

Please submit written feedback to Ashlie Laydon, WSGC's Rules Coordinator, by **Friday, May 14, at 5pm at**

Ashlie.laydon@wsgc.wa.gov or through [WSGC's website](#).

Thanks,

Roxane Waldron, MPA

Problem Gambling Program Manager

Division of Behavioral Health and Recovery

Health Care Authority

work cell: (360) 867-8486 – *please leave messages*

here (I am working remotely)

Pronouns: She/Her/Hers

roxane.waldron@hca.wa.gov

Washington State
Health Care Authority

www.hca.wa.gov    

Clinical and Research Community Responses to Staff Questions

From: [Philander, Kahlil](#)
To: [Chinn, John \(GMB\)](#)
Subject: Re: State-wide Self-Exclusion
Date: Tuesday, June 29, 2021 4:15:59 PM

External Email

I don't have a strong opinion here as there not substantial evidence one way or another.

There is some evidence that gamblers can achieve improvement in outcomes from self-exclusion programs, even when they engage in other gambling. This I attribute to the fact that the program is helping them with the product that's creating the most issues for them. In that model, only restricting their local cardroom may be effective and encourage more uptake (as described by Roxane) if they feel they can still do things like drop into an out of town resort when they're traveling.

That said, I also think that operational simplicity should be the deciding element here. It simplifies understanding for frontline workers and for marketing communication to gamblers. Over the long-run, I suspect its more helpful to have a simple message and execution strategy with the program and treat the old system as deprecated. Particularly when we're already adding a layer of complexity in going multi-site, its better to execute well on that strategy than to worry too much about this decision on the margins.

On the margin

From: Chinn, John (GMB) <john.chinn@wsgc.wa.gov>
Sent: June 29, 2021 8:47 AM
To: Waldron, Roxane (HCA); Maureen Greeley; Philander, Kahlil; tylost@uw.edu
Cc: Robbins, Rashida (GMB)
Subject: State-wide Self-Exclusion

Greetings,

In working through the rules development process we are looking for feedback from the clinical and research communities on a specific area of concern.

The current state of self-exclusion in the House-Banked Card Rooms in Washington consists of individual lists that are not shared. Currently an individual enters into an agreement with a house-banked card room to self-exclude themselves from that place of business. This creates a less than ideal situation in assisting individuals in dealing with their gambling problem or gambling disorder. Once the state-wide system is operational licensees will be required to notify individuals on their self-exclusion lists of the state-wide system and provide a means of taking advantage the new system. Not all will respond so the licensees will be required to maintain both their individual lists as well as the state-wide list.

Our question, should the licensees be prohibited from adding individuals to their proprietary self-exclusion list instead of the state-wide system? From an operational perspective the simple answer is yes, but this doesn't take in to consideration the clinical perspective. We would like your feedback on the merits of requiring only using the state-wide system going forward and not adding new names to the individual site-specific lists.

I would appreciate your feedback by July 9, 2021. If you have any questions please contact me at john.chinn@wsgc.wa.gov<<mailto:john.chinn@wsgc.wa.gov>>

Thank you,

John Chinn
Project Manager

WSGC

From: [Maureen Greeley](#)
To: [Chinn, John \(GMB\)](#); [Waldron, Roxane \(HCA\)](#); kahlil.philander@wsu.edu; tylost@uw.edu
Cc: [Robbins, Rashida \(GMB\)](#); [Maureen Greeley](#); [Griffin, Tina \(GMB\)](#); [Considine, Brian \(GMB\)](#); [Patterson, Julia \(GMB\)](#)
Subject: RE: State-wide Self-Exclusion
Date: Wednesday, July 14, 2021 12:32:08 PM
Attachments: [Voluntary Self Exclusion Best Practices.ECPG.July 2021.pdf](#)

External Email

Good afternoon!

John, thank you so much for including ECPG in this email. While we agree wholeheartedly that providing individuals with a state-wide system where they can choose to register for a voluntary self-exclusion program once and be successfully barred from multiple gaming locations across the state is fantastic (kudos to WSGC for moving forward on this important initiative), I would like to address the concerns you listed below. I am also attaching a copy of our Council's new briefing paper on ***Best Practices and Broad Perspectives for Voluntary Self-Exclusion Program Development***. I hope you will find it helpful as you continue the rules development process.

Because Voluntary Self-Exclusion programs are, first and foremost, tools for individuals who believe that they have a problem with gambling and can voluntarily bar themselves from entering one or more gambling venues to help prevent their gambling behaviors. And, because Voluntary Self-Exclusion Programs are important tools that the Gaming Industry can offer their guests to enhance customer service and corporate responsibility, support harm-minimization, and assist self-excluding individuals to get the help they need to address their problems and achieve their goals. We believe the best way to accomplish this is to ensure that registration in voluntary self-exclusion programs in Washington State is available at multiple access points (casino/card room, TGA, Health Care services location; through WSGC, via Internet, and more). If that means that more than one list must be kept at different locations, while not optimal, it should be offered.

The key here is to make this tool as easily accessible as possible. And so, it is crucial that all processes and procedures (wherever and however the registration takes place) are consistent. All registration points must use the same forms; take the same type and size of picture; provide training for their staff who will be interacting with registrants; and ensure that accurate and meaningful information on treatment referrals and support services are discussed with the individual when they register.

For many people, Voluntary Self-Exclusion is their first step in seeking help (and it is a difficult step to make). It is far more than an enforcement/regulatory system – it is a harm-minimization and treatment support opportunity that must be offered to the full extent possible.

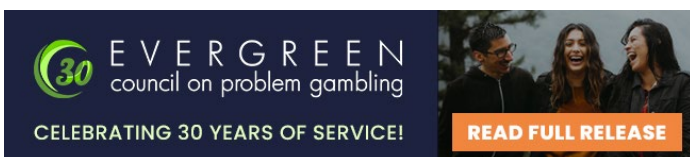
Therefore, ECPG would highly recommend that WSGC and stakeholders add to the rule-making discussions ways in which to make the State-wide Voluntary Self-Exclusion Program accessible to individuals at as many locations as possible, particularly within Washington State Casinos and Card Rooms.

Happy to discuss further and/or help support your efforts.

Warmly,

~Maureen

Maureen L. Greeley
Executive Director



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From: Chinn, John (GMB) <john.chinn@wsgc.wa.gov>

Sent: Tuesday, June 29, 2021 8:48 AM

To: Waldron, Roxane (HCA) <roxane.waldron@hca.wa.gov>; Maureen Greeley <Mlgreeley@evergreencpg.org>; kahlil.philander@wsu.edu; tylost@uw.edu

Cc: Robbins, Rashida (GMB) <rashida.robbins@wsgc.wa.gov>

Subject: State-wide Self-Exclusion

Greetings,

In working through the rules development process we are looking for feedback from the clinical and research communities on a specific area of concern.

The current state of self-exclusion in the House-Banked Card Rooms in Washington consists of individual lists that are not shared. Currently an individual enters into an agreement with a house-banked card room to self-exclude themselves from that place of business. This creates a less than ideal situation in assisting individuals in dealing with their gambling problem or gambling disorder. Once the state-wide system is operational licensees will be required to notify individuals on their self-exclusion lists of the state-wide system and provide a means of taking advantage the new system. Not all will respond so the licensees will be required to maintain both their individual lists as well as the state-wide list.

Our question, should the licensees be prohibited from adding individuals to their proprietary self-exclusion list instead of the state-wide system? From an operational perspective the simple answer is yes, but this doesn't take in to consideration the clinical perspective. We would like your feedback on the merits of requiring only using the state-wide system going forward and not adding new names to the individual site-specific lists.

I would appreciate your feedback by July 9, 2021. If you have any questions please contact me at john.chinn@wsgc.wa.gov

Thank you,

John Chinn
Project Manager
WSGC



EVERGREEN
council on problem gambling

BEST PRACTICES AND BROAD PERSPECTIVES FOR VOLUNTARY SELF-EXCLUSION PROGRAM DEVELOPMENT

The Evergreen Council on Problem Gambling (ECPG) is a 501(c)(3) nonprofit organization committed to providing services and programs for those with a gambling or gaming problem/Gambling Disorder, their families, employers, students, treatment professionals, and the greater community through gambling addiction treatment support, information and education, advocacy, research, and prevention efforts. Founded in 1991, ECPG maintains a position of neutrality on gambling and gaming, recognizing that most people who gamble do so for recreation and suffer no serious problems. However, for some, gambling becomes a serious addiction, devastating to the individual and family. ECPG is the Washington State Affiliate of the National Council on Problem Gambling.

ECPG MISSION

The Evergreen Council on Problem Gambling is dedicated to increasing awareness of public health issues around problem gambling and gaming, expanding the availability and integration of services, and supporting advocacy, research, and programs for education, prevention, treatment, recovery, and responsible gambling and gaming.

Supporting the Gaming Industry's efforts to provide information and tools to reduce harms by offering Voluntary Self-Exclusion Programs is an important part of ECPG's work. Our Council provides this brief overview of *Best Practices and Broad Perspectives* to assist Gaming Operators in developing Voluntary Self-Exclusion Programs that are designed to help and empower people in getting the help they need to address their gambling problems and achieve their health goals.

CONTENTS:

Introduction

Expectations and Purpose

Guest Interaction and Registration

Support Services and Resources

Self-Exclusion Period/Term Options

Self-Exclusion Extension and/or Active Reinstatement

Compliance and Breaches of Agreement

Promoting Awareness of Self-Exclusion Program

Breaking Down Barriers

References and Resources

Note: This is a brief overview only. Each content area has many components to consider and will, undoubtedly, bring up additional questions. Please do not hesitate to let our ECPG Staff know if there are other ways we can assist in discussions, planning, and program development.

INTRODUCTION

Self-exclusion is, first and foremost, a tool for individuals who believe that they have a problem with gambling and can voluntarily bar themselves from entering one or more gambling venues to help prevent their gambling behaviors. Most people report that they decided to self-exclude themselves, although family and friends may also play a role in the decision to self-exclude. Financial problems often constitute the main reason for self-exclusion and most people report that they are unable to stop gambling of their own accord. Severe financial hardship, stress caused by their gambling problems that affect their physical and mental health, desperation, and suicidal thoughts are all among the feelings shared by individuals as they contemplate signing up for Self-Exclusion Programs.

When people are considering self-exclusion, they are looking for help. Voluntary Self-Exclusion Programs are important tools that the Gaming Industry can offer their guests to enhance customer service and corporate responsibility, support harm-minimization, and assist self-excluding individuals to get the help they need to address their problems and achieve their goals. Self-Exclusion programs should help and empower people, not make them feel like criminals. Here is some of the information gleaned from research that may be helpful when considering development of Self-Exclusion Programs.

Despite evidence for effectiveness, only a small proportion of individuals with gambling-related problems or Gambling Disorder ever seek treatment and support resources for their problem. Voluntary self-exclusion (VSE) programs are an ideal circumstance to engage individuals who are reluctant or have not yet sought formal treatment, given that individuals are already electing to prevent themselves from gambling through self-exclusion. (Yakovenko, I., & Hodgins, D. (2021). Effectiveness of a voluntary casino self-exclusion online self-management program. *Internet Interventions* 23 (2021) 100354 Elsevier B.V.)

This self-directed intervention is often the first serious attempt a person makes to control their gambling (Blaszczynski et al. 2004).

Participants in self-exclusion programs state that the program had been very helpful in regaining control of their financial affairs and overcoming relationship problems. Furthermore, many participants found the process of enrolling into the program empowering and saw it as the start of their recovery. (Croucher et al. 2006)

Benefits include participants reporting decreases in gambling expenditure and improved financial circumstances; decreases in gambling frequency and time spent gambling; reduction in problem gambling severity and negative consequences of gambling; reduction in related psychological difficulties including depression and anxiety; and feeling they have more control of their circumstances. (Gainsbury 2014)

EXPECTATIONS AND PURPOSE

For Voluntary Self-Exclusion Programs to be effective, clear information about the self-exclusion program and wide promotion of the program are both important. Casino staff and Tribal Gaming Authority/Regulators should have an effective training program for all staff who have a role in enforcing the self-exclusion program, including refresher training.

“The features and principles of a self-exclusion program should be fully understood by individuals who wish to self-exclude, employees of gaming venues, gaming venue operations, and regulatory bodies. This is essential in order to clarify expectations regarding the role and limits of all parties including legal and governmental authorities and avoid unrealistic expectations and unfair criticisms.” (Gainsbury 2014)

Some of the areas that must be covered with the guest at the time of Self-Exclusion Registration (pursuant to the Gaming Venue’s Policies and Procedures):

- Agreement not to enter gaming areas, not to play gaming machines, or not to enter the venue at all
- Authorizing Casino/Regulatory staff to stop them from entering or remaining in a gaming area or venue from which they are excluded
- Accept their personal responsibility to stay away from the venue
- Clear roles and expectations, including how compliance breaches will be managed; and how Self-Exclusion Extensions or Reinstatements are handled
- Clear description of Self-Exclusion term options – let the individual choose, do NOT lead them into any particular option
- Clear information on player cards and loyalty points (does individual have more than one player card or is registered under more than one name?)
- Cessation of promotional materials
- Winnings forfeiture policies
- Share options for support resources (treatment and recovery resources; financial management counseling; community resources)

GUEST INTERACTION AND REGISTRATION

Registration in a Voluntary Self-Exclusion Program should not be cumbersome or stigmatizing to the guest. Staff training at multiple access points is key to ensuring consistency and a professional process.

- Make registration available at multiple access points (casino, TGA and/or Corporate offices; Health Care services location; casino hotel guest services...)
- Registration should take place in a comfortable, private, friendly setting that ensures confidentiality and respects the individual (don't make them feel like a criminal or engage in stigmatizing behaviors and verbal communications – encourage the guest in making healthy gaming choices that can include self-exclusion as an individual tool to support those choices.)
- Ensure all processes and procedures are consistent regardless of where registration takes place (use the same forms; take the same type and size of picture; same staff training...)
- Staff interacting with guests during the Self-Exclusion Registration should be specially selected and trained to provide a responsive, respectful, and professional process. Trained “Ambassadors/Supervisors” should conduct meeting, explanations, and registration.
 - Do not offer the guest an opportunity to engage in “one last bet” or to “finish spending their free-play money.”
 - Self-Exclusion Registration should be handled discreetly and in a timely fashion. It is best to offer the guest a seat in a comfortable, quiet, private area. If, for any reason, the guest is asked to wait for assistance with Self-Exclusion Registration, do not offer or ask the guest to wait at a gaming machine or gaming table, or within or near the gaming floor.

SUPPORT SERVICES AND RESOURCES

Ensure that information on resources and/or actual resources are available to assist players.

- Share options for support resources (treatment and recovery resources; financial management counseling; community resources)

People using self-exclusion programs noted the following items that should be stronger: Many gamblers felt that the programs did not provide them with sufficient resources on problem gambling treatment and support during the ban period; that the detection process was not strong enough; the program was not well advertised; and they should be able to renew a self-exclusion agreement without going back to the casino (Ladouceur et al. 2000).

All self-exclusion participants' names must be removed from marketing lists and participants should be made aware that any winnings during the self-exclusion period (indicating the individual has breached the self-exclusion agreement) will be forfeited and made available to a Tribal or nonprofit organization that supports prevention/awareness, treatment, and recovery support for those affected by problem gambling.

SELF-EXCLUSION PERIOD/TERM OPTIONS

(No Early Reinstatement Options)

Periods of self-exclusion in gaming venues across the world vary substantially. But most often options range from 6 months to irrevocable lifetime bans.

Almost all research indicates that it is best to offer a range of exclusion time periods. ECPG recommends a minimum of 1 year to allow individuals sufficient time to enter treatment if desired. Longer bans may be more effective, and ECPG recommends offering the Lifetime (irrevocable) *option* for those who might choose it. Offer one or two other interim options (2 years and/or 3 years) that are not Lifetime so that individuals have choices that do not deter them from registering for the self-exclusion program when only a Lifetime exclusion is offered. “In general, most participants felt that longer bans were better because they felt that most gamblers with problems do not realize how serious their problems are at the time of self-exclusion. Most participants recommended a minimum ban length of one year because they felt that shorter bans were easy to wait-out and did not provide enough time for people who had self-excluded to stabilize and develop healthier behaviours.” (Responsible Gambling Council, 2008)

ECPG RECOMMENDED SELF-EXCLUSION TERMS:

1 year

2 year

3 year

Lifetime (irrevocable)

SELF-EXCLUSION EXTENSION AND/OR ACTIVE REINSTATEMENT

A reinstatement process should be put in place before the self-excluded individual is permitted re-entry into casino/gaming facilities. Prior to the end of the self-exclusion term, individuals should be contacted with appropriate information and clear details regarding reinstatement requirements. Individuals should be able to extend the Self-Exclusion period.

ECPG recommends an Active Reinstatement Process, whereby the individual must apply to be reinstated (preferably in writing). This allows, yet again, an opportunity to provide the individual with support and information regarding treatment and support resources, rather than a Passive Reinstatement where the individual can automatically re-enter the casino after the end of the exclusion period. If the individual does not initiate reinstatement prior to the initial term end, then the ban, as well as any consequences for breaches, would continue in force. (NOTE: This needs to be clearly stated on Self-Exclusion forms and materials and explained carefully to the individual – suggest signing/initially next to this provision).

Even if reinstatement is granted, suggest a 30-day waiting period after approval and resend a package with information on problem and responsible gambling, treatment and recovery resources, and financial management counseling options.

Determine how many times you want to offer an extension before the ban should be permanent. Suggestion: Initial Self-Exclusion; Second (Extension); with Third Request – consider initiating Lifetime Self-Exclusion as permanent/irrevocable ban.

COMPLIANCE AND BREACHES OF AGREEMENT; CONSEQUENCES

(Enforcement and Support)

Be clear upfront on what the consequences are and make sure you use any breach as another opportunity to share treatment and support resources with respect and confidentiality. Potential consequences might include:

- Verbal warning and/or warning letter – in discreet and respectful meeting with a trained Ambassador/Supervisor
- Escorted off premises
- Trespass charge
- Fines (not recommended by ECPG)
- Forfeiture of any winnings while Self-Excluded (winnings to go to Tribal or nonprofit program for problem gambling prevention/awareness, treatment, and recovery supports.)

PROMOTING AWARENESS OF SELF-EXCLUSION PROGRAM

Most gaming venues have great opportunities to advertise self-exclusion programs on their websites and through print materials and displays throughout the casino, including in “discreet locations” such as restrooms; on ATM machines; potential for information kiosk/Responsible Gaming Center within casino.

Promotion of the self-exclusion program as well as support services and resources should be available at the casino as well as information provided in the general community and through health and mental health centers and other relevant support services. Relevant professionals (treatment professionals, financial counselors, court systems) should all be informed about the program so that they may refer clients as appropriate.

A major aspect of promoting self-exclusion programs is educating casino/gaming staff, Tribal Gaming Authority and other regulatory staff at every level on the program. Anyone interacting with a guest should be aware of the program and how to access it in a timely manner. Create a *Culture of Responsible Gaming* throughout your venue and at all levels – from the top down.

BREAKING DOWN BARRIERS

Individuals who have experienced the self-exclusion process report mixed feelings in a wide variety of studies and reports. When the staff is supportive and compassionate, the guest felt comfortable. Often, however, reports that staff were rude, uncaring, and disrespectful, or staff and situations (isolated dark rooms behind the security office; noisy areas that didn't offer privacy) that made the guest feel "like a criminal" were barriers.

It is important to remove any unnecessary complexities in the application and registration process, including for those who have limited proficiencies in English, and unnecessary legal jargon....Individuals should have the ability to enact agreements away from gaming venues, such as at a central administrative office, with a health or mental health treatment provider or legal professional, or via the Internet or mail. (Gainsbury 2014)

During the process of enrollment, privacy and confidentiality were an important concern. Venue staffs' attitude was also frequently criticized: staff members were perceived as not sufficiently briefed on the process and did not provide reasonable sensitivity, encouragement, or support. (Hing, Nuske, et al, 2015; Hing et al, 2014).

RESOURCES AND REFERENCES

Croucher, J.S., Croucher, R.F., & Leslie, J.R. (2006) *Report of the Pilot Study on the Self-Exclusion Program conducted by GameChange (NSW)*.

Gainsbury, S.M. (2014) *Review of self-exclusion from gambling venues as an intervention for problem gambling. **Journal of Gambling Studies**, 30(2), 229-251.*

Hing, N., Nuske, E., Tolchard, B, & Russell, A (2015). *What influences the types of help that problem gamblers choose? A preliminary grounded theory model. **International Journal of Mental Health Addiction**, 13(2), 241-256.*

Hing, N. Tolchard, B., Nuske, E., Holdsworth, L. & Tiyce, M. (2014). *A process evaluation of a self-exclusion program: A qualitative investigation from the perspective of excluders and non-excluders. **International Journal of Mental Health and Addiction**, 12(4), 509-523.*

Ladouceur, R., Jacques, C., Giroux, I., Ferland, F., & Leblond, J. (2000) *Analysis of a casino's self-exclusion program. **Journal of Gambling Studies** 16, 453-460*

Responsible Gambling Council (2008) *From Enforcement to Assistance: Evolving Best Practices in Self-Exclusion*

Yakovenko, I., & Hodgins, D. (2021) *Effectiveness of a voluntary casino self-exclusion online self-management program. **Internet Interventions** 23 (2021) 100354 Elsevier B.V.*

From: [Waldron, Roxane \(HCA\)](#)
To: [Chinn, John \(GMB\)](#); [Maureen Greeley](#); kahlil.philander@wsu.edu; tylost@uw.edu
Cc: [Robbins, Rashida \(GMB\)](#)
Subject: RE: State-wide Self-Exclusion
Date: Tuesday, June 29, 2021 9:25:29 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

Hi John,
Thanks for including me in this email.

From my point of view, we always want to be lowering barriers for individuals to self-exclude. I'm in the camp of continuing to let sites maintain their own lists if they wish, while also notifying the individual that they can sign up for the statewide self-exclusion.

Just my two cents—I'm not a clinician as you know.

Roxane Waldron, MPA

Problem Gambling Program Manager
Division of Behavioral Health and Recovery
Health Care Authority
work cell: (360) 867-8486 – *please leave messages here (I am working remotely)*
Pronouns: She/Her/Hers
roxane.waldron@hca.wa.gov



From: Chinn, John (GMB) <john.chinn@wsgc.wa.gov>
Sent: Tuesday, June 29, 2021 8:48 AM
To: Waldron, Roxane (HCA) <roxane.waldron@hca.wa.gov>; Maureen Greeley <MIgreeley@evergreencpg.org>; kahlil.philander@wsu.edu; tylost@uw.edu
Cc: Robbins, Rashida (GMB) <rashida.robbins@wsgc.wa.gov>
Subject: State-wide Self-Exclusion

Greetings,

In working through the rules development process we are looking for feedback from the clinical and research communities on a specific area of concern.

The current state of self-exclusion in the House-Banked Card Rooms in Washington consists of individual lists that are not shared. Currently an individual enters into an agreement with a house-banked card room to self-exclude themselves from that place of business. This creates a less than ideal situation in assisting individuals in dealing with their gambling problem or gambling disorder. Once the state-wide system is operational licensees will be required to notify individuals on their self-exclusion lists of the state-wide system and provide a means of taking advantage the new system. Not all will respond so the licensees will be required to maintain both their individual lists as well as the state-wide list.

Our question, should the licensees be prohibited from adding individuals to their proprietary self-exclusion list instead of the state-wide system? From an operational perspective the simple answer is yes, but this doesn't take in to consideration the clinical perspective. We would like your feedback on the merits of requiring only using the state-wide system going forward and not adding new names to the individual site-specific lists.

I would appreciate your feedback by July 9, 2021. If you have any questions please contact me at john.chinn@wsgc.wa.gov

Thank you,

John Chinn
Project Manager
WSGC

From: [Philander, Kahlil](#)
To: [Chinn, John \(GMB\)](#); tylost@uw.edu; [Waldron, Roxane \(HCA\)](#)
Cc: [Robbins, Rashida \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)
Subject: Re: Self-Exclusion Question
Date: Tuesday, August 3, 2021 3:26:59 PM

External Email

Hi John,

Apologies for the delay as I've been away on vacation.

The best practice is that the fair value of the promotional points are paid out when enrolling (i.e. free play, not tier status-related points). This best practice is indeed based on the findings from the RGC study in 2013 that Ty forwarded (pg 45), which is not empirical but reflected a forum "consensus" from "experts".

If paying the fair value is not an option, I would suggest that the account is frozen rather than deleting the balance. I believe it is better to provide a strong incentive upfront when gambling behavior is at a more harmful level. Presumably when the individual is at the end of their period and is faced with the decision of returning for unfrozen points, they are in a better headspace.

Kahlil

From: Chinn, John (GMB) <john.chinn@wsgc.wa.gov>
Sent: July 29, 2021 10:48 AM
To: Philander, Kahlil; tylost@uw.edu; Waldron, Roxane (HCA)
Cc: Robbins, Rashida (GMB); Laydon, Ashlie (GMB)
Subject: Self-Exclusion Question

Good morning,

We have been having an internal discussion about players cards and self-exclusion. We would appreciate your opinion on this topic.

What happens to an individuals players card (account) when they sign up for self-exclusion?

Current Draft Rules – When an individual signs up for self-exclusion their player card account is closed and any outstanding points balance is deleted. This is in addition to loss of other privileges such as check cashing, promotional activities, mailings, etc.

Possible alternative - When an individual signs up for self-exclusion their players card account is frozen/inactive for the duration of the exclusion period. Once the term expires the account is made active with no lose of benefits. The loss of other benefits such as check cashing, promotional activities, mailings etc. would still be effect during the self-exclusion term.

Our discussion has centered around the loss of player points, could be a disincentive for committing to self-exclusion. Obviously an individual could use their points prior to self-exclusion. Would the existence of a remaining balance in the player card account act as an incentive to resume going to HBCRs after the self-exclusion term expires.

We are quickly approaching our deadline for presenting the final rules draft to the commissioners and would appreciate a quick response. Please reply by August 6th.

Thank you for taking the time to assist us,

John Chinn
Project Manager
WSGC

From: [Waldron, Roxane \(HCA\)](#)
To: [Chinn, John \(GMB\)](#)
Cc: [Ty Lostutter](#)
Subject: RE: Self-Exclusion Question
Date: Friday, July 30, 2021 4:39:01 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

John, I'm supporting Ty's position, that the points should not remain in the account until a future date.

One thing we learned today in our Research & Data Workgroup from Kristi Weeks at the Lottery is that the 'Points for Prizes' program points expire every year. Since the smallest amount of time that an individual can self-exclude for also for one (1) year, their points will be gone when/if they come back after self-exclusion. The points will not continue past self-exclusion.

Lottery's 'Points for Prizes' is a program where individuals can register and log 'non-winning tickets' for points that they can then redeem for prizes.

Hope that helps—I'll be away from 8/2-8/9, returning to work on 8/10.

Thanks, John.

Roxane Waldron, MPA

Problem Gambling Program Manager
Division of Behavioral Health and Recovery
Health Care Authority
work cell: (360) 867-8486 – *please leave messages here (I am working remotely)*
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From: Chinn, John (GMB) <john.chinn@wsgc.wa.gov>
Sent: Thursday, July 29, 2021 10:48 AM
To: kahlil.philander@wsu.edu; tylost@uw.edu; Waldron, Roxane (HCA) <roxane.waldron@hca.wa.gov>

Cc: Robbins, Rashida (GMB) <rashida.robbins@wsgc.wa.gov>; Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>

Subject: Self-Exclusion Question

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Thank you for taking the time to assist us,

John Chinn
Project Manager
WSGC

From: [Ty W Lostutter](#)
To: [Chinn, John \(GMB\)](#)
Cc: kahlil.philander@wsu.edu; [Waldron, Roxane \(HCA\)](#); [Robbins, Rashida \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)
Subject: Re: Self-Exclusion Question
Date: Thursday, July 29, 2021 8:35:33 PM
Attachments: [clip_image001.png](#)
[responsible-gambling-best-practices-for-player-incentives-land-based-venues-2.pdf](#)

External Email

Dear John,

I can not find any research data that empirically compares suspending versus forfeiting players points in terms of behavioral outcomes. The research I have found on best practices by other jurisdictions suggest that forfeiting players points at the time of self-exclusion as the recommendation. Behaviorally that makes sense in the idea that the gambler might think about those frozen points which could be incentive to return to gambling to use those points. Therefore, I suggest implementing a forfeiting players points and closing the account at the time of self-exclusion makes the most sense from a clinical and behavioral psychology perspective.

I've attached the Responsible Gambling Council's (RGC) Centre for the Advancement of Best Practices in which they suggest that forfeiting players points is the recommendation.

I hope this is helpful and thank you for asking.

Ty

Ty W. Lostutter, Ph.D.

Associate Professor
Director, Psychology Internship Program

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On Jul 29, 2021, at 10:48 AM, Chinn, John (GMB) <john.chinn@wsgc.wa.gov> wrote:

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Thank you for taking the time to assist us,

John Chinn
Project Manager
WSGC



CENTRE FOR THE
ADVANCEMENT OF
BEST PRACTICES

INSIGHT **2013**

Responsible Gambling Best Practices
for Player Incentives: Land-based Venues

TABLE OF CONTENTS

PREAMBLE	3
EXECUTIVE SUMMARY	5
Promoting Informed Decision Making	5
Ensuring Marketing Incorporates an RG Perspective	6
Optimizing RG in the Earning and Redemption of Rewards	6
Supporting At-Risk Players	7
INTRODUCTION.....	9
CHAPTER 1: LITERATURE AND POLICY REVIEW.....	11
Overview of Player Incentives	11
Impact of Player Incentives	15
Player Incentive Safeguards	17
Specific RG Guidelines for Player Incentives.....	19
Summary	22
CHAPTER 2: PLAYER FOCUS GROUP RESULTS	25
History of Gambling Problems.....	25
Introduction to Player Incentives	25
Understanding How Rewards Are Earned	25
Appeal of Rewards	26
Marketing of Incentives	26
Impact of Incentives on Gambling Behaviour.....	27
When Incentives Cross the Line	28
Ways to Make Incentives Safer.....	28
Summary	29
CHAPTER 3: EXPERT FORUM RESULTS	31
How Player Incentives Work	31
Psychological Appeal of Player Incentives.....	32
Player Incentive Impacts	33
When Incentives Cross the Line	35
Incentive Safeguards.....	35
Forum Participant Opinion about Player Incentive RG	37
Responsible Gambling Best Practices	39
Summary	40

CHAPTER 4: RESPONSIBLE GAMBLING BEST PRACTICES FOR PLAYER INCENTIVES 43

- Promote Informed Decision Making..... 43
- Ensuring Marketing Incorporates an RG Perspective 44
- Optimizing RG in the Earning and Redemption of Rewards 44
- Supporting At-Risk Players and Self-Excluded People 45

REFERENCES..... 46

PREAMBLE

The Responsible Gambling Council's (RGC) Centre for the Advancement of Best Practices is pleased to present its findings from Insight 2013—a research project designed to investigate and identify best practices for player incentives in land-based venues. The research included:

- An in-depth literature review
- An examination of the policies and practices for player incentives in Canada and elsewhere
- A focus group with individuals in treatment for gambling-related problems
- A two-day forum with gaming providers, regulators, treatment counselors, researchers, marketing experts, and others

RGC wishes to thank the Atlantic Lottery Corporation, the British Columbia Lottery Corporation, Loto-Québec, the Manitoba Lotteries Corporation, the Nova Scotia Provincial Lotteries & Casino Corporation, the Ontario Lottery and Gaming Corporation and the Saskatchewan Liquor and Gaming Authority for the financial support that made this project possible.

RGC also thanks the many individuals who contributed to the project. These include the gamblers who participated in the focus groups and the individuals who attended the Expert Forum.

While this project results from the contributions of many, the work is a product of RGC's analysis and RGC assumes responsibility for its content.

EXECUTIVE SUMMARY

Similar to other industries, the gaming industry uses a range of incentives to attract and reward its customers. Despite the widespread use of these incentives, however, little attention has been given to the potential impact they may have on problem gambling, and the implications they have for responsible gambling. Yet people with gambling problems—or who are developing gambling problems—can be impacted by incentives in a negative way. With this in mind, the RGC Centre for the Advancement of Best Practices has undertaken a research project designed to better understand the nature of player incentives, their potential impact on problem gambling risk, and how they might be made safer for players. The project focuses on player incentives at land-based venues and gathers information from Canadian and international jurisdictions. Literature and policy reviews, a focus group, and a two-day forum are all used to obtain data.

Overall, the findings of this report reveal that although the specific details of how they operate may vary, player incentives generally work in similar ways across jurisdictions and individual gaming venues. Rewards come in the form of cash, free play, accommodation, entertainment, free or discounted services, merchandise, food/beverage and travel. Some rewards are available to all patrons, but most are exclusive to members of the venue's loyalty program and so are the focus of this report. While there is no direct evidence that incentives and loyalty programs create gambling problems, there is evidence that they can heighten problem gambling behaviours and that they have a strong appeal for some people who are at risk of, or have already developed, a gambling problem.

Concern about the appeal of incentives to gamblers with problems has led some to call for the prohibition of loyalty programs. Others point to the opportunities presented by loyalty programs to communicate safety information to patrons, to track behaviours, to identify potential and emerging problems ("red flag" behaviours), and to initiate actions to mitigate potential problems.

On balance, player loyalty programs—as long as they are not seen exclusively as a marketing tool—have some potential benefits from a player protection perspective. That assumes, however, that loyalty programs and other incentives actively build in tools and analytics that enable increased player information and safeguard, some of which are presented below.

Promoting Informed Decision Making

There are many opportunities to use player data to assist patrons in making informed decisions. These include:

- Beginning with the registration process itself, taking regular opportunities to provide players with information about the realistic chances of winning and losing, where to get help, and the benefits of setting limits. Also providing some of the many other safety messages associated with well-designed responsible gambling programs. Such information might be provided in any number of ways using the communication tools available to gaming providers. It would likely mean incorporating RG information in regular circulations, as well as distributing some information that is exclusively focused on RG topics.
- Providing players with accurate and easy-to-access information about the links between the amounts they spend and the rewards they earn.

- Informing players that greater rewards are related to greater spending and that it is risky to view rewards, reaching a higher tier, or receiving greater staff attention as a status symbol or a measure of greater self-worth.
- Providing loyalty members with activity reports that let them know their play history over a period of time of their choosing, such as the past month or year. Making the receiving of reports the default option with the capability to choose their frequency or to turn them off.
- Providing members with normative feedback on their play history, using the entire database of loyalty members to calculate percentages and averages.

Ensuring Marketing Incorporates an RG Perspective

- Beyond the provision of good consumer information, there are also ways that loyalty programs and incentives can be managed in a way which reduces the risk of gambling problems. These include:
- Ensuring that any information contained in promotional communications and materials complies with existing RG guidelines for advertising and marketing, and does not imply that participating in loyalty programs or other incentives increases the player's chances of winning.
- Permitting players to have only one card for the same loyalty program membership.
- Incorporating RG information in promotional communications and materials with adequate prominence relative to other messaging.
- Having an annual renewal for loyalty program membership that gives players an opportunity to review their past-year gambling activity with gaming venue staff.
- When players register for a loyalty program, requiring them to *opt in* explicitly to each form of marketing communication (e.g., mail, email, phone, texts) they wish to receive.
- Once they become loyalty members, allowing players to easily opt out of some, or all, forms of marketing communication at any time.

Optimizing RG in the Earning and Redemption of Rewards

- Allowing players to earn points and rewards not just for the time and money they spend gambling, but for participating in non-gambling activities as well, both inside and outside of the gaming venue.
- Encouraging players to set personal gambling limits on their loyalty card. If players reach one of the limits they have set, have a message tell them that they have reached a limit. If players still continue to gamble, don't allow them to accrue any additional loyalty points.
- Rewarding players with (non-gambling) incentives for using the self-limiting tools.

- Allowing players to redeem their loyalty points for non-gaming rewards both inside and outside of the gaming venue (e.g., merchandise, food).
- Allowing players to participate in contests without having to be at the gaming venue when prizes are announced.
- Allowing a cooling-off period after players have lost a large sum of money before offering any incentive to gamble further. Once such a player has left the premises, allow a reasonable amount of time to pass before offering that player an incentive to return to the venue.
- Ensuring that alcohol is not used as an inducement or reward for gambling. [Note that in most Canadian provinces, complimentary alcohol service is prohibited.

Supporting At-Risk Players

Some players will gamble in a manner that exhibits “red flag” behaviours which suggest a potential problem and which trigger observations and responses from venue staff. These at-risk players warrant special attention from the perspective of rewards and incentives. Self-excluded players also warrant special attention in this regard. Both groups of players would benefit from the following provisions:

AT-RISK PLAYERS

- Using loyalty card data, in combination with staff observations and other documentation, to identify red flag behaviours that may indicate a potential gambling problem.
- Putting a customer service protocol in place to identify when and how staff will take action when a loyalty member exceeds red flag thresholds for frequency of gambling, duration of sessions, average bet size, and cumulative losses.
- Having an escalating process in place to offer red-flagged players assistance, education, as well as the option of easily removing themselves from future incentives or marketing communications. (The same system would also be used for those players exhibiting red flag behaviours who are not loyalty club members.)
- Discontinuing rewards that, in order to be redeemed, require the player to be in the venue for extended periods of time—particularly if it means the player can access more cash (because, for instance, a new banking day has begun).
- Discontinuing discretionary rewards designed to promote longer stays.

SELF-EXCLUDED PLAYERS

- When players signs up for self-exclusion, immediately removing their name from all marketing contact lists.
- Paying out any unredeemed points and canceling the loyalty program membership immediately when a player self-excludes.

- Once their self-exclusion period has ended, requiring reinstated players to reapply for loyalty club membership and to opt *in* explicitly to each form of marketing communication they want to receive from the venue.

In summary, there is great opportunity to use loyalty cards to promote informed decision making, as well as to reduce risk by ensuring marketing incorporates an RG perspective; optimizing RG in the earning and redemption of rewards; and having special exemptions and protocols for those identified as at-risk or who have self-excluded. Future developments in the use of loyalty cards to inform and assist those at risk will further inform best practices in the promotion of safer gambling and the prevention of problem gambling.

INTRODUCTION

Similar to other industries, the gaming industry has adopted a range of initiatives to attract and reward their customers. Player loyalty programs, promotions, and other incentives are commonly used to attract new patrons, retain existing ones, and increase long-term profits.

Despite the widespread use of player incentives, however, little attention has been given to the potential impact they may have on problem gambling, and the implications they have for responsible gambling. While the gaming industry has made great strides in recent years in developing measures to help reduce problem gambling risk among players, few responsible gambling measures have been developed specifically for player incentives. Yet people with gambling problems—or who are developing gambling problems—can be impacted by incentives in a negative way.

With this in mind, the RGC Centre for the Advancement of Best Practices has undertaken a research project designed to better understand the nature of player incentives and their potential impact on problem gambling risk, and to identify opportunities to make them safer for players. The project focuses on player incentives at land-based venues, gathers information from Canadian and international jurisdictions, and brings together perspectives from a range of stakeholder groups. Literature and policy reviews, a focus group, and a two-day forum are all used to obtain data to identify a set of responsible gambling best practices for the provision of player incentives at land-based venues.

The report is divided into four chapters. Chapter 1 provides an overview of player incentives, reviews the literature relevant to player incentives and problem gambling risk, and examines the different policies and practices that are in place for player incentives across Canada and some international jurisdictions. Chapter 2 discusses the results of a focus group that was conducted with individuals in treatment for gambling-related problems in order to explore their experience with incentives and any suggestions they may have for making them safer for players. Chapter 3 presents the results of the Responsible Gambling Council (RGC)'s two-day forum that brought together gaming providers, regulators, treatment counselors, researchers, marketing experts, and others to discuss player incentives, their impacts, and current—as well as possible future—incentive safeguards. Chapter 4 synthesizes all of the information learned from previous chapters and provides a framework of player incentive best practices.

CHAPTER 1: LITERATURE AND POLICY REVIEW

With a focus on increasing repeat visits, customer spending, and brand loyalty, most gaming venues offer players some type of incentive in order to reward them for past gambling and to encourage them to engage in future gambling (Palmer & Mahoney, 2004). The purpose of this chapter is to provide an overview of how player incentives work; their potential impact on gambling behaviour and problem gambling risk; and measures to alleviate risks associated with them.

Some of the content of the chapter is based on the available literature on player incentives. Other content is based on information that was available publically, combined with documents that were sent directly to RGC from several Canadian gaming providers upon request.

Overview of Player Incentives

While the details of how player incentives work vary across jurisdictions and individual gaming venues, they operate in relatively similar ways. What follows below is a general description of the different types of rewards players can earn; how players can earn them; and the various ways the rewards are marketed to players.

DIFFERENT TYPES OF REWARDS PLAYERS CAN EARN

Some rewards are given to players as a reward for their past behaviour while others may be given to influence their future behaviour.

- *Cashback and Cash* – Cashback is literally cash given back to the player, often after they have spent a certain amount of money gambling. Players may also win cash prizes for participating in various promotions.
- *Free play* – Free play is a reward given to players in the form of gambling credits that are worth a certain amount of money. Often, the player needs to spend a certain amount gambling before being eligible to earn a free play offer.
- *Accommodation* – Free hotel rooms may be given to players, usually after they have spent a certain amount of time and money at the gaming venue. The quality of the accommodation usually depends on the particular patron's level of play.
- *Entertainment* – Gaming venues will sometimes offer players free tickets to concerts, live shows, movies, sporting events, and other activities.
- *Free or discounted services* – Examples of services that may be provided for free or at a discounted rate can include spa services, valet parking, and limousine service to and from the gaming venue.
- *Merchandise* – Gaming venues often give away merchandise to players such as logo items (e.g., key chains, drink bottles, hats), gift shop items, luggage, wine glasses, gift cards to retail stores and/or the gaming venue gift shop, as well as larger items such as cars.

- *Food and beverage* – Often, gaming venues give players vouchers for free or discounted meals at restaurants on- and off-site and, where permitted, free drinks to players on the gaming floor. Gaming venues tend to be fairly generous with food and beverage rewards, and often give them to any patron regardless of gambling activity. Free (and often, unlimited) meals for exclusive, high-end restaurants are often based on the amount gambled.
- *Air fare* – For some players, most often high spenders, gaming operators may offer free flights to and from the gaming venue.

DIFFERENT WAYS OF OBTAINING REWARDS

There are several different ways that players can earn rewards. While some are exclusive to members of the venue's loyalty program only, others are available to all patrons.

a. Loyalty Program Point Accrual and Redemption

In general, loyalty programs have two main goals: 1) to increase revenues by increasing purchase levels; and 2) to maintain the current customer base by strengthening the bond between the customer and the brand (Uncles, Dowling & Hammond, 2003; Matilla, 2006; Sui & Baloglu, 2003). Ultimately, these programs seek to build a long-term relationship with the customer through understanding and rewarding purchase behaviour (Meyer-Waarden, 2008).

In the gaming industry, both repeat patronage and brand attachment are important for player loyalty (Lucas, Dunn & Singh, 2005). One of the main ways that gaming venues try to earn loyalty from players is by offering a loyalty program that they can sign up for voluntarily and allows them to earn various rewards. The most common way that players can earn rewards is through the accumulation and redemption of points, which are usually earned by gambling. Many gaming venues also allow players to earn points for participating in non-gambling activities at the venue, such as shopping, dining, and other activities.¹

In order for players to accumulate points on their loyalty card for the gambling activities they participate in, they usually need to either insert their card into a slot (or other electronic) gaming machine before playing, or present their card to the dealer at a gaming table where their play can be tracked and rated.² Play frequency and betting amounts are recorded via the loyalty card, and the information helps the

¹ Recently, it has also become possible for players in some jurisdictions to earn points on their loyalty card for participating in non-gambling activities outside of the gaming venue. For instance, in June of 2013, Hyatt Hotels & Resorts® and MGM Resorts International® formed a new partnership that allows members of MGM's loyalty program, M life, to be able to earn tier credits when they stay at Hyatt properties around the world. Conversely, members of Hyatt's loyalty program, Hyatt Gold Passport, can earn and redeem points on their loyalty card at 12 MGM properties on the Las Vegas strip (e.g., MGM Grand, Bellagio). (Hyatt Hotels Corporation and MGM Resorts International, 2013).

² A few gaming operators in Canada allow loyalty program members to have, and use, more than one loyalty card for their account at any given time. Where multiple cards are allowed, players can insert them into several slot machines or table game readers at once, depending on the particular rules of the game. Sharing one's loyalty cards with other players, however, is prohibited.

venue know what games the player prefers. It also helps the venue determine which rewards to offer the player (Greenstein, 2012). The amount of money that players must spend on gambling to earn a single point usually varies across programs. In some, for example, players may need to spend \$10 on slot machines to earn a single point, while in others, they may only need to spend \$1 on slot machines to earn a single point. In addition to the baseline number of points that loyalty program members can earn for their gambling expenditures, they can sometimes also earn extra “bonus” points for spending beyond a certain level.

In most jurisdictions, loyalty programs operate on a tier-based system, such that a player’s tier level is determined by point accumulation, and greater rewards are offered as players move up to higher levels. The number of levels and types of rewards that players can earn at each level may vary across programs, but the underlying idea is the same: As play activity increases and more points are earned, higher tier levels are reached and greater rewards can be given. In most cases, not only are players required to obtain a certain number of points within a specified period of time to *move up* from the first tier level to higher levels, they must continue to earn a minimum number of points within a specified time period to *remain* at higher levels. If the minimum number of points is not earned within the designated time frame (e.g., 12 months), the player will be moved down to the level that aligns with their accumulated points. In some programs, players will be notified when they are approaching the end of their “tier year,” and will be informed of how many points they need to move up to the next tier, and the associated benefits of that tier.

The actual amount of money that players must spend on gambling (including bets and rebets) to move up to higher tier levels varies considerably across programs, and depends on a variety of factors—including how many points are required for each level and how much it costs to earn a single point. In Canada, a player may have to bet anywhere from \$5,000 to \$35,000 a year on slot machines to earn second tier level status, while they may have to bet anywhere from \$25,000 to \$400,000 for higher tier levels. In some programs, the highest (“VIP”) tier level requires a personal invitation to join in addition to a requisite number of points and gambling expenditures.³

Once earned, most loyalty programs allow players to redeem their points online, at the loyalty counter in a gaming venue, at a player kiosk, directly at a slot machine (if the reward is free play), or at other locations depending on the venue. Most programs require that a minimum number of points be redeemed at any given time (e.g., a minimum of 1,500 points, or the equivalent of \$5 in cash back). The type of rewards that loyalty program members can obtain by redeeming their points depends on the jurisdiction: Some allow players to redeem their points for cashback and/or free slot play only; some restrict rewards to discounts or vouchers for services or merchandise; and some allow players to receive the full range of rewards.

In Canada, the terms and conditions for loyalty programs state that the inactivity of a player’s account for a particular period of time will result in membership cancellation and forfeiture of any points accumulated that have not been redeemed. The duration of the period of inactivity varies with the program, but is typically either 12 or 18 months. When players are approaching the limit for a period of inactivity, some gaming venues will send them a notice letting them know that their account has been inactive and will

³ While several gaming jurisdictions in Canada have tier-based loyalty programs, three jurisdictions do not: Manitoba, Nova Scotia, and Prince Edward Island. In these jurisdictions, loyalty program members receive equal benefits in their respective programs, regardless of their level of play.

expire soon. The notice might also offer the player an incentive to return to the gaming venue, such as a free play voucher.

b. Promotions

Besides earning rewards through points and tiers, loyalty members can also receive rewards through exclusive, members-only promotions. An example might be a “Ladies Night” event, whereby female loyalty members can enter a draw from 8 PM until midnight on a Friday evening for a chance to win prizes such as jewellery or spa services. Other examples include *swipe-to-enter contests* that allow members to swipe their loyalty card—sometimes daily—for a chance to win various prizes, and *birthday club* promotions that allow members to enter a draw once during their birthday month for a chance to win a prize. Those who use their loyalty card can also be automatically entered into random draws for cash, food and beverage, free play, and even large prizes such as cars and trips. While some promotions are exclusive to loyalty program members only, others may be available to all players, including those with loyalty cards. A few examples include:

- *Draws* – Players can enter ballots into draws for a chance to win cash and other prizes. Ballots can be earned by winning jackpots and/or by purchasing them at the gaming venue. In Canada, the rules for participating in promotions such as draws vary, with some requiring the player to be present when prizes are announced to be eligible to win, even when the draws take place over a number of hours.
- *Slot Tournaments* – Players can enter slot machine tournaments by paying a fee (e.g., \$10) or by using their loyalty reward points. During a slot tournament, players are given a certain number of credits to gamble with for a specified period of time, and the player who ends up with the most credits at the end wins a jackpot prize.
- *Seniors Days* – On certain days of the week, seniors may be eligible to participate in random draws and/or be entitled to receive discounts on food, beverage, and venue amenities.

In general, promotions are meant to enhance patron experience at the gaming venue, and increase visit frequency as well as gaming revenue (Lucas, 2004). They provide players with an opportunity to win a wide range of prizes, and to participate in events that provide the players with particular perks.

c. Comping

- Most gaming venues—particularly casinos—have hosts whose job it is to create a relationship with players, a large part of which includes providing them with complimentary goods and services, commonly referred to as “comps.” In most jurisdictions, comps are a large part of what gaming operators spend each year on player rewards (Baynes, 2011).
- Generally, hosts offer comps to all patrons, from the penny slot players (“low rollers”) to those spending thousands of dollars or more per hand (“high rollers”). Exactly what players need to do to earn a comp varies across jurisdictions and individual gaming venues, but they typically receive comps based on their loyalty point accumulation, “theoretical loss,” and other variables. While hosts can offer comps to players at their own discretion, known as “discretionary comps,” most gaming venues have clear guidelines for how comps can be given out, and they usually need to be justified by the player’s gambling activity (Liu, 2005). In general, the more money bet

and the more time spent gambling, the higher the level of comp allowed (Tamburini, 2013). Low-level comps such as free food and beverage may sometimes be offered independent of gambling activity, and are often handed out randomly to players on the gaming floor. More valuable comps, such as free flights and luxury hotel suites, are usually restricted to high rollers who spend large sums of money at the venue. In Canada, at least one jurisdiction's policy states that comps are issued at the discretion of customer service staff, who are encouraged to review players' gambling history and the value of each player's average earned comp per visit, in order to make an educated decision about what type of comp to offer. Besides being issued by hosts and customer service staff, comps are also frequently offered to players through the mail—and, in some cases—via email, text messages, and telephone.

MARKETING OF INCENTIVES

When gaming venues want to notify players about the different type of incentives they offer and the different type of rewards players may be eligible for, the information is communicated to them in several different ways. The main ones are through signage on the gaming floor, email, regular mail, and gaming venue hosts. The latter three forms of communication tend to be more personalized in nature and are more often based on past gambling activity than the former. Floor signage is typically used to advertise loyalty programs, or to let players know about general promotions such as discounts on meals, enter-in gambling tournaments, etc. Some other ways that gaming venues may let players know about incentives include social networking sites, billboards, and text messages.

In order for a Canadian gaming venue to be able to contact loyalty program members for marketing purposes—whether by regular mail, email, phone, or text message—the venue must first obtain the player's consent. This is generally done on the application form as part of the registration process. Most jurisdictions ask players to check mark each method of communication they explicitly consent to receiving; other jurisdictions, however, simply ask players to provide all of their contact information on the form, and then state, in smaller print, that by providing this information, they are giving consent to receiving all methods of promotional communication from the venue. Once players become loyalty program members, they can usually opt out of receiving some or all forms of promotional communication at any time, although exactly how they must do this varies by jurisdiction and communication method. For example, in at least one province, if players no longer want to receive promotional material through regular mail, they must mail in the request; if they no longer want to receive emails, they must email the request.

Impact of Player Incentives

Player incentives work to influence visit frequency and spending behaviour, and to garner a positive attitude towards the gaming brand.

LOYALTY AND VISIT FREQUENCY

In today's competitive marketplace, gaming operators offer players not just rewards, but highly personalized service and attention. It is hoped that in addition to the rewards themselves, this will increase perceived value by the players and make them more loyal customers who visit the venue more often (Crofts, 2011; Chen McCain, Jang, & Hu, 2005). Surveys with loyalty members show that special treatment, positive employee interaction, and rewards such as cashback and free meals/ accommodation

are indeed linked to player loyalty (e.g., frequency of visits) to the gaming venue (Huang, Chen McCain, & Tie, 2008; Yi & Busser, 2008). Recognition for visiting and spending at the venue is also important for player loyalty (Huang et al., 2008), as is superior customer service. Chen McCain et al. (2005), for example, found that when Las Vegas casinos trained their employees to respond to customers' needs and wants—as well as earn their trust—player loyalty was greatest, and it made a significant difference to whether or not the customer continued to visit the gaming venue.

SPENDING BEHAVIOUR

Research shows that, in addition to visit frequency, player incentives can impact spending behaviour, resulting in more money being spent gambling at the venue than might otherwise occur. Min (2012), for instance, examined how the introduction of a new loyalty program affects slot machine and table game betting amounts. The loyalty program studied by Min in Las Vegas included more opportunity for earning comps, greater tier-level benefits, and the ability to earn points through non-gaming spending. Overall, the program resulted in an increase in the amount of money that players bet on slots—such that collectively, they bet an additional \$302,000 per day. (The incentives, however, had no effect on table game spending.) Other research shows that when incentives are offered to players *during* a gaming venue visit, they can increase betting amounts once gambling has already begun (Narayanan & Manchanda, 2011).

IMPACT OF INCENTIVES ON PROBLEM GAMBLING RISK

While player incentives are common practice in the gaming industry, there has been some concern among researchers that they may encourage problem gambling behaviour, particularly for those who are at risk of—or who have already developed—gambling problems (Hing, 2005; Narayanan & Manchanda, 2011; Southwell, Boreham, & Laffan, 2008). For example, players may be tempted to gamble more than they would otherwise in order to receive certain offers or to reach the next tier level in their loyalty program, making it more difficult to control gambling activity (Greenstein, 2012; Hing, 2005; Narayanan & Manchanda, 2011; Southwell et al., 2008). Indeed, many individuals with gambling problems have admitted to feeling tempted to revisit the casino after losing large sums of money and subsequently receiving a comp (Greenstein, 2012). And a live-play study commissioned by Gambling Research Australia found that obtaining loyalty program points and rewards was an important predictor of the self-reported urge to continue playing past one's limit. For some players, getting program rewards was also associated with increased excitement and a loss of judgment over spending (Schottler, 2010).

The notion that player incentives may be particularly risky for those with gambling problems is supported by a study conducted with older adults who play electronic gaming machines (EGM) in Australia (Southwell et al., 2008). The study found that compared to players classified as low risk/non-problem gamblers, those classified as moderate risk/problem gamblers spent more time (33% vs. 14%) and money (27% vs. 11%) gambling when they participated in gaming venue promotions. In another study, player data taken over a two-year period from a U.S. gaming venue showed that over the course of the study, players defined as “addicted” gambled significantly more than those defined as “non-addicted” in response to marketing efforts such as comps. Moreover, while incentives offered to players during a gambling session increased betting amounts during that session for both addicted and non-addicted players, it also led to increased betting amounts in the *next session* for addicted gamblers only (Narayanan & Manchanda, 2011). Taken together, the findings of the latter study led the authors to conclude that comps may increase gambling involvement; may make it more difficult to control gambling

behaviour; and could potentially create problems for some players over the long term (Narayanan & Manchanda, 2011).

These conclusions are supported by surveys measuring attitudes towards incentives among players themselves. An Australian Clubs player survey, for instance, found that a significant number of gamblers feel that promotions encourage gambling—with approximately half of those surveyed believing that players have to be *in* the venue when prizes are announced in order to win contests, which could encourage players to stay there for longer and gamble more. Overall, many participants in the study viewed promotions as being against the “spirit” of responsible gambling, even if the gaming venue had implemented other responsible gambling measures (Hing, 2004). A subsequent study by the same author examined previously conducted interviews with Club players, and once again gaming venue promotions were a cause of concern: The excessive advertising of promotions, for example, was viewed as enticing players to gamble for longer (Hing, 2005). Other incentives—such as free weekly bus trips to and from the gaming venue—have also been viewed as inducements to gamble and potential contributors to problem gambling, especially among vulnerable populations such as seniors (Leaman, 2012).

Some researchers argue that offering inducements to gamble should be prohibited, as in New South Wales where hotels and clubs cannot offer free credits to current players, or as a means to encourage persons to become players (Hing, 2004; Gaming Machines Regulation, 2010). Others argue that loyalty programs should be eliminated entirely, particularly when a gambling provider has a monopoly, as these rewards only serve to encourage people to gamble more and are therefore not conducive to responsible gambling (Williams et al., 2012).

Player Incentive Safeguards

As researchers have recognized that player incentives can increase problem gambling risk, it has been suggested that in order to reduce that risk, incentives should be made safer for players (Independent Gambling Authority, 2012; Simpson, 2012). Some proposed ways to do this include conducting a risk analysis of players based on their loyalty card data, using loyalty card data to provide players with play history reports, and linking loyalty cards to pre-commitment. These are each described in more detail below.

USING LOYALTY CARD DATA TO ASSESS RISK

As already mentioned, loyalty programs allow gambling behaviour to be tracked when players insert their loyalty card into an EGM or present it at a gaming table. This allows the player to earn points and be eligible for certain rewards and other benefits. Some researchers have suggested that as a responsible gambling measure, players’ loyalty card data could be used to identify those at-risk of—or who have already developed—gambling problems. To increase the accuracy of this type of risk assessment, it has further been suggested that loyalty card data could be compared to “on the floor observations” (Independent Gambling Authority, 2012; Schellinck & Schrans, 2011). Potential drawbacks to risk assessments based on loyalty card data are: the difficulty in identifying the underlying reason for a player’s observed gambling behaviour; the inability to track gambling behaviour at other venues that do not use the same loyalty card; and the sharing of cards among players (Independent Gambling Authority, 2012; Schellinck & Schrans, 2011).

USING LOYALTY CARD DATA FOR PLAY HISTORY REPORTS

Another recommended RG safeguard for player incentives is to send past-month and past-12 month statements to all loyalty members that would inform them of their monthly gambling expenditures. Players could also be given normative feedback on the frequency and duration of their gambling, using the entire database of loyalty members to calculate percentages, averages, etc. (Simpson, 2012). This safeguard has already been implemented, to some extent, in Manitoba. In this province, *Club Card* members may request to receive *Gaming Activity Reports* which let them know how much they have spent on electronic gaming for a period of time of their choosing. Players can ask to receive one-time or ongoing reports by mail (at 3-, 6-, or 12-month intervals), or they can view reports immediately on-site at the Responsible Gaming Information Centre (RGIC). The reports are promoted to players through newsletters, the Internet, and at RGIC events. However, normative data is not provided to players in Manitoba at the present time. OLG's Winner's Circle Rewards members can access their play activity for January to December of the previous calendar year, online at any time. Full player history reports can be accessed via a freedom of information request.

LINKING LOYALTY CARDS TO PRE-COMMITMENT

Player incentives, as we have already seen, may be harmful to some players because they may gamble more than intended in order to obtain certain rewards or reach higher tier levels (Henley & Brading, 2009; Responsible Gambling Advocacy Centre, 2011; Williams, West, & Simpson, 2012). Thus, some researchers have suggested that loyalty programs should be linked to pre-commitment tools such as limit setting, so that once a player's limit has been reached, the ability to earn additional points could substantially be reduced or prohibited altogether. Players could also be rewarded for *responsible play*, rather than for the amount of play, and could receive rewards for using limit setting and other responsible gambling tools (Simpson, 2012; Williams et al., 2012). The main concern with linking pre-commitment to loyalty cards is that asking players to set limits on a card that also rewards them for gambling more seems counterintuitive. However, if implemented appropriately with the proper safeguards, some still view linking pre-commitment to loyalty cards as a potential way to reduce problem gambling risk (Simpson, 2012; Responsible Gambling Advocacy Centre, 2011).

Again, the above safeguard is already implemented in Manitoba. Specifically, members of Manitoba Liquor & Lotteries' loyalty program (*Club Card*) have the option of setting personal daily limits on their loyalty card for electronic gaming, such as the amount of money spent and lost, and the amount of time played. If a particular limit has been reached during play, players will get a message letting them know that the limit has been reached. If players continue to gamble, they will not accumulate any additional points for the remainder of the gaming day. The limits that the players set are site-specific due to the technology being used, meaning that players must set separate limits for each Manitoba Liquor & Lotteries venue (2 casinos and 1 gaming centre) in the province. The separate limits for each of the three venues require a separate enrolment and change process, which has limited the uptake of this feature. The limit-setting option is promoted to players on the loyalty program application form.

OTHER SUGGESTED SAFEGUARDS

In addition to these safeguards, people have suggested that in order to make loyalty programs safer, players should be able to earn points and rewards not just for the time and money they spend gambling, but for participating in *non-gambling* activities as well, such as shopping at the gaming venue, eating at its restaurants or purchasing tickets for shows. (Responsible Gambling Advocacy Centre, 2011). As

mentioned earlier on in this chapter, many loyalty programs allow this already, and some allow players to earn points for non-gambling activities done outside of the gaming venue.

Simpson (2012) also suggests that gaming staff be required to intervene when a loyalty member exceeds certain thresholds for frequency of gambling, duration of sessions, average bet size, and cumulative losses—arguing that loyalty programs currently track these measures to calculate player incentives anyway.

Specific RG Guidelines for Player Incentives

CANADA

No Canadian jurisdiction has developed RG guidelines specifically for player incentives. All jurisdictions do, though, have restrictions on advertising and marketing, which may include the advertising and marketing of loyalty programs and other player incentives. The most common advertising and marketing restrictions are: encouraging excessive or irresponsible play; encouraging people to play beyond their means; exaggerating the chances of winning; implying the certainty of financial reward; and depicting or appealing to minors.

The only other Canadian guidelines for player incentives found by RGC that could be interpreted as related to RG were the few included in the Alberta Gaming and Liquor Commission's (AGLC) *Casino Terms & Conditions and Operating Guidelines* for casino licensees. The guidelines contain a section entitled "Promotions," which stipulates the following:

- Casino facility licensees may not provide any promotional activity which offers increased payouts to reward frequent play;
- Free draws, contests, giveaways or similar promotions are allowed, provided that a person is not required to play table games or electronic games, or to remain in the facility, in order to receive a prize as a condition of participating in, or entering, the draw or other promotion;
- A casino facility licensee may require a person to be present at the *time of a draw* to receive a prize, but the time, date and place of the draw must be prominently posted within the casino facility;
- Player tracking and reward programs are allowed, but these programs must be submitted to the AGLC for approval prior to their implementation. The program submissions must include the following conditions:
 - The casino facility licensee must maintain a current record of players who are Voluntary Self-Exclusion (VSE) participants and exclude such participants from any casino marketing; and
 - The casino facility licensee must include a statement indicating that a patron may be removed from the player reward mailing list at the player's request.

Availability of Responsible Gambling Information

All Canadian jurisdictions have a policy commitment to ensure that players have access to RG information, though the availability and distribution of this information for loyalty program members varies from province to province. Some loyalty program application forms include RG information such as the provincial problem gambling helpline number and the gaming operator's RG tagline. Some RG information may also be embedded in the loyalty program's terms and conditions, such as the fact that players who are self-excluded cannot register for—or participate in—the program, and (where offered) play history reports are available for members upon request. In addition, gaming operators in several jurisdictions have branding standards and/or marketing policies that require the name and logo of their RG program, as well as the provincial problem gambling helpline number, to be included on all promotional materials.

Self-Exclusion

In Canada, all jurisdictions prohibit self-excluded players from registering for a loyalty program. They also prohibit current loyalty program members from continuing to participate in the program if they self-exclude from the venue. Exactly what happens to players' loyalty program membership when they sign up for self-exclusion varies across jurisdictions. In most provinces, their membership is cancelled, while in others, it is suspended until they reinstate. Any unredeemed loyalty points may be forfeited, paid out to players in cash, converted to gift certificates (e.g., for groceries), or given to players to redeem.

INTERNATIONAL

While RG guidelines for player incentives outside of Canada are few, some have been developed specifically for loyalty programs in Queensland, Australia. Tasmania has also developed some RG guidelines as part of its broad restrictions on player incentives. The guidelines of Queensland and Tasmania are presented in turn below.

Queensland

In 2007, the Queensland Treasury published the document, *Queensland Responsible Gambling Guidelines for Player Loyalty Programs*. The guidelines were developed jointly by representatives of the gaming industry, the community, and government, and were intended to be used in conjunction with the State's *Advertising and Promotions Guideline* to support the *Queensland Responsible Gambling Code of Practice*. In general, the guidelines state that loyalty programs should be advertised and promoted similarly to other gambling products and services. Thus, they should promote gambling as a form of leisure and entertainment, which can be enjoyable if engaged in responsibly. More specific components of the guidelines include:

- Advertising and promotion of loyalty programs within the community must comply with the *Queensland Responsible Gambling Advertising and Promotions Guideline*;
- Direct marketing of loyalty programs must comply with the *Direct Marketing Code of Practice* of the Australian Direct Marketing Association (ADMA);
- Loyalty program registration must include relevant information for players to make an informed decision about their participation in the program;

- Program features and functions must not offend prevailing community standards; must not target minors, disadvantaged, or vulnerable groups; and must not involve irresponsible trading practices by the gaming provider;
- Where practical, mechanisms to earn and redeem points must not focus exclusively on gambling activities where other activities are available at the gaming venue;
- Positive RG messages, where appropriate and possible, are to be incorporated into loyalty program features and functions; and
- Loyalty programs must comply with the Exclusions Framework (program material must not intentionally be sent to excluded players or to those who have requested such material not be sent; players can opt out of receiving program material by mail, etc.).

Tasmania

In 2012, the Tasmanian Gaming Commission developed new guidelines for player incentives such as promotions and loyalty programs (Tasmanian Gaming Commission, 2012). The guidelines include the following restrictions:

- Any inducement, regardless of the amount, must be redeemable for services other than just gambling;
- Players must not be offered free or discounted alcohol for consumption on the premises, or vouchers for the purchase of alcohol as an inducement or reward for gambling;
- Players must not be required to be at a prize draw, or on the premises at the time of a prize draw, in order to be eligible to win any prize that is greater than \$1,000 in value;
- Loyalty program members must be provided with a player activity statement annually, which lets them know the points or the equivalent, that have been accrued as a result of gambling;
- At least once per year, loyalty program members must be sent self-exclusion and RG information that states the name and telephone number of the Gambling Helpline; and
- Loyalty program members must not be offered rewards greater than \$10 which can be used for gambling purposes.

In 2013, the Tasmanian Gaming Commission developed additional guidelines, specifically for “Premium Player Programs”—a more exclusive loyalty program that requires an invitation to join and a certain level of gambling to remain in the program. RG components of the guidelines include:

- Prior to being admitted to the loyalty program, potential members must state in writing that they are not currently excluded from gambling anywhere in Australia and that they have control over their gambling. If players do not meet either of these requirements, they cannot be admitted to the program;

- If a player has previously self-excluded from gambling anywhere in Australia, a Responsible Gambling Manager must provide evidence showing that the player is currently in control of their gambling before membership to the program is granted;
- Each player's loyalty program membership must be reviewed every six months. If a player is identified as not being in control of their gambling, their membership must not be renewed;
- Members must be provided with a play activity statement every six months showing, in dollars, the amount of all expenditures on gambling during the statement period;
- The operator must conduct information sessions on gambling, harm minimization, and problem gambling for staff and program members at least every six months;
- There must be a system in place to monitor members for signs of a potential gambling problem and to report any findings to the Responsible Gambling Manager. The system must include a range of indicators and measures of gambling-related behaviour, such as play activity levels, session length, visit frequency, and ATM usage. The system must also include a framework for appropriate response and intervention;
- RG messages must be included on promotional material, such as discounts and cash rebate offers; and
- Direct marketing to members that encourages them to increase their typical level of gambling expenditure in order to receive additional rewards/benefits is prohibited.

Summary

In summary, the following key points emerged from the literature and policy reviews:

- There are many categories of rewards that a player may receive, such as: cash/cashback, free play, accommodations, entertainment, free or discounted services, merchandise, food and beverage, and air fare.
- Rewards can be obtained by participating in a loyalty program, via promotions, or through comps.
- Loyalty programs are voluntary, and are designed to attract new players as well as maintain the current player base. As loyalty program members, players are able to collect points and redeem them for particular rewards. Point accrual is generally tracked through the use of a loyalty card.
- Loyalty programs often operate on a tier-based system. A player's tier is generally determined through point accumulation, with higher tiers equating to greater rewards for the player. The amount that a player must spend to obtain enough points to move up a tier varies across jurisdictions. Generally, players must collect a particular amount of points annually to remain in a specific tier.
- Incentives are marketed via venue signage, mail, email, gaming venue hosts, social networking sites, billboards, and text messages. In Canada, players must provide consent for the venue to contact them for marketing purposes.

- Player incentives are designed to impact the player's loyalty and thus increase visit frequency to the venue. Players generally respond positively to special treatment, positive employee interactions, rewards, recognition, and superior customer service. Player incentives have also been shown to increase player expenditure at the gaming venue.
- There is concern regarding the impact of player incentives on problem gambling risk. There is some evidence suggesting that players, particularly at-risk players or players with a gambling problem, may be tempted to continue to gamble because of player incentives.
- Researchers have proposed implementing player incentive safeguards to help mitigate the risk of problem gambling. Examples included: using loyalty card data to assess risk; using loyalty card data to provide play history reports; linking loyalty cards to pre-commitment tools; allowing players to earn points for participating in non-gambling activities; and requiring staff to intervene when a player exceeds particular thresholds for gambling frequency or duration, bet size, or cumulative losses.
- Currently, RG-specific guidelines for player incentives are scarce. Some guidelines currently in place in Canada involve the provision of RG information via the application forms and on marketing materials, and prohibiting self-excluded persons from participating in the loyalty program.
- Internationally, Queensland and Tasmania have developed RG guidelines specifically for player incentives.

CHAPTER 2: PLAYER FOCUS GROUP RESULTS

A focus group with individuals in treatment for gambling problems was conducted in order to explore their experiences with player incentives and any suggestions they have for making incentives safer for players. The group was led by a treatment provider, and consisted of 8 participants (5 males and 3 females). The entire discussion was recorded and subsequently transcribed.

The main findings of the focus group, organized by topic, are presented below.

History of Gambling Problems

The focus group began by asking participants, in a general way, what forms of gambling were associated with the development of their gambling problems. Almost all participants said that slot machines were—although a few said table games—and all said they associated the *frequency* of their gambling with the development of problems. For the most part, participants said they gambled at gaming venues in Ontario, with the exception of two who said they also gambled out of province.

Introduction to Player Incentives

When asked about their experience with player incentives, all focus group participants said they had been members of a loyalty program, but had developed problems with gambling *before* they signed up for it. Generally, participants said they became aware of the program by seeing others with loyalty cards or by word of mouth. A few said they were approached by gaming venue staff who offered them information about the program while they were at gaming tables or after they had won a large prize playing slots. Participants said that at first, they were hesitant to sign up for the loyalty program, and only considered it seriously when they became more involved with gambling and felt that it was a way to recoup money they had lost. Some comments were:

“I started playing without the card and eventually as I became more involved in gambling, I signed up for the card. I thought, ‘Well, since I’m putting in so much money, this is a way to get some of my money back’.”

“I noticed people with cards, and it was after my first year that I thought ‘Gee, I should sign up’.”

“At first, I didn’t want any information about it. Then by the time you blow the amount of money that I did, it was like, ‘Wait a second, I think I could start getting something from this’.”

“My first year was just a social thing; my second year was half-social; and in my third year, I was there to beat the machines, so I participated in incentive programs.”

“I saw people with all these rewards and kept hearing about meals and other types of things they were getting [with the card], so I thought I would sign up for it.”

Understanding How Rewards Are Earned

When participants were asked how they earned the rewards they received, they said the rewards were based on the amount of money they spent gambling at a particular venue and the specific tier level they had reached in their loyalty program. One participant summed it up by saying, “*The more you spend, the*

more you get, and the better you are rated.” All participants reported that over time, they moved up to higher tier levels that offered greater rewards. Examples of some of the rewards that participants received were:

- Cashback
- Vouchers for free play and meals
- Free valet parking, hotel rooms, and tickets to concerts or sporting events
- Free entries into slot tournaments and draws (e.g., for trips, cars)
- Invitations to participate in sporting events (e.g., golf)
- Gifts for themselves and family members (e.g., luggage, wine glasses, watches, leather jackets)

Appeal of Rewards

When asked what it felt like to earn rewards, participants responded with, *“You feel like a big shot”* and *“It makes you feel important.”* Generally, receiving rewards seemed to affect participants’ sense of self in a positive way, with many saying it was an ego boost which encouraged them to gamble more in order to reach higher tier levels. One participant said, *“It became an internal contest.”* Another one added, *“If I get to this level, I get more free meals, more free rooms, more free shows and someone greets me and treats me nice.”*

While participants generally felt proud to earn rewards, once family and friends started to become concerned about their gambling, many felt embarrassed about receiving some rewards—especially gifts. Thus, they reported hiding them because *“...they had the gaming venue’s logo on them and there was no hiding where the gifts came from.”* One participant added, *“I would go get the gift and when you brought it home it would identify that you were there that day...it would show you are getting something for free and let’s face it, you don’t get much for free these days without doing something to get it.”*

Marketing of Incentives

When focus group participants were asked how the gaming venue let them know about the rewards they could earn, they most often said via regular mail, email and on-site at the venue. Depending on the tier level they had reached in their loyalty program, some participants also said they received more personalized attention and were notified about incentives by phone.

In terms of the frequency of marketing communications they received, participants said they received more after they won a large jackpot, and there was a marked increase in communications when they moved to higher tier levels in their loyalty program. As one participant said, *“I definitely got more correspondence when I went from the lower level to the middle level—by email, mail and phone calls.”*

When participants decided to reduce their gambling or stop it altogether, many said they contacted the gaming venue and asked them to stop sending promotional material. While some participants subsequently stopped receiving the material, a few continued to—despite numerous requests to have them stopped. For at least one participant, this caused a relapse: *“My relapse occurred as a result of an*

offer that was sent to me. I thought I would just go in, redeem it, and leave. But once you are there, they don't just give it to you, you need to put it in the machine and after that it all goes back to where I started."

For participants who had self-excluded from the gaming venue, all promotional materials were discontinued and any unredeemed loyalty points they had accrued were forfeited. Once their self-exclusion period ended, however, they automatically began receiving promotional material again, even though they had not specifically requested it. One participant stated, *"It was exactly a year after my self-exclusion date that I started receiving emails again."* For another participant who had self-excluded, promotional mailings were discontinued, but they received phone calls offering them incentives to return back to the gaming venue.

Impact of Incentives on Gambling Behaviour

When focus group participants were asked whether they felt their gambling had changed as a result of participating in player incentives, all participants answered "yes." For the majority, it was the frequency of their gambling that had changed. As one participant said, *"For me, the frequency dramatically increased with the cards and offers. It got you in there more often because now there was an added incentive. I was guaranteed something."* In addition to impacting frequency of play, many participants said that some of the conditions placed on rewards encouraged them to not only stay longer at the gaming venue, but to spend more money gambling than intended while there. Some examples of these conditions were:

- Free play vouchers given to players while they were at the venue could only be redeemed several hours later (e.g., 1 AM – 6 AM);
- Free play vouchers given to players could only be redeemed after players first bet a certain amount of their own money gambling; and
- Multiple free play vouchers could only be redeemed within a single, 24-hour period.

As well, some participants said that the conditions placed on rewards affected their intention to go home after suffering a significant loss. As one participant commented, *"Even if I was planning to go home, if I had lost my money at 11:00 but I had a voucher that was only valid after midnight, I'm still staying there until after midnight."* Another participant added, *"If you have a voucher like that, not only will you stay and eat, but you're going to gamble again because at midnight you can access more cash on your card—it's a new banking day."*

Participants noted that some of the marketing communications they received also fueled them to gamble more, such as: *"You only have 80 more points to become a Gold member, and you have to do that by December 1st."* Participants felt that these types of communications encouraged them to gamble more because they wanted to attain the rewards offered at the higher tier levels.

Overall, many participants felt that incentives made it more difficult for them to manage their gambling, both by enticing them to go to the gaming venue to receive or redeem the rewards, and by encouraging them to gamble once they were there. As noted by the participants:

- "Had those promotions not been given to me, I would not have had any reason to go to the casino."

- “I was getting pretty high incentives to go there. Even if I had no money to go, I would go just for that incentive but I would basically clean out my account while I was there.”
- “For us, it’s like waving a bottle of alcohol in front of the nose of a person who is trying to stop drinking. That’s the way I saw it and it’s almost irresistible to say no to it.”
- “It drove me back up there to get the money. I thought, ‘OK, go get the money and I’ll have a little to live on for 3 days’.”

Many focus group participants also said that receiving financial incentives in particular made it seem like they had less of a problem. Some participants also felt that they could win back their losses with the gaming venues’ money. Participants said:

“It softens the blow.”

“Makes you feel like you’re getting something back. Maybe I gave X amount of dollars, but I got a percentage that they gave back to me.”

“Maybe I’ll get lucky and if I go back there, I can chase that loss with their money now as opposed to putting in more money of my own.”

Other participants felt that financial incentives gave them a sense of hope. As one participant said, “It made me feel better because I could go. I knew I shouldn’t go—I had bills to pay—but I was thinking, ‘I’m going to go and just play with that bonus and hope that it keeps me going’.”

When Incentives Cross the Line

When participants were asked, “*What is crossing the line in terms of gaming venues going too far with their promotions?*,” many said that sending promotional materials to players who have self-excluded was crossing the line, especially when the players had yet to reinstate after their self-exclusion term was up. As one participant said, “*It brings it back to mind, when you are trying to stop.*” Other ways promotions were considered to cross the line was when—as mentioned earlier—they included certain conditions that encouraged the player to gamble more, such as the promotion could only be redeemed several hours after the player had received it (e.g., from 1 AM – 6 AM). A few participants felt gaming venues crossed the line simply by not balancing the promotion of incentives with making players aware of the risks involved and that help is available if needed.

Ways to Make Incentives Safer

Near the end of the focus group, participants were asked whether they had any recommendations for making incentives safer for players. In addition to saying that some of the conditions placed on incentives discussed above should be changed, participants said that the venue should educate and inform players. When asked what type of information players should be given, some participants felt that it would be good for players to know exactly how much money is required to be spent on gambling in order to earn a certain number of points. For example, “*They should tell you up front that for every \$20 you spend, you get X amount of points.*” Participants said that this would allow players to make an informed decision about participating in loyalty programs. Other suggestions included:

- Give players information on the risks involved when they sign up for a loyalty program;

- Offer players an optional responsible gambling course as part of the loyalty program;
- Provide players with monthly statements that break down their expenditures;
- Use loyalty card data to identify players who may have a gambling problem, offer them help and/or reduce the number of incentives offered to them; and
- Send players communications with focused RG information, such as the signs of a gambling problem, the type of help that is available, etc.

In addition to the above, participants said that when gaming venues send out promotional material that also contains the provincial problem gambling helpline number, the information should be made more prominent, so that it does not get overlooked by someone who may need assistance. Participants made this recommendation because one of them had said that when they were looking for the helpline number in a promotional mailing they received, they could not find it easily—it was buried deep within the communication in a smaller-sized font than other text. Other participants said they never even noticed the helpline number on any promotional material they received. In general, participants felt that they would have benefitted from education about available help resources, as well as the signs of a gambling problem.

Summary

In summary, the following key points emerged from the focus group:

- Participants may have had concerns with their gambling prior to signing up for a loyalty card. All participants associated the frequency of gambling with the development of their gambling-related problems.
- All participants had participated in a loyalty program only after they became more involved in gambling and for some they felt it was a way to recoup losses.
- For many participants receiving promotions and comps was an ego boost that encouraged them to play more in order to reach higher levels.
- The majority of participants felt that their gambling frequency increased as a result of receiving promotions or comps.
- Participants felt that the monetary promotions would distort their perception of their gambling problems. Many felt that they could win back their losses with the gaming venue's money.
- Many participants requested to unsubscribe from promotional mailing lists once they began to have concerns about their gambling. While the majority of participants no longer received mailings, others continued to do so. Those who self-excluded noticed an immediate stop to promotional materials, until their self-exclusion period had ended.
- Participants felt that promotional materials cross the line when they are sent to self-excluded people during their ban or immediately upon ending their ban without their consent. For others, crossing the line was as simple as not having a balance between promotions and information that makes players aware that help is available if needed.

- Participants felt it is important to know the actual value of the points earned for a certain amount spent gambling. Other recommendations included: providing information on risk as part of the loyalty program sign-up; focused mailings (i.e., help availability, signs of a gambling problem); and using the loyalty card to identify gamblers who may have a potential gambling problem and offer them help or reduce promotions they receive.

CHAPTER 3: EXPERT FORUM RESULTS

The expert forum was held December 8 to 10, 2013 in Toronto, Ontario. Attendees came from across North America and Australia and included gaming providers, regulators, treatment counselors, researchers, marketing experts, and individuals who have sought help for a gambling problem. The forum was moderated by a professional facilitator and consisted of presentations, panel discussions, participant polling, and large group conversations.

The main purpose of the forum was to provide attendees with a good understanding of how player incentives work; what makes them so appealing to players; how they might impact gambling behaviour and problem gambling risk; when they “cross the line;” and what opportunities exist to make them safer for players. The findings of the forum as they pertain to each of these areas are presented in sequence below.

How Player Incentives Work

The forum opened with the presentation, *Player Incentives: What Exactly Are They?*, which provided a thorough background of the different types of incentives as well as the rationale, from a marketing perspective, for tailoring incentives to players. Much of the material presented in this session has already been discussed in Chapter 2 of this report and will not be repeated here. There was, however, some new information. For instance, during the presentation the distinction was made between two categories of incentives: *rewards*—which are a direct result of past gambling behaviour, and *offers*—which aim to change future gambling behaviour. Rewards are proportionate to the amount spent and players are made aware of what is required (i.e., how many points are needed) in order to receive them. In contrast, players are not made aware of how offers are distributed, and—unlike rewards—offers are not necessarily given to the player that gambles the most. Rather, they are often given to the least loyal player in an attempt to increase patronage. Therefore, from the venue’s perspective, offers are the most important type of incentive. The presentation also highlighted that offers of cash and free play are particularly popular among players.

The presentation provided insight into the extent of marketing initiatives, from the venue’s perspective. The average casino spends approximately \$0.25 of every dollar on marketing efforts, and the vast majority of its marketing is through direct mail, with the average loyalty program member receiving approximately 100 pieces of mail per year. The presenter also explained that though social media is a common marketing tool among other industries, casinos still tend to send incentives via mail as the majority of casino patrons do not use social media, and the benefits of sending mail-outs outweigh their costs.

When tailoring incentives to players, the venue will consider several factors, including how much players spends per visit, the frequency of their visits, and their distance from the venue, to name a few.

Three Canadian Examples

In the session, *Player Incentives: A Canadian Perspective*, three presentations provided an overview of how gaming incentive programs operate in Manitoba, Ontario, and Quebec. Highlights of each presentation are provided below.

Manitoba

The first presentation described Manitoba Liquor & Lotteries' *Club Card* rewards program, which allows players to earn points through electronic games, table games, and bingo. The program offers both play-based, as well as non-play based, promotions. Members are also offered discounts on food and beverage, entertainment, parking, and the gift shop. Points cannot be redeemed for free play, however, free play is offered on occasion (e.g., upon loyalty program sign-up, on birthdays, and when members have not visited the venue recently). The loyalty program does not work on a tier-based system—increased spend does not lead to additional benefits for players. However, players are tiered internally to help target incentives and offers. Additionally, a small percentage of members receive personal attention from a venue host on-site, and they receive invitations to special events and dinners.

Ontario

The second presentation in this session described Caesars Windsor's *Total Rewards* loyalty program. The program has four tiers, and a player's tier level is determined by the number of points accumulated within a calendar year. Membership to the fourth tier is quite selective, as it requires an invitation. Reward points can be earned through slot machines and table games, and also through non-gaming means such as dining, entertainment, and accommodation. Points can be redeemed for both gaming and non-gaming rewards. The *Total Rewards* marketing strategy has three branches, through which players can earn the following categories of incentives:

1. Loyalty/Brand: These are tier-based incentives that are communicated and guaranteed to members when they sign up for the *Total Rewards* program.
2. Database marketing: These are incentives that are communicated but not promised to members. They are offers tailored to the individual—based on their loyalty card data—and are designed to increase “profitable behaviour.”
3. Discretionary comps: These are incentives that are neither widely communicated nor promised to members. They are administered individually at the discretion of Caesars Windsor. For example, a casino host might offer a member free play, accommodation, dining or show tickets.

Quebec

The final presentation in this session described Loto-Quebec's *Casino Privilèges Club* loyalty program. It is a tier-based program with three status levels plus a “VIP Select” level that requires an invitation to join. Benefits of the loyalty program vary depending on tier level, and players can earn points through slot machines, table games, and keno. Points earned through slot machines can be redeemed for cashback, while points earned through table games and keno can be redeemed for cashable comps or services. Major promotions take place roughly three to four times per year, through which a player can usually earn additional entries to contests with more play, up to a particular limit. Offers are determined by a player's visit frequency and expenditures.

Psychological Appeal of Player Incentives

During the forum, a few presenters and panelists discussed what it is about player incentives that might make them so appealing—both to players in general as well as to those who have experienced gambling-related problems. In the session, *Do Player Incentives Work?*, some of the factors that make incentives appealing include:

1. **Psychological:** A player could be made to feel important by the incentive and the personal attention that often comes with it, thus feeding the person's ego;
2. **Economic:** The value of the incentive might make the player believe it is helping to offset the cost of gambling losses, travel, accommodation, etc.; and
3. **Convenience:** Having the host arrange logistics of the trip (e.g., travel, accommodation, food, and entertainment) saves players from having to make these arrangements themselves.

During the panel discussion, *Do Player Incentives Increase Risk? What Players and Treatment Providers Say*, treatment providers said that their clients have told them that loyalty programs and incentives make them feel special, like they are being recognized. Their clients have also said that there is a sense of security knowing that they will be taken care of at the venue.

According to the former players on the panel, offers for free hotel stays used to make them feel like a "big shot." To describe incentives, they used words and phrases such as "recognition," "anticipation," and "fuel," and described their feelings towards the casino as "a companion" and "an escape."⁴ One panelist said that different things pull different people in; it is the "offer" piece that is enticing.

Player Incentive Impacts

During the forum, several presenters discussed some of the possible impacts of player incentives on gambling revenue, behaviour, and problem gambling risk.

GAMING REVENUE

The session, *Do Player Incentives Work?*, looked at the impact of incentives on gaming revenue. The presenter noted that it is often difficult to measure revenue impact as many factors can influence it. Nevertheless, there is some research that shows many incentives are expensive to execute and often do not cover the costs to operate them. Research has also shown that more valuable players ("high rollers") expect more valuable incentives, and thus while these players may bring in higher revenue for the casino, the cost of incentives for them is greater and, as a result, the profit margins are often narrower compared to incentives for regular players.

GAMBLING BEHAVIOUR AND PROBLEM GAMBLING RISK

The session, *Do Player Incentives Increase Risk? What the Evidence Says*, presented a study that examined the effect of comps on gambling behaviour and whether they differentially affect players who display "addictive" behaviour.⁵ For the purposes of the study, an "addiction" was considered present when a player's play/bet amount increased over time. Using a casino's loyalty card data, the study looked at the relationship between the value of comps awarded to players and their sequence of

⁴ In a different session, a presenter shared with the audience that a focus group participant once referred to the casino as her "country club" where she wanted everyone to recognize her.

⁵ This study, by Narayanan and Manchanda (2011), has already been briefly discussed in Chapter 1. More detail is provided here.

decisions (such as the decision to play given previous play and bet amounts). The findings suggested that comps do affect gambling behaviour, such that when there was an increase in comps, there was a small increase in both short-term and long-term betting. Moreover, when players were given comps, there was a reduction in the number of days between their trips to the casino. For players who displayed addictive behaviour, the response to the comps (i.e., bet amount and number of plays during a trip) was twice that of the average player. Based on the data, it appears that comps do have an effect; while small for the average player, it is larger for those who meet the above definition of addiction. It should be kept in mind, however, that while the study suggests that comps can get players to spend more, it does not necessarily show that comps *cause* them to engage in addictive behaviour.

During the panel discussion, *Do Player Incentives Increase Risk? What Players and Treatment Providers Say*, treatment providers and former players who have sought help for a gambling problem said that in their opinion, incentives can influence gambling behaviour because they bring players back to the casino repeatedly under the guise of “free things.” Former players said they used to think that they could just visit the casino, redeem their comp, and leave, but this was not the case. Vouchers that had two parts—such as a meal that could be redeemed at one time and then another meal that could only be redeemed several hours later (e.g., in the morning)—had players waiting for hours so that they could redeem the second portion of the comp. Cash rebates were also particularly enticing for those with a gambling problem, because when the player was low on funds, they would wait for the rebates so they could go back and play, to “keep them in action.”

One panelist commented that to someone who has nothing, even a \$20 rebate is a big deal and can drive behaviour. Indeed, another panelist said they used to go as far as to re-arrange their weekly or monthly schedules based on when they knew they would be receiving comps. Former players also said they sometimes felt that when they received a comp, it was as if they were being told “it’s okay” they were spending so much. A few members of the audience added that comps could entice players to go back to the casino and chase losses, and that it is not necessarily the biggest rewards that are the most powerful. There was some agreement among panelists that for an at-risk player who has not self-excluded, receiving incentives could “tip the scales.”

IMPACT OF INCENTIVES IN GENERAL ON FORUM PARTICIPANTS

When forum participants were asked how any reward programs they participate in (e.g., grocery, drugstore, etc.) influence their *own* behaviour—the majority said that the programs affect their behaviour either “a little” or “somewhat,” depending on the particular product involved and how frequently they use it. Additionally, participants said that incentive programs in general likely influence a consumer’s decision about which competitor to do business with.

In discussing some possible similarities and differences between gaming and other incentive programs, a large majority of participants felt that gaming loyalty programs probably affect behaviour the same way as other programs. Some participants, however, pointed out that gaming loyalty programs may have more of an effect because they carry the potential for immediate rewards and because cashback and free play offers can lead to a cycle where gambling leads to more gambling. Participants also mentioned that with most other incentive programs, members purchase products they were likely to buy anyway (e.g., groceries, flights for business).

When Incentives Cross the Line

Throughout the forum, there was much discussion among participants about whether—and under what circumstances—incentives “cross the line.” In one of the polling and large group discussions, an overwhelming majority of participants said that there are definitely situations where incentives cross the line and provided the following examples: when incentives encourage players to over-extend themselves; when they target vulnerable players; when hosts are encouraged to offer incentives to players who they know or suspect have a problem; when a player opts out from receiving incentives but still receives them; and when the casino personally calls the player to offer incentives.

During the panel discussion, *Do Player Incentives Increase Risk? What Players and Treatment Providers Say*, panelists said that crossing the line would be offering incentives that require players to stay until after midnight to redeem a portion of their comp—partly because the player would have cleared the daily ATM limit (since it is a new day), which could lead to over-spending. When panelists were asked where to draw the line between who should and should not receive incentives, some suggested that incentives should not be given to players with a gambling problem. Others, however, said that it is too difficult to identify these individuals, while some said it was obvious when walking around the casino.

A few participants said that gaming operators should be able to use the technology they have and the wealth of data they collect on players to identify those at risk, as well as to limit and/or track the impact of incentives on high-risk players and perhaps use the information to help them. Some operators and marketing experts in the room, however, noted that gaming operators, at least in the U.S., are usually hesitant to use player data from loyalty programs for this purpose because the data set is incomplete and cannot be used to make assumptions about players. For example, without information on the player’s income and assets they cannot assume that the player is playing beyond their means. They feel it is not their right to pass judgment, and are concerned they may be sued if they identify a player as being “at risk.” As well, even if they are 95% confident that a player has a problem, there is still the chance that they could be wrong. A participant commented that a player who plays \$5 one day, \$10 the next, and continues to increase their bets, could just be a player that “bought a product and liked it”; the operator cannot make the assumption that the player is chasing losses.

Incentive Safeguards

A large part of the forum focused on safeguards for player incentives—which ones currently exist, what their limitations are, how they might be improved, and what opportunities there are for new safeguards. These topics are each discussed in turn below.

NON-GAMING

The presentation, *Incentive Safeguards in Gaming and Non-Gaming Industries*, began with some discussion of incentive safeguards in a few risk-inherent industries other than gaming (i.e., tobacco, alcohol, pharmaceutical). The purpose was to see what, if any, lessons could be learned from these industries for the gaming industry. In the case of tobacco, there is federal legislation in Canada forbidding the marketing of tobacco products. Offering gifts, bonuses, premiums, or cash rebates on tobacco purchases is also banned. In the case of alcohol and prescription drugs, consumers (depending on the jurisdiction) are able to earn loyalty points for these purchases. However, the points earned are part of a much larger loyalty program (e.g., Air Miles, Shoppers Optimum) and, as such, points can be earned not just for alcohol and prescription drugs at liquor outlets and drugstores, respectively, but for other products

at a wide number of retailers. Additionally, the points earned through these programs usually cannot be redeemed to purchase more alcohol or prescription drugs.

GAMING

In the session discussed earlier on in this chapter, *Player Incentives: A Canadian Perspective*, the three individuals who presented some details of their player incentive programs also shared with the audience some information about the responsible gambling (RG) components of these programs. In Manitoba, their player loyalty program offers RG features such as gaming activity reports and limit setting tools, and the marketing department works to ensure communications are not sent to self-excluded players. A Loyalty Program Governance Committee also guides the program and its incentives,⁶ and all promotions must be approved by the marketing, corporate communications & social responsibility, and internal audit departments. For the loyalty program at Caesars Windsor in Ontario, marketing materials sent to players must include two standard disclaimers: one with the company's RG tagline and the provincial problem gambling helpline number; the other stating that self-excluded players cannot participate in any promotions or offers. Caesars Windsor also removes self-excluded players from marketing lists so that they no longer receive promotional materials. In Quebec, when players self-exclude from casinos, they are automatically removed from the promotional mailing list. Once players complete their self-exclusion term, a year must pass before they can request to be added back to the list. In addition, all marketing initiatives must be approved by the legal department.

The presentation, *Queensland Responsible Gambling Guidelines for Player Loyalty Programs*, provided an overview of the loyalty program guidelines currently in place in Queensland, Australia. As discussed earlier in this report, the guidelines were developed collectively by representatives from the gaming industry, the community and government. Examples of some of the guidelines include:

- § When players register for a loyalty program, they must be provided with relevant information to make informed decisions about participating in the program;
- § Reward point accrual and redemption systems must not focus solely on gambling activities where there are other activities to promote;
- § RG messages must be incorporated into advertising and promotions, where appropriate and possible;
- § Player loyalty programs must comply with the Exclusions Framework. For example, promotional materials should not be sent to excluded players, and the terms of the loyalty program should restrict excluded players from participating in any gambling-related components of the program;
- § Player loyalty programs cannot offend prevailing community standards. Nor can they be directed at minors or at vulnerable or disadvantaged groups.

In addition to the above guidelines, gaming operators in Queensland have been educated on “acceptable” and “unacceptable” loyalty program practices. Examples of some acceptable practices would be allowing players to earn points for meal and drink purchases, and allowing points to be

⁶ The committee includes representation from the following departments: Marketing, Finance, Gaming Operations, Communications & Social Responsibility, Entertainment & Hospitality, and e-gaming.

redeemed for non-gaming amenities such as restaurants, hotels, and shows. Examples of practices that are considered unacceptable are: allowing points to be earned through gambling only; allowing points to be redeemed for gambling only; and allowing marketing materials to depict unlikely winning scenarios.

CARD-BASED INITIATIVES

The session, *Emerging Approaches to Responsible Gambling Incentives*, consisted of two presentations that discussed card-based RG initiatives tied to incentives. The first presentation, *Nova Scotia's Experience with Responsible Gaming Based Incentives*, described the mandatory card-play system of the Nova Scotia Provincial Lotteries and Casino Corporation, called *My-Play*. Used for their Video Lottery Terminals (VLTs), the system offers players self-monitoring tools such as the ability to set limits and access play history. Research on the system following implementation showed that uptake of the tools was minimal and many players reduced their play or stopped playing entirely, as evidenced by a 17% decline in revenue. While five dollar gift cards were offered to players as an incentive to use the system, this amount was apparently not enough to mitigate players' hesitation in using the system. Player feedback indicated that players felt the system was tracking their play and that it was meant for individuals with gambling problems; they did not see value in the tools for themselves. Achieving retailer buy-in also proved to be difficult, as retailers viewed the system as the cause of the 17% revenue decline. While retailers were also offered incentives—a bi-annual payment for administering the system and \$10 for every full enrollment at their site—the incentives were insufficient to secure buy-in. In September 2014, the government of Nova Scotia decided to terminate the *My-Play* program.

The second presentation in this session looked at the *PlaySmart* system currently being used on gaming machines in parts of Australia. It is a voluntary pre-commitment system available to users of the *J Card*, associated with the loyalty program offered at Jackpot Club venues. The system offers breaks in play and provides on-screen warnings when players reach their self-selected time and money limits. Also, when a limit is reached, it is communicated to all other participating venues (70 in South Australia and 4 in Queensland). Research conducted on the system found that among *J Card* holders who used their card in the last three months, 6% enacted the *PlaySmart* tools. However, the system used to require players to opt *in* or activate the tools. When this was changed to require players to opt *out* or deactivate the tools instead, there was a spike in usage. While players saw the ability to set expenditure limits as the main benefit of the *PlaySmart* system, they identified the following limitations: Many players were unaware of the full range of tools available; many players could not recall receiving reminder messages about their limits; and there was confusion due to the wide range of choices. Because the Jackpot Club does not offer comps, direct mailings, or tiers, it does not have the same level of uptake of loyalty programs in other jurisdictions. It is thought that this might have contributed to the relatively low uptake of *PlaySmart* tools.

Forum Participant Opinion about Player Incentive RG

Forum participants were asked throughout the event to give their opinions on a variety of topics via polling and discussion, though the discussions were mainly centered on RG initiatives for player incentives. The participants' opinions on this topic are presented below.

LINKING LOYALTY CARDS TO RG FEATURES

During one of the participant polling and discussion sessions, when asked, "Should loyalty cards be linked to RG features (e.g., limit setting)?," an overwhelming majority of participants answered "yes" or

“yes, with conditions.” Some conditions mentioned were that there should be appropriate rewards for using RG features; players should be advised upfront what their information is being used for; and players should be allowed to opt in to the features if they want to use them.

Participants were also asked, “Since gamblers have to ask for an incentive card, would it be a good thing to have an active prevention tool (e.g., a video explaining the risks) before they get their card?” Responses to this question were split fairly evenly, with just over half the respondents answering “yes,” and the remainder answering “no.” Those who answered no said it was because there were already many ways for players to be informed about RG. They also said that players just want to finish the transaction and it may be more effective if the risks were brought up at a different time.

Participants were also asked, “Since setting limits are the key features used by gamblers, would it be simpler to make these options available without having to own a card?” In response, two-thirds of participants answered, “yes.” During the following discussion, however, it was pointed out that without a card, the limit-setting options would only apply to one machine at a time and, as such, players would just go to another machine if they reached the limits set at their current machine. In response, some participants commented that having limit setting at one machine, while not ideal, is still better than nothing. Others questioned whether limit setting is in fact the most important tool for players—or if it is instead the ability to review one’s spend, which encourages budgeting and money management.

INCREASING USE OF RG FEATURES

When forum participants were asked for possible ways to increase player motivation to access and use any RG features that might be associated with loyalty cards, participants provided the following suggestions:

- Address the motivators and de-motivators for both players and retailers, as retailers can also be a barrier to the uptake of RG tools;
- Change the language from a negative “problem gambling” focus to a more positive “taking control” focus;
- Use the term “player tools” rather than “RG tools;”
- Create value for players so they *want* to use the tools;
- Provide an active prevention message after a win, because players will be more receptive when they are in a good mood; and
- Have a renewal system for loyalty program membership that includes a review of the player’s gaming history, which would give players an opportunity to evaluate their spend. A survey at the time of renewal asking players to guess how much they *think* they are spending and comparing that to their *actual* spend might also be helpful.

When asked how the industry can responsibly incentivize the use of RG tools, participants suggested:

- Give incentives for things that are not on the gaming floor;
- Normalize the use of RG tools; and

- Look at what has been done for other high-risk products.

RESTRICTING INCENTIVES

In discussing whether restrictions should be placed on incentives for some players or in certain situations, the majority of participants said that restrictions should be imposed on players who were previously self-excluded. When asked whether restrictions should be placed on players who gaming staff *suspect* might have a gambling problem, there was a fairly even split among participants in their responses. There was also some debate as to whether staff can reliably identify such players. When participants were asked, “Should marketing/advertising exclude high-risk gamblers from some forms of promotion?,” approximately half of the participants answered “yes,” while the remainder gave mixed responses such as “no,” “needs more research,” “it depends,” and “don’t know.” When asked, “What would most likely lead to a change in casino marketing practices in your jurisdiction?,” just over one third of respondents said “legislated change to marketing regulations,” while the remainder said “public media pressure,” “research indicating that current practices harm some customers,” “marketing research that suggests a change in strategy,” and “casino RG guidelines.”

Because operators often say that they offer incentives to keep up with the competition—especially when one gaming venue is in close proximity to another—forum participants were asked whether operators that have a monopoly should offer loyalty programs. Some responses were that “monopolies don’t really exist”—both because of the availability of online gaming, and because the gaming industry is in competition with other entertainment options. Additionally, some participants said that having a loyalty program allows the operator to better understand its customer.

OTHER INITIATIVES THAT MIGHT HELP PLAYERS

When asked what other types of initiatives might help players, audience members suggested:

- Provide players with an account of their spending, something akin to a bank statement;
- Space out rebates so that they are monthly (rather than weekly). This would give players more time away from the venue between rebates and thus more time to consider whether they may have a problem with gambling; and
- Increase messaging on just how much spend is required to acquire a particular number of points/to move up to the next tier level, etc.

Responsible Gambling Best Practices

Near the end of the forum, participants were asked to list—with others at their table—what they thought might be some RG best practices for player incentives. Some of the suggestions given were already mentioned throughout the forum, while others were new:

- Have the loyalty program apply to all business channels (e.g., casino, lottery, VLTs, etc.);
- Make player cards mandatory;
- Offer non-gaming incentives both inside and outside the venue (e.g., food, beverage, merchandise);

- Be more clear about the true cost of earning incentives;
- Provide players with their play history and offer incentives for accessing it;
- Provide options for setting limits and reward players for sticking to them;
- Prohibit the redemption of points for cashback or free play;
- Offer some incentives that do not require players to go back to the gaming venue to redeem them;
- Offer rewards for using loyalty card RG tools;
- Do not call RG tools, “RG tools;”
- Use the loyalty program to deliver player education (e.g., helpline number);
- Link rewards to messaging about responsible play;
- Have players watch a video when they apply for a loyalty card that explains the risks associated with earning incentives;
- Allow players to opt in and out of communications, and allow them to determine how much contact they want from the venue;
- Require more demographic information when players apply for their loyalty card so that the data can be used to help identify high-risk players;
- Implement player identification algorithms. Identify high-risk players and do not offer them incentives;
- Conduct customer surveys on gambling behaviour;
- Develop an expert-reviewed framework to assess incentives and objectively determine if they pose a risk to vulnerable players.

Summary

In summary, the following key points emerged from the forum:

- Various factors may make incentives appealing to players, such as: they make the player feel important and recognized; they may appear to offset the cost of gambling (e.g., losses, travel costs); and the convenience of a host arranging the details of the trip to the venue.
- Research suggests that comps do have an effect on gambling behaviour, with possibly a more pronounced effect for players who display addictive behaviour.
- Participants felt that some incentives “cross the line” particularly: when they encourage players to over-extend themselves or stay past midnight; when hosts offer incentives to players they suspect may have a problem; when incentives target vulnerable players; when a player receives

incentives after choosing to opt out; and when the casino makes personal calls to offer incentives.

- Safeguards currently in place for loyalty programs include: offering play history reports and limit setting tools; ensuring marketing materials are not sent to self-excluded players; requiring RG and/or problem gambling help information (e.g., helpline number) to be on marketing materials; providing players with RG information at the time of loyalty program registration; and reward point accrual and redemption not being exclusive to gambling activities.
- When implementing a card-based initiative, operators need to demonstrate the value to players in utilizing the RG tools, tools should be introduced gradually to facilitate player understanding, and retailer buy-in is essential. Other features of card-based initiatives mentioned were: having limit-setting tools that apply to all participating venues; and not requiring players to opt in, but rather, having the option to opt out if they so choose.
- Participants agreed that limit setting tools should be made available. Suggestions as to what extent and with which conditions varied among participants.
- Some suggestions to increase utilization of RG features were: address retailer concerns; use more positive language; create value for the players; and implement a membership renewal system for loyalty programs that includes a review of the player's play history.

CHAPTER 4: RESPONSIBLE GAMBLING BEST PRACTICES FOR PLAYER INCENTIVES

While the details vary, player incentives operate in similar ways across jurisdictions and individual gaming venues. Rewards come in the form of cash, free play, accommodation, entertainment, free or discounted services, merchandise, food and beverage and travel. Though some incentives are available to all patrons, most rewards are exclusive to members of the venue's loyalty program. For this reason, the best practices for player incentives identified in this report focus on loyalty programs.

While there is no direct evidence that incentives and loyalty programs create gambling problems, there is evidence that they can heighten problem gambling behaviours and that they have a strong appeal for some people who are at risk of, or have already developed, a gambling problem.

Concern about the appeal of incentives to people with gambling related problems has led some to call for the prohibition of loyalty programs. These observers argue that incentives, bonuses and loyalty rewards act as powerful drivers for vulnerable patrons by encouraging them to increase their gambling when they should be cutting back or stopping altogether.

Others point to the opportunities presented by loyalty programs to be used for non-marketing purposes, such as to communicate safety information to patrons, to track behaviours, to identify potential and emerging problems ("red flag" behaviours), and to initiate actions to mitigate potential problems. Because registering for a loyalty program gives the venue the ability to communicate with the player (e.g., by email or direct mail), and provides both players and venue staff access to the player's analytics (e.g., play history including time and money spent), venues can provide better information to members than is available to players who are not members.

On balance, player loyalty programs—as long as they are not seen exclusively as a marketing tool—have some potential benefits from a player protection perspective. That assumes, however, that loyalty programs and other incentives actively build in the tools and analytics that enable increased player information and safeguards. Some opportunities identified in this project for building in these tools and analytics are presented below.

Promote Informed Decision Making

There are many opportunities to use player data to assist patrons in making informed decisions. These include:

- Beginning with the registration process itself, taking regular opportunities to provide players with information about the realistic chances of winning and losing, where to get help, and the benefits of limits setting. Also providing some of the many other safety messages associated with well-designed responsible gambling programs. Such information might be provided in any number of ways using the communication tools available to gaming providers. It would likely mean incorporating RG information in regular circulations, as well as creating some information distributions exclusively focused on RG topics.
- Providing players with accurate and easy-to-access information about the links between the amounts they spend and the rewards they earn.

- Informing players that greater rewards are related to greater spending and that it is risky to view rewards, reaching a higher tier, or receiving greater staff attention as a status symbol or a measure of greater self-worth.
- Providing loyalty program members with activity reports that let them know their play history over a period of time of their choosing, such as the past month or year. Make the receiving of reports the default option with the capability to choose frequency or turn off the activity.
- Providing normative feedback on their play history, using the entire database of loyalty members to calculate percentages and averages.

Ensuring Marketing Incorporates an RG Perspective

- Beyond the provision of good consumer information, there are also ways that loyalty programs and incentives can be managed in a way which reduces the risk of gambling problems. These include:
- Ensuring that any information contained in promotional communications and materials complies with existing RG guidelines for advertising and marketing, and does not imply that participating in loyalty programs or other incentives increases the player's chances of winning.
- Permitting players to have only one card for the same loyalty program membership.
- Incorporating RG information in promotional communications and materials with adequate prominence relative to other messaging.
- Having an annual renewal for loyalty program membership that gives players an opportunity to review their past-year gambling activity with gaming venue staff.
- When players register for a loyalty program, requiring them to *opt in* explicitly to each form of marketing communication (e.g., mail, email, phone, texts) they wish to receive.
- Once they become loyalty members, allowing players to opt out easily of some, or all, forms of marketing communication at any time.

Optimizing RG in the Earning and Redemption of Rewards

- Allowing players to earn points and rewards not just for the time and money they spend gambling, but for participating in non-gambling activities as well, both inside and outside of the gaming venue.
- Encouraging players to set personal gambling limits on their loyalty card. If players reach one of the limits they have set, have a message tell them that they have reached a limit. If players still continue to gamble, don't allow them to accrue any additional loyalty points.
- Rewarding players with (non-gambling) incentives for using the self-limiting tools.

- Allowing players to redeem their loyalty points for non-gambling rewards both inside and outside of the gaming venue (e.g., merchandise, food).
- Allowing players to participate in contests without having to be at the gaming venue when prizes are announced.
- Allowing a cooling off period after players have lost a large sum of money before offering any incentive to gamble further. Once they have left the premises, allow a reasonable amount of time to pass before offering players an incentive to return to the venue.
- Ensuring that alcohol is not used as an inducement or reward for gambling. [Note that in most Canadian provinces, complimentary alcohol service is prohibited.]

Supporting At-Risk Players and Self-Excluded People

Some players will gamble in a manner that exhibits “red flag” behaviours which suggest a potential problem and which trigger observations and responses from venue staff. These at-risk players warrant special attention from the perspective of rewards and incentives, as do self-excluded people.

Both groups would benefit from the following provisions:

AT-RISK PLAYERS

- Using loyalty card data, in combination with staff observations and other documentation, to identify red flag behaviours that may indicate a potential gambling problem.
- Putting a customer service protocol in place to identify when and how staff will take action when a loyalty member exceeds red flag thresholds for frequency of gambling, duration of sessions, average bet size, and cumulative losses.
- Having an escalating process in place to offer red-flagged players assistance, education, as well as the option of easily removing themselves from future incentives or marketing communications. (The same system would also be used for those players exhibiting red flag behaviours who are not loyalty club members.)
- Discontinuing rewards that, in order to be redeemed, require the player to be in the venue for extended periods of time—particularly if it means the player can access more cash (because, for instance, a new banking day has begun).
- Discontinuing discretionary rewards designed to promote longer stays.

SELF-EXCLUDED PEOPLE

- When players signs up for self-exclusion, immediately removing their name from all marketing contact lists.
- Paying out any unredeemed points and canceling the loyalty program membership immediately when a player self-excludes.

- Once players' self-exclusion period has ended, requiring reinstated players to reapply for loyalty club membership and to opt in explicitly to each form of marketing communication they want to receive from the venue.

In summary, there is great opportunity to use loyalty cards to promote informed decision making, as well as to reduce risk by ensuring marketing incorporates an RG perspective; optimizing RG in the earning and redemption of rewards; and having special exemptions and protocols for those identified as at-risk or who have self-excluded. Future developments in the use of loyalty cards to inform and assist those at risk will further inform best practices in the promotion of safer gambling and the prevention of problem gambling.

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INSIGHT 2013



CENTRE FOR THE
ADVANCEMENT OF
BEST PRACTICES

**Stakeholder Feedback on August 9, 2021 Draft
Language and Small Business Economic Impact
Statement**



Confederated Tribes and Bands
of the Yakama Nation

Established by the
Treaty of June 9, 1855

August 16, 2021

Michelle Rancour
Assistant to Tribal Liaison
Safety Team Member CFD Chair
WA State Gambling Commission

Subject: Proposed Self-Exclusion Rules for Review.

Dear Michelle Rancour:

On behalf of the Confederated Tribes of the Yakama Nation, we request the following sentence to be the last sentence, and added to the final page 13 of "Chapter 230-23 WAC Self-Exclusion"

(Add new last sentence to the last paragraph):

If a federally recognized Indian Tribe or tribal enterprise that own gambling operations or facilities with class III gaming compacts do voluntarily participate in the self-exclusion program, the tribal-state compacts may allow for the mutual sharing of self-exclusion lists.

The original wording currently reads as follows:

WAC 230-23-035 Sharing the self-exclusion list. We may enter into tribal-state compacts with federally recognized Indian tribes or tribal enterprises that own gambling operations or facilities with Class III gaming compacts to voluntarily participate in the self-exclusion program. The tribal-state compacts may allow for the mutual sharing of self-exclusion lists.

We do not have any further comments at this time. Thank you.

Sincerely,

Delano Saluskin
Tribal Council Chairman
Confederated Tribes of the Yakama Nation

WSGC Self-Exclusion Rules for Review.

August 13, 2021

Page 2

CC: Law and Order Committee Members
Yakama Nation Gaming Commissioners, Executive Director, Licensing Manager, Ashlie Laydon
Rules Coordinator | Legal and Records Division

From: [Pat Hosier](#)
To: [Griffin, Tina \(GMB\)](#)
Cc: [Robbins, Rashida \(GMB\)](#); [Chinn, John \(GMB\)](#); [Schulte, Richard \(GMB\)](#); [Nicks, Jim \(GMB\)](#); [Harris, Mark \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#); [David Hill](#); [Mai, Mail \(GMB\)](#)
Subject: Re: FW: Self exclusion
Date: Tuesday, August 17, 2021 10:23:25 AM

External Email

Hi Tina,
Thank you for the quick response. That fully addressed my concerns. I've forwarded it to David Hill and Mail Mai, and unless they have any additional questions, I'm fine with the rule as written.
Thanks again,
Pat

On Tue, Aug 17, 2021 at 7:20 AM Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov> wrote:

Hi Pat,

Thank you for your feedback on the self-exclusion rules.

To address your questions below,

1. WAC 230-23-020 "(4) Player club memberships and accounts will be closed and ***all accumulated points immediately redeemed for nongaming items as the licensee's policy allows*** at the licensed location the participant initially enrolls for self-exclusion."

Like most minicasinios, we only offer food and cigarettes for points. Some guests have thousands of points. It isn't feasible to give a self excluding guest \$1000 in food and/or cigarettes. Can we have a written internal policy that all points are null and void the moment a player chooses to self exclude?

A statement in your internal policies and player club membership or account rules or restrictions that all points are null and void upon self-excluding is allowed.

2. WAC 230-23-030(8)(b) "... All accumulated points MAY be immediately redeemed by the participant for nongaming items as the licensee's policy allows at the licensed location..."

This section includes the key word MAY as opposed to the first case where it seems we are required to redeem all points. We prefer this wording as it allows us to limit the redemption to a maximum amount, or none at all if that is our policy.

So in both cases, can we have an internal policy limiting the amount that *may* be redeemed should a guest elect to self exclude?

Yes, addressing the limitations for redeeming accumulated player membership or account points can be done in your policies and your player membership or account rules and restrictions.

3. WAC 230-23-030 (8)(h) in the same rule: "All money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities are confiscated under RCW 9.46.071.

Should a player gamble and not give their id or join a player's club play for several days before their identity is discovered, does the casino then have to try to discover how much the player lost during their combined visits and all of that forwarded to problem gambling, or is it just the play on the day in which the the identity was discovered that is subject to this rule? I think it's a given that some persons will attempt to play somewhere they are not known after self excluding at a different casino. Many persons are already hesitant to give their ID when gambling at all casinos. How can we know whether random guests are on the self-exclusion list? It doesn't seem right that we should be punished for the knowingly evasive actions of someone intentionally violating their own agreement.

The intent is for the HBCR licensee to confiscate all chips and/or winnings due to the self-excluded individual immediately upon discovering their identity while at the facility. If you discover their identity after they have left, there is nothing to confiscate.

4. WAC 230-23-025(3) The licensee *MAY* release the names and identifying information participants on the self-exclusion list to contracted service providers that provide check cashing, cash advances, marketing, automated teller machines, and other financial services.

From this wording I assume that this is not a requirement?

You are correct. It is not a requirement that you provide the list of self-excluded participants to your contractual providers that provide check cashing, cash advances, marketing, automated teller machines or other financial services. The HBCR licensee will be responsible for services accessed during their self-exclusion period if they are not notified.

Please let me know if you have further questions.

Sincerely,

Tina Griffin

Interim Director

Washington State Gambling Commission

P.O. Box 42400

Olympia, WA 98504

360-507-3456

tina.griffin@wsgc.wa.gov



From: Pat Hosier <pat.hosier@tilgaming.com>

Sent: Monday, August 16, 2021 2:35 PM

To: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>

Cc: Mai, Mail (GMB) <mail.mai@tilgaming.com>; David Hill

<davidallenhill1@gmail.com>; Scott Bryson <scott.bryson@tilgaming.com>; Ben Brown

<ben.brown@tilgaming.com>; Eric Fenchel <eric.fenchel@tilgaming.com>; Jeff Hirai

<jeff.hirai@tilgaming.com>

Subject: Self exclusion

External Email

Hi Ashlie,

I did not receive this email until one of my GMs sent it to me. I've completed a review and I hope I'm not submitting this too late. I'm listing my concerns below.

WAC 230-23-020

"(4) Player club memberships and accounts will be closed and *all accumulated points immediately redeemed for nongaming items as the licensee's policy allows* at the licensed location the participant initially enrolls for self-exclusion."

Like most minicasinios, we only offer food and cigarettes for points. Some guests have thousands of points. It isn't feasible to give a self excluding guest \$1000 in food and/or cigarettes. Can we have a written internal policy that all points are null and void the moment a player chooses to self exclude?

Also and on the same topic, later under WAC 230-23-030:

(8)(b) "... All accumulated points MAY be immediately redeemed by the participant for nongaming items as the licensee's policy allows at the licensed location..."

This section includes the key word MAY as opposed to the first case where it seems we are required to redeem all points. We prefer this wording as it allows us to limit the redemption to a maximum amount, or none at all if that is our policy.

So in both cases, can we have an internal policy limiting the amount that *may* be redeemed should a guest elect to self exclude?

(8)(h) in the same rule: "All money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities are confiscated under RCW 9.46.071.

Should a player gamble and not give their id or join a player's club play for several days before their identity is discovered, does the casino then have to try to discover how much the player lost during their combined visits and all of that forwarded to problem gambling, or is it just the play on the day in which the the identity was discovered that is subject to this rule? I think it's a given that some persons will attempt to play somewhere they are not known after self excluding at a different casino. Many persons are already hesitant to give their ID when gambling at all casinos. How can we know whether random guests are on the self-exclusion list? It doesn't seem right that we should be punished for the knowingly evasive actions of someone intentionally violating their own agreement.

Finally,

WAC 230-23-025

(3) The licensee *MAY* release the names and identifying information participants on the self-exclusion list to contracted service providers that provide check cashing, cash advances, marketing, automated teller machines, and other financial services.

From this wording I assume that this is not a requirement?

Thank you, and I apologize for being late. Could you please include me in all such future notices relating to gaming rules and I will try to be more timely with my input?

Regards,

--

Pat Hosier

Regional Manager

TIL Gaming and Fortune Casinos

Work: 425.228.3700 x-102

Cell: 206.300.3439

--

Pat Hosier

Regional Manager

TIL Gaming and Fortune Casinos

Work: 425.228.3700 x-102

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From: [Waldron, Roxane \(HCA\)](#)
To: [Laydon, Ashlie \(GMB\)](#)
Cc: [Griffin, Tina \(GMB\)](#); [Panek, Kara M. \(HCA\)](#); [Waterland, Keri L \(HCA\)](#)
Subject: RE: Draft self-exclusion rules -- feedback from State Problem Gambling Program Manager (Roxane Waldron)
Date: Friday, August 13, 2021 5:01:04 PM
Attachments: [image006.png](#)
[image007.png](#)
[image008.png](#)
[image009.png](#)
[image010.png](#)
[image013.png](#)
[image015.png](#)
[OTS-3154.2.docx](#)

Hi Ashlie,

Thanks for the opportunity to give comment on the draft self-exclusion rules for the Gambling Commission.

As the State Problem Gambling Program Mgr., I plan to raise my concerns as part of the discussion with the Gambling Commission at the meeting this Fall where these rules will be introduced for approval.

Please note: In 'cc,' I'm including Tina Griffin (Interim Director, Gambling Commission), Keri Waterland (Director, Division of Behavioral Health and Recovery/HCA) and my supervisor, Kara Panek (Manager, Adult Program and Involuntary Treatment Team) so they are also aware of my concerns.

My concerns:

A. Forfeited monies should be coming to the State PG Program only (WAC 230-23-030)—

Issue: Current language reads that forfeited funds should be sent by vendors to:

- 1) the *problem gambling account created in [RCW 41.05.751](#) (note error in draft—says 42, not 41);* OR
- 2) *A charitable or nonprofit organization that provides problem gambling and gambling disorder services or increases awareness about problem gambling and gambling disorder.*

Recommendation: Consider changing wording to require that all forfeited funds from commercial (non-Tribal) vendors be directed to the State Problem Gambling Program.

Here my suggested wording as an example (items in red added or struck out)—submitted in comments for an earlier draft:

- a. All money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities outlined in this Chapter are forfeited under RCW 9.46.071, in which the licensee will:
 1. Issue a check for the same monetary value within three business days after collecting

or refusing to pay any winnings from gambling or chips in the possession of a participant on the self-exclusion list as follows

- A. For licensees subject to the state business and occupation tax for problem gambling, forfeited funds must be transferred to the problem gambling account created in RCW 41.05.751 RCW42.05.751 , and/or
- B. For Tribal venues, forfeited funds can be used for that Tribe's problem gambling program, and/or donated to a charitable or nonprofit organization that provides problem gambling services or increases awareness about problem gambling, and/or ; the state problem gambling account created by RCW 41.05.751; and

Q--Why should this change be made?

- As a unit within a state agency (Health Care Authority), the **State PG Program already has contract monitoring and financial auditing as part of the established oversight for both revenue and expenditures**. This way, the public can have confidence that the people's money is being used appropriately and there is a paper trail in case of concerns. There's no required auditing for funds sent to non-profits or charitable organizations.
- Leaving it open for commercial vendors to decide where they're sending the funding means that the **State Problem Gambling Program will be essentially be 'vying' for this additional funding as a state agency with other non-state organizations (such as the Evergreen Council on Problem Gambling and Recovery Café)**. It wouldn't be appropriate for the State Program Manager to reach out and 'lobby' commercial vendors for forfeited funds, whereas non-profit organizations don't have that restriction. This creates an inequitable situation.
- Due to [WAC 230-15-710](#), which covers a progressive jackpot game will be removed from play (due to business closure for example), licensees have several options for dispersal of any remaining jackpot prizes, including 'Donate the money to a nonprofit gambling organization in Washington State.' As a result, WSGC confirms that funds have been distributed to the Evergreen Council on Problem Gambling as recently as Fall 2020. However, the State Problem Gambling Program is not a possible recipient, so has received none of the forfeited progressive jackpot game prizes, leaving the State PG Program in a disadvantaged position. **Having the State PG Program as the recipient for the self-exclusion forfeited funds would make this a more level playing field, given that the State Program provides the majority of funding for treatment not covered by private insurance or self-pay.**
- With the rise of sports wagering at Tribal casinos and all the illegal (unregulated and untaxed) online gambling in our State, **the State PG Program is projected to need more treatment funding—already this biennium the program has an anticipated gap in funding of \$150,000 for treatment**. While some argue that the Tribal casinos operating legal sports wagering will have additional funding for problem gambling services, please note that none of that funding is required to be contributed to the State PG Program. This matters because not all individuals who gamble at Tribal casinos choose to seek treatment for problem gambling at Tribal BH programs (despite being eligible for services at most), either due to geography or personal preference. **As a low-barrier program, the State PG Program seeks to provide services to all eligible residents of WA State, regardless of where individuals seek treatment, and needs to be fully funded to meet these needs, especially for populations that are known to be at higher risk for problem gambling (Black/African American, Asian, Older Adults, Veterans, Youth, College-Aged, etc.).**

B. Online registration for self-exclusion isn't available (WAC 230-23-010)--

Recommendation: Consider providing an online sign-up option so people can do

register from the comfort of their homes (especially given the pandemic). In the draft rules, completing the process online for self-exclusion is not currently an option. An individual will be able to get the form but will then have to either 1) come in to the office in Lacey, WA or 2) download the form, print it out, get it notarized, then mail in their notarized form (any of those steps can be a barrier to completing the process). By contrast, the [Pennsylvania](#) process for registering for the state self-exclusion program can be [completed entirely online](#) by creating a log in and then uploading identifying documents.

C. In the draft rules, there appear to be NO consequences for WA State commercial vendors if they don't adhere to Licensee responsibilities per the new rules (WAC 230-23-030)—

Issue: Unlike some other states with self-exclusion programs, there are no explicitly-stated consequences to incentivize commercial vendors to follow the new self-exclusion rules (instead based on the 'honor system'). For example, if it's discovered that a commercial card room has allowed an individual to gamble at their facility despite that person being on the State self-exclusion list, will there be a fine? Or if an employee disburses the self-exclusion list to an unauthorized party? In order for vendors to recognize that they need to train staff and hold them to these rules, I believe that **Recommendation: The Gambling Commission should consider including language about how non-Tribal venues will be held responsible, such as a fine and/or additional consequences when they are re-licensed.** (example: ['\\$5,000 Fine Levied Against PA Casino for Self-Exclusion Violation'](#))

Thanks for considering my recommendations.

Roxane Waldron, MPA

Problem Gambling Program Manager
Division of Behavioral Health and Recovery
Health Care Authority
work cell: (360) 867-8486 – *please leave messages here (I am working remotely)*
Pronouns: She/Her/Hers
roxane.waldron@hca.wa.gov

Washington State
Health Care Authority

www.hca.wa.gov



From: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>

Sent: Monday, August 9, 2021 5:18 PM

Cc: Rancour, Michelle (GMB) <michelle.rancour@wsgc.wa.gov>; Lies, Julie (GMB) <julie.lies@wsgc.wa.gov>; Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>; Chinn, John (GMB) <john.chinn@wsgc.wa.gov>

Subject: Draft self-exclusion rules

Good afternoon,

Attached you will find draft self-exclusion rules for your review. Please provide feedback to me at ashlie.laydon@wsgc.wa.gov by noon on Monday, August 16, 2021.

Along with the draft rules, you will find a draft small business economic impact statement (SBEIS). To comply with the Regulatory Fairness Act, a state agency must determine whether proposed rules will impose more than “minor” costs. “Minor cost” is defined in [RCW 19.85.020\(2\)](#). A minimum of \$100 of costs triggers the completion of an SBEIS. Feedback on the draft SBEIS would also be appreciated by noon on Monday, August 16, 2021.

Please contact me via email if you have any questions.

Thank you,

Ashlie Laydon

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov



From: [Tim Woolsey](#)
To: [Laydon, Ashlie \(GMB\)](#)
Cc: [Devon Tiam](#); [Leonard Forsman](#); [Ramirez, Rion](#); [Armstrong, James \(GMB\)](#); [Lies, Julie \(GMB\)](#); [Griffin, Tina \(GMB\)](#)
Subject: Suquamish Tribe Comment on proposed Self-Exclusion Regulations WAC-230-23
Date: Wednesday, August 11, 2021 3:20:02 PM

External Email

Dear WSGC:

On behalf of the Suquamish Tribe of the Port Madison Indian Reservation, I submit the following comment on the proposed WAC-230-23 Self Exclusion.

In proposed section WAC-230-23-035, we suggest the removal of all references to the word 'compact' and instead use the word 'agreement'. The word compact unnecessarily will likely trigger IGRA and corresponding federal regulations and BIA approval. It also may unnecessarily require a long, tedious compact negotiation for a relatively minor cooperative information sharing. This could discourage tribes from engaging in the state system.

Instead, allowing for "agreements" with tribes for participation in the state system will be more straightforward and not implicate IGRA. WSGC and tribal gaming regulatory agencies regularly enter into MOUs covering relatively minor matters. Self-exclusion information sharing seems to meet this low threshold for MOU-type agreements.

Moreover, if an individual tribe did want to use the compacting process to negotiate that tribe's engagement in the state system, nothing would prohibit that tribe and the State from doing so. As the section is currently written, however, WSGC would only be permitted to engage tribes in the system through compacting.

The Suquamish Tribe takes problem gambling very seriously, and Chairman Forsman has been actively engaged in problem gambling with WSGC for some time. The Suquamish Tribe, therefore, seeks a statewide self-exclusion program that easily facilitates the Tribes' engagement.

Thank you,

Tim Woolsey
Office of the Tribal Attorney
Suquamish Tribe
P.O. Box 498
Suquamish, WA 98392
360-394-8493
443-850-7937 (cell)

From: [Vernon West](#)
To: [Laydon, Ashlie \(GMB\)](#)
Cc: [Rancour, Michelle \(GMB\)](#); [Lies, Julie \(GMB\)](#); [Griffin, Tina \(GMB\)](#); [Chinn, John \(GMB\)](#)
Subject: Re: Draft self-exclusion rules
Date: Tuesday, August 10, 2021 12:46:40 PM
Attachments: [image005.png](#)
[image003.png](#)

External Email

Mr. Laydon,

I would not be in favor of the self-exclusion rules unless they applied equally to commercial cardrooms and Tribal Casinos.

Vern Westerdahl

Managing Partner

Roxbury Lanes & Casino

On Monday, August 9, 2021, 05:17:52 PM PDT, Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov> wrote:

Good afternoon,

Attached you will find draft self-exclusion rules for your review. Please provide feedback to me at ashlie.laydon@wsgc.wa.gov by noon on Monday, August 16, 2021.

Along with the draft rules, you will find a draft small business economic impact statement (SBEIS). To comply with the Regulatory Fairness Act, a state agency must determine whether proposed rules will impose more than "minor" costs. "Minor cost" is defined in [RCW 19.85.020\(2\)](#). A minimum of \$100 of costs triggers the completion of an SBEIS. Feedback on the draft SBEIS would also be appreciated by noon on Monday, August 16, 2021.

Please contact me via email if you have any questions.

Thank you,

Ashlie Laydon

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov



Small Business Economic Impact Statement

Chapter 230-23 WAC

Rules Concerning
Implementation of a
Statewide Self-
Exclusion Program

August 6, 2021

SECTION 1:

Describe the proposed rule, including: a brief history of the issue; an explanation of why the proposed rule is needed; and a brief description of the probable compliance requirements and the kinds of professional services that a small business is likely to need in order to comply with the proposed rule.

The legislature recognizes that some individuals in this state have a gambling problem or gambling disorder. Because the state promotes and regulates gambling through the activities of the state lottery commission, the Washington horse racing commission, and the Washington state gambling commission, the state has the responsibility to continue to provide resources for the support of services for gambling disorders (RCW 9.46.071).

Currently, each house-banked card room licensee is required by RCW 9.46.071(1)(b) to post informational gambling disorder signs including a toll-free hotline number for individuals with a gambling disorder. Additionally, several house-banked card room licensees operate their own in-house self-exclusion programs.

On April 30, 2020, Governor Inslee signed HB 1302, which charges the Gambling Commission with developing rules for a centralized, statewide self-exclusion program. HB 1302 also requires a process for all federally recognized Indian tribes or tribal enterprises that own gambling operations or facilities with Class III gaming compacts to voluntarily participate in the self-exclusion program.

Research suggests that self-exclusion programs allowing individuals to exclude themselves from multiple gambling locations using a single process have a higher rate of success. A centralized, statewide program administered by the Commission, rather than the existing individual operator-level approach, will be more accessible to individuals with gambling disorders and allow them to exclude themselves from multiple facilities without having to enter multiple facilities.

The proposed chapter, Chapter 230-23 WAC, Self-exclusion, creates a program that will allow an individual to voluntarily request to be self-excluded from each house-banked card room licensee and participating tribal gaming facility at a single location rather than having to go to each location to enroll in an individual program like they are currently doing.

In order to comply with the new chapter, house-banked card room game licensees will need to transition from their individual operator-level programs to the centralized, statewide program administered by the Gambling Commission. This will entail:

- (1) Making the Self-Exclusion Request Form, developed and provided by the Gambling Commission, available to all patrons.
- (2) Accepting forms from individuals interested in enrolling in the program, including:
 - (a) Reviewing forms for completeness,
 - (b) Verifying the individual's identity either with a driver's license or other acceptable valid form of identification,
 - (c) Verifying the individual has selected a period of time of enrollment for the self-exclusion program, and

- (d) Verifying the individual has signed the form, and
 - (e) Taking a photograph of the individual, showing only their head and shoulders, to submit with the Self-Exclusion Request Form.
- (3) Forwarding the completed form to the Gambling Commission within 72 hours of receiving it either by email, regular mail, or fax.
- (4) Providing the individual with information and resources for treatment of gambling disorders upon enrollment.
- (5) Designating an employee(s) to be the contact person for the purposes of the self-exclusion program, including:
- (a) Receipt and maintenance of the self-exclusion list. This includes retrieving an updated list from Secure Access Washington (SAW) within 48 hours of receiving notification from us that an updated list exists;
 - (b) Submitting self-exclusion procedures to the Gambling Commission, and
 - (c) Communicating with the Gambling Commission in regard to the self-exclusion program.
- (6) Taking steps to remove individuals who breach their enrollment in the self-exclusion program by entering a house-banked card room upon discovery, including:
- (a) Immediately removing the individual from the premises,
 - (b) Confiscating all money and things of value, such as gaming chips, obtained or owed to the individual as a result of prohibited wagers, and
 - (c) Notifying the Gambling Commission of the breach within 72 hours.
- (7) Training all new employees within 3 days of hire, and annually retraining all employees who directly interact with gaming patrons on:
- (a) Information concerning the nature of problem gambling,
 - (b) Procedures for requesting self-exclusion, and
 - (c) How to assist patrons in obtaining information about gambling disorder treatment programs.
- (8) Notifying individuals already participating in existing operator-level programs that the centralized, statewide self-exclusion program exists within 3 days of the effective date of Chapter 230-23 WAC, including:
- (a) Making the Self-Exclusion Request Form available to them, and
 - (b) Providing information on how they can participate.
- (9) Establishing procedures for our review and approval, including:
- (a) Utilizing player tracking systems and all other electronic means, including checking all taxable patron winnings against the self-exclusion list, to assist in determining whether or not an individual who is enrolled in the program has engaged in gambling activities,
 - (b) Closing player club memberships and/or accounts for individuals enrolled in the

program,

(c) Denying check cashing privileges, player club memberships, complementary goods and services, and similar privileges and/or benefits to individuals enrolled in the program,

(d) Ensuring individuals enrolled in the program do not receive targeted mailings, telemarketing promotions, player club materials, or any other promotional materials related to gaming,

(e) Verifying patrons who win jackpot prizes are not individuals enrolled in the program before paying out prizes,

(f) Ensuring individuals enrolled in the program are not gambling at their establishment,

(g) Ensuring the confidentiality of individuals enrolled in the program, and

(h) Collecting moneys or things of value obtained or owed to individuals enrolled in the program as a result of participating in a gambling activity, including:

(i) Issuing a check for the same monetary value obtained or owed within 3 business days to either the problem gambling account created in RCW 41.05.751 and/or a charitable or nonprofit organization that provides services or increases awareness about gambling disorders, and

(ii) Documenting and retaining for one year:

(A) Any surveillance evidence identifying the date, time, and amount of money or things of value confiscated, the name and identity verification of the individual enrolled in the program, and

(B) A copy of the canceled check remitting the confiscated funds.

Licensees will likely make the transition to the statewide self-exclusion program using existing staff and resources and are unlikely to contract with any professional services in order to comply with the proposed rules.

SECTION 2:

Identify which businesses are required to comply with the proposed rule using the North American Industry Classification System (NAICS) codes and what the minor cost thresholds are.

Table A: Calculation of Minor Cost Thresholds.

NAICS Code	NAICS Business Description	# of businesses in WA*	Minor Cost Threshold = 1% of Average Annual Payroll**	Minor Cost Threshold = .3% of Average Annual Receipts***
713210	Casinos; except casino hotels	4	\$51,811.19	\$29,565.63
713290	Other gambling industries	39	\$33,690.22	\$10,126.91

*Number taken from 2018 Washington State Employment Security Department

(<https://esd.wa.gov/labormarketinfo/report-library>)

**2018 dataset taken from United States Bureau of Labor Statistics.

***2018 dataset taken from Washington State Department of Revenue.

NAICS Code Descriptions:

713210- Casinos; except casino hotels: This industry comprises establishments primarily engaged in operating gambling facilities that offer table wagering games along with other gambling activities, such as slot machines, sports betting, and off-track betting. These establishments often provide food and beverage services.

713290- Other gambling industries: This industry comprises establishments primarily engaged in operating gambling facilities (except casinos or casino hotels) or providing gambling services. This industry includes card rooms.

NAICS Code Descriptions were obtained from the NAICS Association. NAICS Code 713210 includes house-banked card rooms that offer off-track betting, which explains why average annual payroll and average annual receipts are higher than NAICS Code 713290 which includes all the other house-banked card rooms in the state, which do not offer off-track betting.

This new chapter, chapter 230-23 WAC, will apply to all house-banked card rooms licensed in the state of Washington, to conduct gambling activities. Currently, there are 43 house-banked card rooms licensed with the Gambling Commission. "Minor cost" is defined in RCW 19.85.020(2) as a cost per business that is less than one percent of annual payroll or the greater of either 0.3 percent of annual revenue or \$100. For the purposes of this small business economic impact statement, the NAICS code 713290 data will be used as this code represents the majority of house-banked card rooms in the state (those that do not offer off-track betting). Therefore, the minor cost threshold to be used will be between \$10,126.91 and \$33,690.22.

SECTION 3:

Analyze the probable cost of compliance. Identify the probable costs to comply with the proposed rule, including: cost of equipment, supplies, labor, professional services and increased administrative costs; and whether compliance with the proposed rule will cause businesses to lose sales or revenue.

This new chapter, chapter 230-23 WAC, will allow an individual to voluntarily request to be self-excluded from each house-banked card room licensee and participating tribal gaming facility at a single location. Outlined below is the probable cost incurred by house-banked card room licensees to comply with the requirements of the new chapter.

An individual interested in enrolling in the program can do so by completing a Self-Exclusion Request Form and submitting it to either a house-banked card room licensee or to the Gambling Commission. The Self-Exclusion Request Form will be made available on the Gambling Commission's website. House-banked card room licensees will be responsible for printing off forms for individuals interested in enrolling the program. It is assumed that each licensee has a computer, printer, and internet access available to them as this is a common business practice. The cost of paper has been estimated at \$10.69 per ream.

Each licensee will be responsible for mailing a copy of the Self-Exclusion Request Form to individuals already enrolled in operator-level self-exclusion programs. As of December 2019, there were 1,118 individuals enrolled in self-exclusion programs around the state. Self-Exclusion Request Forms can be sent via regular mail. The cost of a stamp to mail an envelope via regular mail is \$0.55. The cost of envelopes has been estimated at \$9.19 per box of 100 and paper at \$10.69 per ream. It can be assumed that each licensee will have to purchase paper, envelopes, and stamps. As of July 2021, there were 43 house-banked card room licensees. The total cost to comply with this section of the chapter will cost at least \$1,469.74. This cost will be shared amongst licensees, but disproportionately, as some licensees may have more individuals enrolled in operator-level programs than others.

Individuals interested in enrolling in the self-exclusion program may submit Self-Exclusion Request Forms to any house-banked card room. Licensees will be responsible for reviewing forms submitted to their establishment for completeness, verifying proof of identity, verifying the period of enrollment, and verifying the signature of the individual wishing to enroll in the program. Licensees will also be required to take a photograph of the individual, showing only their head and shoulders, to submit with the Self-Exclusion Request Form. Exceptions will be made if the individual submits a photograph with their Self-Exclusion Request Form, similar to that of a passport headshot. Licensees will have 72 hours to forward completed forms to the Gambling Commission. This can be done by way of regular mail, email, or fax. It is estimated that reviewing the Self-Exclusion Request Form for completeness, verifying the identity of the individual, and taking their photograph will take one employee 10-15 minutes to complete. An hourly wage of \$16.69 was used to account for the highest minimum wage in the state, therefore, the estimated cost of one employee to process a Self-Exclusion Request Form will cost a minimum of \$4.18 per form. It is assumed that every licensee has access to a camera to take a photograph of the individual, showing only their head

and shoulders, as this may be done using a camera on a cellular phone, a digital camera, or a webcam. A cost of a stamp and envelope will be incurred if the form needs to be mailed, but the licensee may also scan and email a copy of the form, or fax it.

Licensees will be required to provide information and resources to individuals on treatment of gambling disorders, however, they are already doing this, so there is no anticipated cost associated with this requirement.

Each house-banked card room licensee will be responsible for developing procedures on how they plan to implement the self-exclusion program at their establishment and designating at least one employee to be the contact person for purposes of the self-exclusion program. The designated contact person will be responsible for receiving information regarding and maintaining the self-exclusion list, submitting the licensee's self-exclusion procedures to the Gambling Commission, and being the point-person for all communication with the Gambling Commission regarding the program. The Gambling Commission will develop a template for licensees to reference when developing procedures on implementing the self-exclusion program at their establishment. This will keep costs low and procedures consistent amongst licensees. Staff time to develop procedures consistent with the provided template is estimated to take 4-8 hours and will likely be developed by a higher-level position at the house-banked card room, such as a General Manager, so a rate of \$48 per hour was used, resulting in a maximum amount of \$384.00. It is assumed that the designated contact person will not be a full-time position, rather these duties will likely be incorporated into an existing position, and are estimated to require 1-2 hours per week, and cost a minimum of \$33.38.

Costs associated with implementing the procedures themselves are expected to be relatively low. Licensees will be responsible for ensuring the confidentiality of individuals enrolled in the self-exclusion program, ensuring that those individuals are not gambling at their establishments, and finally, ensuring that they are not marketing to individuals enrolled in the self-exclusion program.

It is not anticipated that ensuring confidentiality of individuals on the self-exclusion list will impose any costs to licensees. Once the Self-Exclusion Request Form is submitted to the Gambling Commission, individuals will be placed on the list for the period of enrollment they've selected, and it will be the responsibility of the designated contact person to maintain the list for each licensee. The manner in which the list is maintained will be determined by each licensee.

Ensuring individuals enrolled in the self-exclusion program do not gamble at licensed establishments will be accomplished in a number of ways including checking I.D.'s at the door, utilizing player tracking systems and other electronic means, comparing all taxable patron winnings with the self-exclusion list, and verifying identification prior to paying out jackpot prizes. Many licensees are already checking I.D.'s at the door to verify age, as this is common business practice. There may be a minimal cost associated with cross-referencing the name on an I.D. with the self-exclusion list. It is estimated this verification would take one employee less than 5 minutes to complete and therefore would have minimal costs associated with it. A majority of licensees (71%) use ABS Business Data, LLC's Sonoma player-tracking system. This system allows licensees to maintain customer information and create loyalty rewards programs, including sending emails and SMS messaging. For those licensees using Sonoma, or a similar system, it should be

relatively easy to flag any individual with a player-tracking card who enrolls in the self-exclusion program by updating their customer information. If an individual comes into the establishment and participates in gambling using their player-tracking card, the licensee will be aware. It is estimated that updating player-tracking information in a system such as Sonoma will take one employee 10-15 minutes, or \$4.18 per individual.

Taxable patron winnings, or at least \$600 and three hundred times the amount of the wager, are required to be reported to the IRS. Before these winnings can be claimed, patrons must fill out tax documents. It is estimated that it will require one employee less than 5 minutes to check the patrons name against the self-exclusion list while they complete the tax documents to claim their winnings, and therefore will have minimal costs associated with it.

Employees who work in the cage, or depending on the amount of prize, employees who work on the floor, will be responsible for confirming that patrons who win jackpot prizes are not enrolled in the program. This can be achieved by comparing the identification of all jackpot prize winners with those on the self-exclusion list prior to paying out prizes. This verification method is estimated to add less than 5 minutes on to an employee's time, and therefore will have minimal costs associated with it.

If an individual enrolled in the program breaches their enrollment, the licensee must immediately remove the individual from the premises upon discovery, confiscate all money and things of value obtained or owed to the individual as a result of prohibited wagers, and notify the Gambling Commission within 72 hours of the breach. There is no anticipated cost associated with removing individuals from the premises as this is already a practice that licensees have in place, however confiscating winnings is a new practice and will require training appropriate staff. This will require licensees to develop training materials which is estimated to take 2-4 hours and will likely be developed by a higher-level position at the house-banked card room, such as a General Manager, so a rate of \$48 per hour was used, resulting in a maximum of \$192. Training of appropriate staff can be incorporated into the overall training of the self-exclusion program which is calculated later in this document.

Upon confiscating all money and things of value obtained or owed to the enrolled individual, the licensee must issue a check for the same monetary value within 3 business days to either the problem gambling account created in RCW 41.05.751 and/or a charitable or nonprofit organization that provides services or increases awareness about gambling disorders. There are no anticipated costs for issuing confiscated winnings as required by statute.

Surveillance evidence of the breach identifying the date, time, amount of money or things of value confiscated, the name and identity verification of the individual enrolled in the program, and a copy of the canceled check remitting the confiscated funds must be retained for one year. This information may be stored electronically or via hard copy therefore the anticipated costs may vary.

Licensees will be required to deny check cashing privileges, close player club memberships and/or other accounts for individuals enrolled in the self-exclusion program, and remove these individuals from mailing lists to ensure they no longer receive targeted mailings. Employees who work in the cage will be responsible for denying check cashing

privileges to individuals enrolled in the self-exclusion program. This can be achieved by comparing the identification of those wishing to cash checks with those on the self-exclusion list. This verification method is estimated to add less than 5 minutes on to an employee's time, and therefore will have minimal costs associated with it.

According to ABS Business Data, LLC, most licensees (71%) are using Sonoma player-tracking system software. This system allows the licensee to update customer information and communicate directly with customers through email and SMS messaging, therefore it should be relatively easy to update the customer information to include that the individual is enrolled in the self-exclusion program and to disable email and SMS messaging. It is estimated this will take one employee 10-15 minutes to complete, or \$4.18 per individual. There is no cost associated with denying individuals enrolled in the self-exclusion program player club memberships, complimentary good and/or services, or any other privileges or benefits. If anything, denying complimentary goods and services may save licensees money.

House-banked card room licensees will be responsible for training all new employees within 3 days of hire and annually retraining all employees who directly interact with individuals who are gambling on information concerning the nature of gambling disorders, the procedures for individuals to request to be enrolled in the self-exclusion program, and on how to assist individuals in obtaining information about gambling disorder treatment programs. There are currently 4,096 persons employed at licensed house-banked card rooms. It is unlikely that all of these persons directly interact with individuals who are gambling, however, if all were to participate in a 4-hour training, it is estimated to cost a minimum of \$273,448.96. This cost would be divided amongst 43 licensed house-banked card rooms, disproportionately, as some have more employees than others. The cost to train each employee would cost a minimum of \$66.76. Averaging the amount of card room employees who were licensed between January and July 2021, it is estimated that 42 card room employees are hired every month, or just under 1 per licensed house-banked card room, therefore the cost of training new employees would be a minimum of \$66.76.

The proposed rules may result in a reduction of sales and/or revenue to house-banked card room licensees as individuals with gambling disorders will no longer be participating in gambling activities once enrolled in the self-exclusion program, however that is the purpose of the program and meets the intent of the law.

See *Table B. Cost of Compliance* on page 10 for more information.

Table B: Cost of Compliance.

Assumptions		Cost	
Computer		\$0	
Printer		\$0	
Internet		\$0	
Access to Camera (webcam/phone/digital camera)		\$0	
Supplies		Cost	
Paper	Self-Exclusion Request Form for already enrolled individuals (1,118)	\$10.69/ream (500 sheets)	
	Self-Exclusion Request Form (new individuals)		
	Copy of canceled check		
Stamps	Regular mail to already enrolled individuals (1,118)	\$0.55/stamp = \$614.90	
	Forwarding Self-Exclusion Forms via regular mail to Gambling Commission	\$0.55/stamp	
Envelopes	Sending Self-Exclusion forms to already enrolled individuals (1,118)	\$9.19/box (100 envelopes)	
	Forwarding Self-Exclusion forms via regular mail to Gambling Commission	\$9.19/box (100 envelopes)	
Record retention of surveillance evidence (thumb drive, CD, hard drive, computer, etc.)		\$7.49-10.93	
Labor		Time	Cost
Process forms (review for completeness, verify identity, verify period of enrollment, and verify signature)		10-15 minutes per form received	\$16.69/hour = \$4.18/form
Designated contact person/maintain self-exclusion list		1-2 hours/week	\$33.38/week
Develop self-exclusion procedures		4-8 hours	\$48/hour = \$384/licensee
Implementation of self-exclusion procedures	Ensuring confidentiality of individuals enrolled in the self-exclusion program	0 minutes	\$0
	Ensure individuals enrolled in the program are not gambling at their establishment (utilizing player tracking accounts, checking all taxable patron winnings, checking I.D.'s at the door, etc.)	15 minutes	\$16.69/hour = \$4.18/individual
	Close player club memberships/remove individuals from targeted mailings lists	10-15 minutes per individual	\$16.69/hours = \$4.18/individual
	Verification at cage when cashing checks and paying out jackpot prizes	Less than 5 minutes	\$0
	Denying complimentary goods and services	0 minutes	\$0
	Enforcement of breach	1-2 hours per individual	\$48/hour = \$96
Develop training materials		2-4 hours	\$48/hour = \$192/licensee
Training staff (4,096 card room employees)		4 hours	\$16.69/hour = \$66.76/employee
Training new staff (~ 42/month*) *based on new CRE's licensed between January 2021 and July 2021		4 hours	\$16.69/hour = \$66.76/employee

Total Cost of Compliance

Initial Costs:

Notifying individuals enrolled in existing programs:	~ \$1,469.74 (divided amongst 43 licensees)
Developing procedures (based on template):	~ \$384/licensee
Development of training:	~ \$192/licensee
Training staff:	~ 273,448.96 (divided amongst 43 licensees)
TOTAL INITIAL COST:	~ \$6,969.46/licensee

Ongoing Costs:

Cost to process Self-Exclusion Request Forms:	~ \$4.18/form
Supplies (paper, stamps, envelopes):	~ \$94.76 (per 100 forms)
Implementation of procedures:	~ \$836
Records retention:	~ \$10.93
	~ 1,359.69 (process 100 forms)

Designated contact person:	~ \$267.04/month
Training new staff:	~ \$66.76/month
TOTAL MONTHLY COST:	~ \$1,693.49/licensee*

*Calculated based on 100 individuals enrolling per month

SECTION 4:

Analyze whether the proposed rule may impose more than minor costs on businesses in the industry.

The minor cost threshold was found to be between \$10,126.91 and \$33,690.22. The cost for house-banked card room licensees to comply with the new chapter, chapter 230-23 WAC, is initially \$6,969.46 with a monthly implementation of \$1,693.49, based on 100 individuals enrolling every month, therefore compliance with the new chapter will not impose more than minor costs.

Initial costs are much higher than implementing the program thereafter. Initial costs will be dependent upon how many individuals on existing operator-level programs a licensee is required to notify and how many employees a licensee must train. Implementation thereafter will be dependent upon how many individuals enroll at a licensee's establishment. The implementation costs were calculated upon 100 individuals enrolling per month; however, it is unlikely that 100 individuals will enroll at every licensed house-banked card room every month. The total costs and the total implementation costs are likely to be much lower for most licensees.

SECTION 5:

Determine whether the proposed rule may have a disproportionate impact on small businesses as compared to the 10 percent of businesses that are the largest businesses required to comply with the proposed rule.

There are currently 43 house-banked card room licensees that will be required to comply with this new chapter, chapter 230-23 WAC. The Self-Exclusion Request Form will be made available on the Gambling Commission's website. Individuals interested in enrolling in the program have the option to return it directly to the Gambling Commission. However, they also have the opportunity to submit it to any house-banked card room licensee, therefore, costs may vary between licensees as some licensees may receive more forms than others and therefore accrue more costs than others.

Licensees are responsible for mailing the Self-Exclusion Request Form to individuals enrolled in operator-level programs. This will have a disproportionate impact as some licensees may have a larger number of individuals enrolled in an existing program than others, while some may not be operating a self-exclusion program at all and therefore not be required to notify anyone.

Over a third of the house-banked card room licensees (41%) are under the same ownership, which depending on how they choose to develop and implement procedures, could vastly reduce costs for the licensees under that ownership. This would disproportionately impact those licensees not included under this ownership as they would have to independently develop their own procedures for implementation of the program. For this reason, the Gambling Commission will be providing all licensees with a template for implementation of the self-exclusion program in an effort to reduce costs and maintain consistency across the state.

A majority of house-banked card room licensees (71%) utilize the Sonoma player-tracking system which may reduce implementation costs and help identify breaches, however it may be unlikely that an individual enrolled in the self-exclusion program would utilize their player-tracking card if choosing to participate in gambling activities while enrolled in the program. This could disproportionately impact those licensees who do not have a player-tracking system; however, a system is not necessary to implement the program.

Labor costs also vary between licensees so implementation of the program on the westside of the state may cost more than on the eastside of the state, for example.

SECTION 6:

If the proposed rule has a disproportionate impact on small businesses, identify the steps taken to reduce the costs of the rule on small businesses. If the costs can not be reduced provide a clear explanation of why.

The Self-Exclusion Request Form will be made available on the Gambling Commission's website and may be submitted directly to the Gambling Commission by any individual that is interested in enrolling the program. If an individual does submit a form to a licensee, the licensee has several options available to them for forwarding that information to the Gambling Commission, who is ultimately responsible for maintaining the database and distributing information to all licensees.

As stated in Section 5, over a third of house-banked card room licensees (41%) are under the same ownership, which depending on how they choose to develop and implement procedures, could vastly reduce costs for the licensees under that ownership. This could disproportionately impact those licensees not included under this ownership as they would have to independently develop their own procedures for implementation of the program. For this reason, the Gambling Commission will be providing all licensees with a template for implementation of the self-exclusion program in an effort to reduce costs and maintain consistency across the state.

SECTION 7:

Describe how small businesses were involved in the development of the proposed rule.

A representative from the house-banked card room industry was involved in the initial drafting of this chapter. Additionally, licensees with existing operator-level self-exclusion programs submitted those programs to the Gambling Commission to provide examples of what already exists in order to create an easy transition to the implementation of a centralized, statewide self-exclusion program.

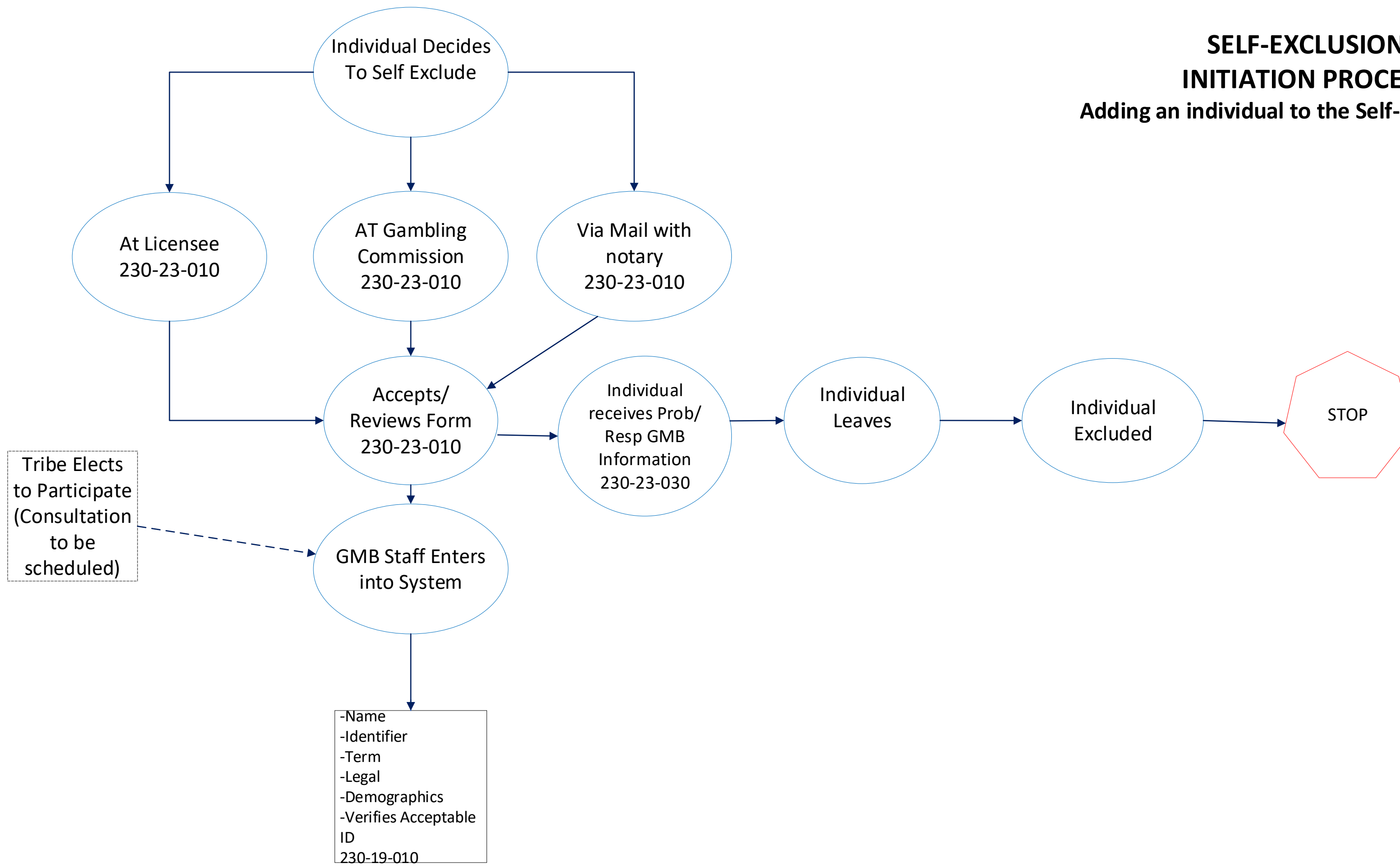
Draft rules were sent out to all house-banked card room licensees for review and feedback on May 3, 2021. Feedback received was reviewed by staff and incorporated accordingly.

SECTION 8:

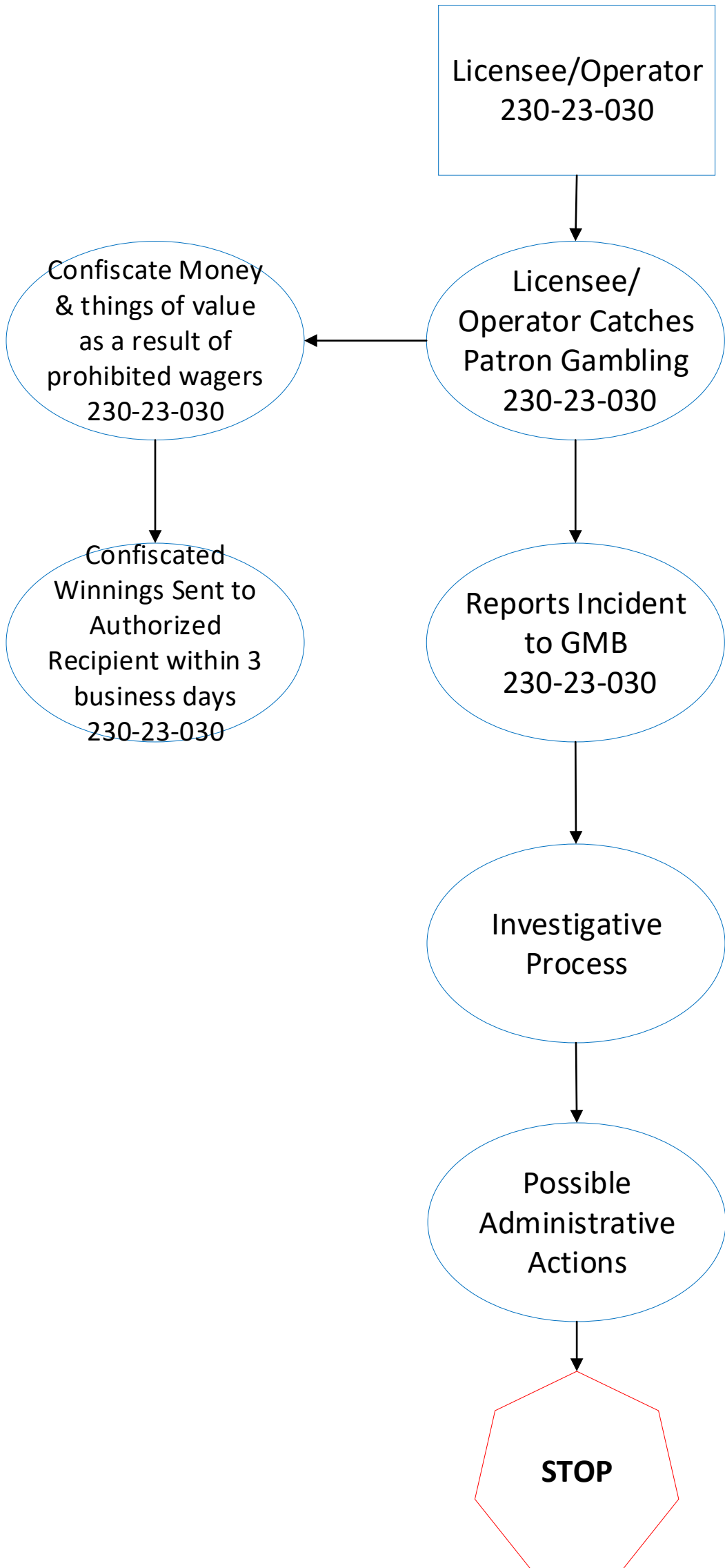
Identify the estimated number of jobs that will be created or lost as the result of compliance with the proposed rule.

It is unlikely that any jobs will be created as a result of the adoption of this new chapter, chapter 230-23 WAC. The role of a "designated contact person" to maintain the self-exclusion list for each house-banked card room licensee is likely to be incorporated into an existing position. No jobs will be lost as a result of the adoption of this new chapter.

**SELF-EXCLUSION
INITIATION PROCESS**
Adding an individual to the Self-Exclusion List

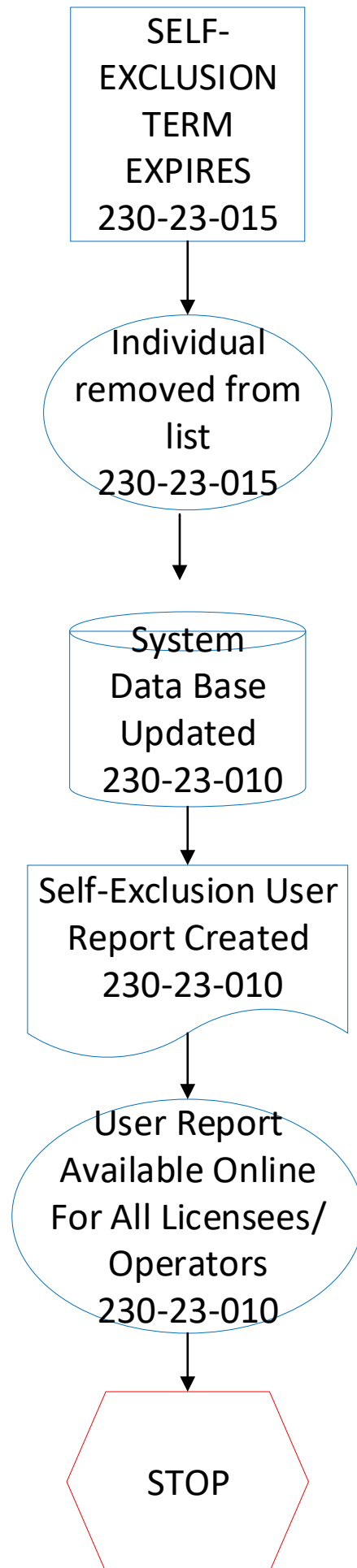


**SELF-EXCLUSION
INCIDENT REPORTING PROCESS
Enforcing Self-Exclusion Terms**

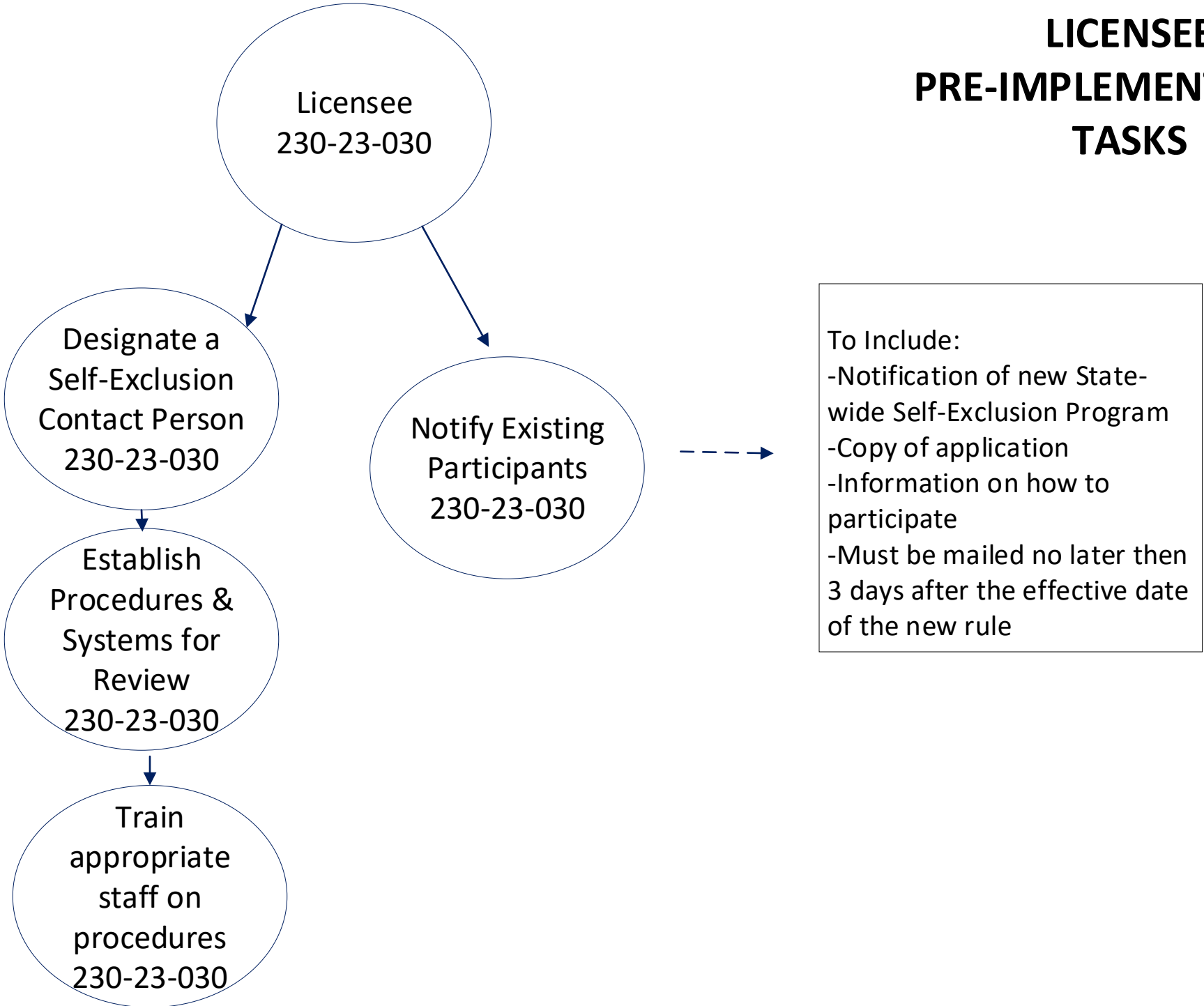


SELF-EXCLUSION REMOVAL PROCESS

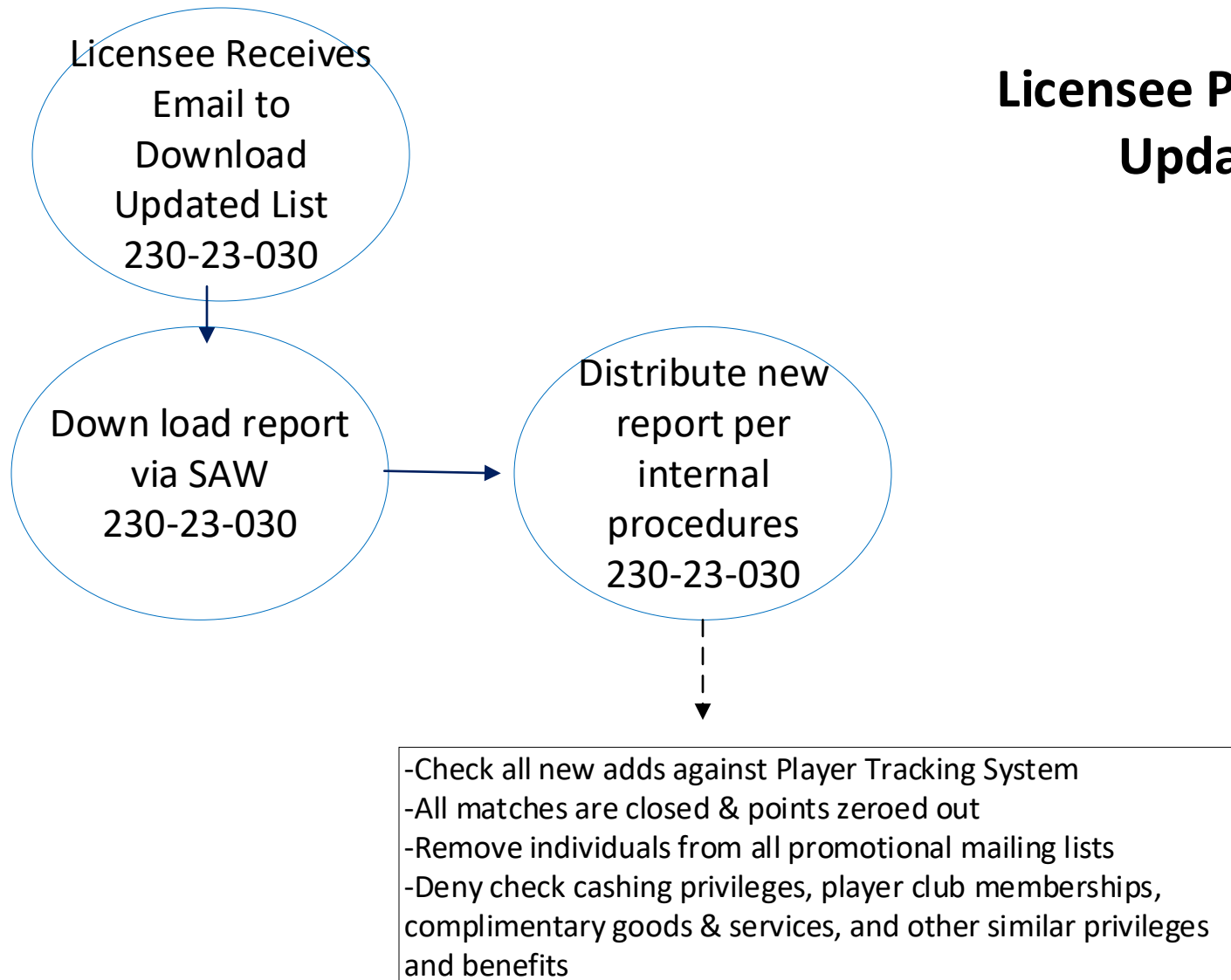
Removing an Individual from the List



LICENSEE PRE-IMPLEMENTATION TASKS



Licensee Process for an Updated List





**Rule Petition to Adopt/Amend
Electronic Raffles**

**August 2021 – Discussion and Possible Filing
March 2020 – Commission Review
January 2020 – Rule-Making Petition Received**

Tab 3: AUGUST 2021 Commission Meeting Agenda.	Statutory Authority 9.46.070
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Who Proposed the Rule Change?

NHL Seattle, Seattle Mariners, Seattle Sounders FC, Seattle Seahawks
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Background

BOLD = Changes made after March 2020 Commission Meeting.

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. Before you today is draft language which:

- **Defines electronic raffles and other necessary terms,**
- **Outlines requirements for operating electronic raffles, including:**
 - **Raffle tickets,**
 - **Authorized ticket sellers,**
 - **Methods of payment,**
 - **Ticket pricing, sales, and restrictions,**
 - **Raffle drawings,**
 - **Prize payouts and limits,**
- **Defines and outlines equipment standards, including:**
 - **Raffle systems operating requirements,**
 - **Security requirements, and**
- **Outlines recordkeeping 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.

The petitioners feel this rule change is needed because conducting 50/50 raffles under the existing rules, requiring cash or check payments for paper tickets, accrues administrative expenses nearly exceeding the relatively small amounts raised by the 50/50 raffle itself.

The petitioners feel the effect of this rule change would more effectively achieve the public policy goals by generating significantly more funds to reinvest in the community, while at the same time, increasing organizational efficiencies and reducing the likelihood of fraud and theft.

In 2014, a similar petition was brought forth by Pointstreak 50/50, who had obtained a manufacturer's license and intended to lease their electronic raffle system to charitable and nonprofit organizations. That petition was withdrawn and instead a pilot program was initiated to test the regulatory and economic impact of charitable and nonprofit licensees using electronic raffle systems to conduct 50/50 raffles. The pilot program was slated to last 18 months and staff was to report back to the Commission on the results of the pilot program along with any recommendations. However, before the pilot program could be implemented, the Washington State Legislature passed budget provision removing the Gambling Commission's authority to "approve any electronic raffle systems to conduct fifty-fifty raffles until the Legislature has reviewed all impacts to the state lottery" and thus, the pilot program and all rule-making associated with it was administratively closed.

Attachments:

- Petition
- **WAC 230-03-155**
- **WAC 230-03-200**
- **WAC 230-03-235**
- **WAC 230-03-138 (NEW)**
- **WAC 230-03-153 (NEW)**
- **WAC 230-03-154 (NEW)**
- **WAC 230-05-112**
- **WAC 230-05-160**
- **WAC 230-06-045**
- **WAC 230-06-050**
- **WAC 230-07-090**
- **WAC 230-07-125**
- **WAC 230-07-145**
- **WAC 230-07-150**
- **WAC 230-11-300 (NEW)**
- **WAC 230-11-305 (NEW)**
- **WAC 230-11-310 (NEW)**
- **WAC 230-11-315 (NEW)**
- **WAC 230-11-320 (NEW)**
- **WAC 230-11-325 (NEW)**
- **WAC 230-11-330 (NEW)**
- **WAC 230-11-335 (NEW)**
- **WAC 230-11-340 (NEW)**
- **WAC 230-11-345 (NEW)**
- **WAC 230-11-350 (NEW)**
- **WAC 230-11-355 (NEW)**
- **WAC 230-11-360 (NEW)**
- **WAC 230-11-365 (NEW)**
- **WAC 230-11-370 (NEW)**

- WAC 230-11-375 (NEW)
- WAC 230-11-380 (NEW)
- WAC 230-11-385 (NEW)
- WAC 230-11-390 (NEW)
- WAC 230-11-395 (NEW)
- WAC 230-16-153 (NEW)
- Communication
- Stakeholder Feedback

Stakeholder Feedback

Prior to drafting rule language, staff met with each of the Teams, affiliated nonprofit organizations, and potentially interested manufacturers to discuss how they envisioned running an electronic raffle in Washington. These meetings took place December 2020 through February 2021. In each meeting, staff highlighted that electronic raffles would need to function like a raffle as defined in RCW 9.46.0277, meaning the raffle would need to include a manual draw with paper tickets. Staff also highlighted that RCW 9.46.240 prohibits the transmission of gambling information over the internet, and therefore a closed network with an onsite server would need to be used.

Staff then had interested manufacturers submit equipment as part of the rulemaking process under WAC 230-17-192. Due to COVID-19 restrictions, some manufacturers were unable to submit equipment for review during rulemaking, therefore demonstrations were provided to staff via Zoom.

On March 3, 2021, staff sent out an update on draft rules development and notified affiliated nonprofit organizations that they could apply for licensure. On March 30, 2021, a stakeholder meeting was held to discuss the progress staff had made on draft rule language based on review of electronic raffle equipment and to discuss the estimated timeline for the rule-making process, licensure, equipment approval, and expectations for an implementation date.

On May 28, 2021, staff received a joint letter from the petitioners expressing their shared goals for rule amendments to 1) modernize the draw method to allow for electronic selection, 2) allow for the use of cloud-based support systems, 3) allow for deduction of expenses, 4) allow for paid raffle ticket sellers, 5) eliminate the requirement to collect purchaser information, 6) include credit/debit card sales and electronic processing equipment, and 7) eliminate prize caps.

Staff responded to the petitioners' joint letter acknowledging that modernizing the draw method to allow for electronic selection, the use of cloud-based support systems, and the allowance of paid raffle ticket sellers could not be considered as they were not consistent with the Gambling Act, RCW 9.46.0277, RCW 9.46.240, respectively. Staff conveyed that the other requests were still under consideration and asked petitioners if they wished to continue with rulemaking knowing that a manual draw and an onsite server would be required. At least one petitioner confirmed they wished to move forward with rulemaking.

Draft language was sent out to the sports team charitable foundations of the NHL Seattle, Seattle Mariners, Seattle Sounders FC, and Seattle Seahawks, as well as electronic raffle manufacturers and distributors for review and feedback on August 11, 2021. Feedback was received from the following stakeholders:

- **BUMP, Division of Canadian Bank Note Company, Limited**
 - On-site location of server,
 - Requirement of a closed network,
 - No refund capability,
 - Manual drawings,
 - Gambling manager responsibilities,
 - Fee calculation, and
 - Location of gambling activities.
- **Diego Plietez, One Roof Foundation, Kraken**
 - Use of cloud-based server,
 - Use of electronic receipts,
 - Possibility of remote access,
 - Expense deductions,
 - Cash vs. credit,
 - Definition of a “member,”
 - Annual reporting requirements,
 - Internal controls,
 - Testing of electronic raffle systems,
 - Fees,
 - Recording manual draw,
 - Seeding future pots,
 - Authorized discount plans, and
 - Raffle licensing.
- **Drew Johnston, Seattle Seahawks, First & Goal, Inc.**
 - Expense deductions,
 - Applicability of \$40,000 prize maximum amount, and
 - Authorized location of ticket sales.

A stakeholder meeting was held on August 16, 2021 where other stakeholders discussed similar concerns.

Additional feedback was received from the following stakeholders after August 20, 2021 who had the following concerns:

- **Alen Cisija, Seattle Seahawks**
 - Fee deductions,
- **Shivani Anand, Ascend Fundraising Solutions**
 - Who would be permitted to use electronic raffles,
 - Location of sales,
 - Drawbacks of physical servers, and
 - Advantages of random number generator.

Policy Considerations

Staff has put considerable time and resources into meeting with stakeholders and drafting rules that will both meet the needs of the petitioners and fit within the parameters of the Gambling Act. There are some concerns that staff cannot address, as the Gambling Act does not allow for, such as the use of a cloud-based server and the transmission of gambling information over the internet. However, staff has made efforts to address other petitioner concerns by:

- **Allowing for remote access of the electronic raffle system for repair, trouble shooting, and technical support,**
- **Allowing for refunds,**
- **Allowing for ticket sales in areas where a ticket to the sporting event is required for entry,**
- **Allowing the affiliated nonprofit organizations to deduct expenses up to a maximum amount before calculating prizes, and**
- **Working with licensees to develop internal controls.**

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.

Staff Recommendation

Staff recommends filing draft language for further discussion.

January 22, 2020

Ms. Ashlie Laydon
Rules Coordinator
Washington State Gambling Commission

Re: Proposed Amendment to update 50/50 Raffle

Dear Ms. Laydon:

Thank you for the opportunity to submit the following proposed amendment for consideration by the Washington State Gambling Commission (“WSGC”). NHL Seattle, Seattle Mariners, Seattle Sounders FC, and Seattle Seahawks respectfully request amending the WSGC raffle rules to allow for the sale of 50/50 Raffle tickets at professional sports games and matches via electronic devices and systems in compliance with current applicable state statutes.

The proposed rules amendment furthers the statutory public interest objective of “raising funds for the promotion of bona fide charitable or nonprofit organizations,” *RCW 9.46.010*, and helps modernize the rules to reflect advances in technology. The current raffle rules in Washington, drafted in 1973 before 50/50 Raffle electronic devices existed, have not yet been construed to include such devices, but rather continue to require cash or check payments for paper tickets. Local teams have attempted to implement the 50/50 Raffle under the existing rules but the administrative expenses nearly exceeded the relatively small amount raised. The proposed amendment will more effectively achieve the public policy goals by generating significantly more funds to reinvest in the community, while at the same time increasing organizational efficiencies and reducing the likelihood of fraud and theft.

The 50/50 Raffle is commonly used by professional sports teams in both the United States and in Canada to generate donations for charitable causes in their communities. In the past ten years a number of jurisdictions have updated their laws and rules to incorporate technological advances, in the same way that such advances have been incorporated into every other element of organizational operations. In the case of the 50/50 Raffle, technology has served to meaningfully increase the amount of funds raised and in turn impact created for local communities. Washington currently lags behind much of the country in its approach to the 50/50 Raffle laws and rules, and the proposed amendment would increase the impact on OUR

community. Approving use of technology is also consistent with Washington State's emphasis on using technology for the delivery of services.¹

The professional sports teams in our region are collaborating to increase our collective social impact. We are focused on, among other things, addressing historic and systemic barriers to access and opportunity so that everyone in our community, and particularly our youth, can realize their potential. According to the recently released State of Play Report², a child's ability to participate in organized sport in this region is determined to a large degree by zip code, household income, and skin color. The study points to entrenched policies and structures that will require the commitment of leadership across public, private, philanthropic and nonprofit sectors to dismantle over time. In the meantime, Sounders FC, Mariners, Seawolves, Seahawks, Storm, Cascades, and NHL Seattle are working together to start reversing these unacceptable trends through joint advocacy, funding, and programming.

In addition to collaborative work, many of the professional teams have an affiliated 501(c)3 private foundation or public charity that supports both internal programs as well as other nonprofits and community causes. For example, the Sounders RAVE Foundation's mission is to build small fields for free play and use, recognizing that inequitable access to fields and facilities is one of the greatest barriers to participation. Since 2016 the RAVE Foundation has built mini pitches in three different underserved neighborhoods in King County, with the goal of completing 26 pitches and distributing 100,000 soccer balls by 2026. The Mariners Cares Home Base program is another strong example of a professional sports team leaning in to help our most vulnerable. In 2018 the Mariners partnered with the United Way of King County and donated \$3M to help low income renters navigate our state's eviction laws, thereby allowing them to retain their homes and their dignity, and in turn reducing the homeless population. NHL Seattle, set to commence operations in the fall of 2021, has entered into a ten year \$10M partnership with Youthcare that includes financial, capacity building, and marketing support, as well as job training and employment opportunities to help Youthcare end the cycle of youth homelessness. Finally, through a robust network of programs, initiatives, events and strategic partnerships the Seahawks and CenturyLink Field educate, empower and encourage youth, with opportunities ranging from the Fuel Up to Play 60 health and wellness program in partnership with the Washington Dairy Council operating in over 2,000 schools and reaching over 950,000 students, to multi-year donations of synthetic turf football fields to high school athletic programs in need, to, in accordance with state law, annually providing twenty percent (20%) of net profits of the CenturyLink Field Event Center to the Washington State Permanent Common School Fund. In addition to these and other signature programs, the teams collectively donate

¹ In October 2018, Washington state earned an "A-" from the Center for Digital Government's evaluation of Washington's use of technology to improve service delivery, increase capacity, streamline operations and reach policy goals. See Governor Inslee's Oct 2, 2018 Press Release: *Washington state gets an "A" for use of technology* available at <https://www.governor.wa.gov/news-media/washington-state-gets-%E2%80%98A%E2%80%99-use-technology>.

² The Seattle/King County State of Play Report was released in September of 2019 by the University of Washington Center for Leadership in Athletics and the Aspen Institute.

millions of dollars in cash and in-kind support annually to hundreds of nonprofits, impacting thousands of people in our community.

Our teams know we have a duty to serve the community and make a positive difference in people's lives and we are eager to join our counterparts across the country in utilizing more current technology to do just that. We also believe that our impact-centered and uniquely collaborative approach to advancing positive social change presents a rare opportunity - for the teams and this region - to set an example for others across the country to follow, for the benefit of all.

Thank you for your consideration of this proposal. Please let us know if we can provide any additional information.

Respectfully,

NHL SEATTLE

By: Mari Horita

Its: Vice President of Community Engagement & Philanthropy

SEATTLE MARINERS

By: Fred Rivera

Its: Executive Vice President & General Counsel

SEATTLE SOUNDERS FC

By: Maya Mendoza

Its: Senior Vice President & General Counsel

SEATTLE SEAHAWKS

By: Ed Goines

Its: Senior Vice President & General Counsel

WAC 230-03-155 Submitting a proposed plan of operations

for charitable and nonprofit organizations. (1) An organization must submit a proposed plan of operations, including a market study, with their application to conduct bingo if the organization:

(a) Requests licensing to conduct gambling activities with combined annual gross receipts in excess of three million dollars; or

(b) Plans to pay premises rent exceeding two thousand dollars per month, including all terms.

(2) The plan must show enough detail to allow us to assess the potential for compliance with cash flow requirements. It must also include at least the following information:

(a) Research procedures and planning assumptions used; and

(b) Planned number of customers or attendance; and

(c) Days and hours of operations; and

(d) Estimated gross gambling receipts from each activity;

and

(e) Estimated expenses and net income; and

(f) Details of income generating activities planned in conjunction with the gambling activity, such as snack bar operations or other retail sales and the anticipated net income from those activities; and

(g) Any other information related to your gambling license application that we request.

(3) ~~If planned activities include bingo, t~~The organization must provide:

(a) Anticipated market area and map of competing organizations that operate similar gambling activities, along with their days of operation; and

(b) Number of bingo sessions, bingo card prices, and estimated sales per player; and

(c) Bingo prize payouts and game schedules.

[Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-155, filed 3/22/06, effective 1/1/08.]

WAC 230-03-200 Defining "gambling equipment." "Gambling equipment" means any device, gambling-related software, expendable supply, or any other paraphernalia used as a part of

gambling or to make gambling possible. "Gambling equipment" includes, but is not limited to:

- (1) Amusement games;
- (2) Punch boards and pull-tabs;
- (3) Devices for dispensing pull-tabs;
- (4) Electronic devices for conducting, facilitating, or

accounting for the results of gambling activities, including, but not limited to:

- (a) Components of a tribal lottery system;
- (b) Electronic devices for reading and displaying outcomes

of gambling activities; and

(c) Accounting systems that are a part of, or directly connected to, a gambling system including, but not limited to:

- (i) Bet totalizers; or
- (ii) Progressive jackpot meters; or
- (iii) Keno systems;

(5) Bingo equipment;

(6) Electronic raffle systems;

~~(7)~~ Devices and supplies used to conduct card games, fund-raising events, recreational gaming activities, or Class III

gaming activities, as defined in the Indian Gaming Regulatory Act at U.S.C. 25 chapter 29 § 2703 and in tribal-state compacts including, but not limited to:

- (a) Gambling chips;
- (b) Cards;
- (c) Dice;
- (d) Card shuffling devices;
- (e) Graphical game layouts for table games;
- (f) Ace finders or no-peek devices;
- (g) Roulette wheels;
- (h) Keno equipment; and
- (i) Tables manufactured exclusively for gambling purposes.

[Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-200, filed 3/22/06, effective 1/1/08.]

WAC 230-03-235 Applying for charitable or nonprofit

gambling manager license. You must apply for a charitable or nonprofit gambling manager license if you are an employee or member of a charitable or nonprofit organization who:

- (1) Will have control to a material degree over a bingo or punch board and pull-tab licensee with gross gambling receipts

over one hundred fifty thousand dollars in their previous licensing year; or

(2) Will be responsible for overseeing the operation of electronic raffles to include, but not limited to, being onsite during the operation of an electronic raffle, documenting the functionality of the electronic raffle system, and observing the manual draw; or

(3) Will be the supervisor of gambling managers who manage: Electronic raffles or a A bingo or punch board and pull-tab licensee with gross gambling receipts over one hundred fifty thousand dollars in their previous license year; or

(3) Will be assigned the highest level of authority by the officers or governing board of directors to manage the day-to-day affairs of the organization and is responsible for safeguarding assets purchased with gambling funds and/or managing the disbursement of gambling funds when the organization:

(a) Is licensed to receive more than three hundred thousand dollars in gross gambling receipts; or

(b) Has established a trust and/or endowment fund to which gambling receipts in excess of one hundred thousand dollars have been contributed; or

(4) Will be the supervisor of the operation of progressive jackpot pull-tab games.

[Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-03-235, filed 2/9/18, effective 5/1/18; WSR 06-07-157 (Order 457), § 230-03-235, filed 3/22/06, effective 1/1/08.]

NEW

WAC 230-03-138 Defining "qualified sports team." "Qualified sports team" as used in WAC 230-03-153 means a team organized in Washington state from Major League Baseball, National Hockey League, National Football League, National Basketball Association, Women's National Basketball Association, Major League Soccer, or National Women's Soccer League.

NEW

WAC 230-03-153 Applying to operate electronic raffles. You must apply for a license to operate electronic raffles if you are a charitable or nonprofit organization who:

- (1) Is affiliated with a qualified sports team for the purpose of raising funds for charity; and
- (2) Plans to conduct electronic raffles in accordance with RCW 9.46.0277 and as authorized in chapter 230-11 WAC.

NEW

WAC 230-03-154 Additional information required with electronic raffle application.

When you apply for an electronic raffle license, you must submit at least the following as part of your application:

- (1) The organization's goals for conducting electronic raffles;
and
- (2) A brief overview of the applicant's mission and vision;
including the type of programs supported by the applicant and
the clients served; and
- (3) Raffle plan, including:
 - (a) When your organization plans to conduct electronic raffles;
and
 - (b) Cost of raffle tickets including discount levels; and
 - (c) Plans for selling raffle tickets; and
 - (d) Description of how the applicant will protect the integrity
of the raffle; and
 - (e) Identify authorized equipment to be used to facilitate the
raffles; and
 - (f) Details for supervision of these raffles; and
 - (g) Description of the physical draw process and security of the
drawing; and
 - (h) An explanation of how the proceeds from the raffle will be
used; and
 - (i) Any additional information that we request or that the
applicant wishes to submit; and

(4) Before you begin electronic raffle operations, we must perform a pre-operational review and evaluation (PORE). You must receive our written approval before operating; and

(5) The PORE will determine whether you have:

(a) An organizational structure that supports your proposed accounting and administrative controls; and

(b) Controls in place so that you closely monitor the gambling activity and accurately record financial information.

WAC 230-05-112 Defining "gross gambling receipts." (1)

"Gross gambling receipts" means the amount due to any operator of an authorized activity as described in subsection (5) of this section.

(2) The amounts must be stated in U.S. currency.

(3) The value must be before any deductions for prizes or other expenses, such as over/short.

(4) "Gross gambling receipts" does not include fees from players to enter player-supported jackpots. However, any portion of wagers deducted for any purpose other than increasing current prizes or repayment of amounts used to seed prizes are "gross gambling receipts."

(5) Gross gambling receipts for authorized activities:

Activity:	Gross gambling receipts include amounts due to any operator for:
(a) Punch board and pull-tab	Purchasing chances to play.
(b) Raffles and enhanced raffles	Purchasing chances to enter.
(c) Electronic raffles	Purchasing chances to enter.
(d) Bingo	Fees or purchase of cards to participate.
(e) Amusement games	Amounts paid to play amusement games.
(f) Card games	<ul style="list-style-type: none">• "Net win" from house-banked card games;• Tournament entry fees;• Administrative fees from

Activity:	Gross gambling receipts include amounts due to any operator for:
	player-supported jackpots; • Fees to participate in nonhouse-banked card games.
(gf) Manufacturers and distributors	<p>(i) Fees from sales, rentals, leases, royalties, and service fees collected for the following gambling equipment in Washington to include, but not limited to:</p> <ul style="list-style-type: none"> • Bingo paper or bingo cards; • Punch boards and pull-tabs; • Devices for dispensing pull-tabs; <ul style="list-style-type: none"> • <u>Electronic raffle systems</u> • Electronic devices for conducting, facilitating or accounting for the results of gambling activities; • Cards; • Dice; • Gambling chips; • Cash exchange terminals; • Progressive meters; • Gambling software; • License agreements; • Card shuffling devices; • Graphical game layouts for table games; • Ace finders or no-peek devices; • Roulette wheels; • Keno equipment; • Tables manufactured exclusively for gambling purposes; • Bet totalizers; • Electronic devices for reading or displaying outcomes of gambling activities; • Tribal lottery systems and components thereof. <p>(ii) Fees from the service, repair and modification of gambling equipment in Washington to include, but not limited to:</p> <ul style="list-style-type: none"> • Charges for labor and parts for repairing gambling equipment; • Service fees related to gambling operations; • Training or set-up fees; • Maintenance contract fees

Activity:	Gross gambling receipts include amounts due to any operator for:
	related to gambling equipment and operations.
(hg) Gambling service suppliers	<p>Fees from gambling-related services provided in or to be used in Washington to include, but not limited to:</p> <ul style="list-style-type: none"> • Consulting, advisory or management services related to gambling; • Interest from financing the purchase or lease of gambling equipment, infrastructure or facilities or equipment that supports gambling operations; • Acting as a lending agent, loan services or placement agent; • Assembly of components for gambling equipment to be used under a contract with a licensed manufacturer; • Ongoing financial arrangements for gambling related software with a licensed manufacturer; • Installing, integrating, maintaining, or servicing digital surveillance systems that allow direct access to the operating system; • Training individuals to conduct authorized gambling activities; • Performing testing and certification of tribal lottery systems in meeting requirements specified in the tribal-state compacts; • Providing nonmanagement related recordkeeping or storage services for punch board and pull-tab operators; • Ownership of proprietary games or equipment.
(ih) Punch board/pull-tab service businesses	Providing nonmanagement related recordkeeping or storage services for punch board and pull-tab operators.
(ij) Fund-raising event distributors	Fees from contracts to organize and conduct recreational gaming activities.
(kj) Fund-raising events and agricultural fairs	Fees received from the operation of bingo, amusement games, raffles, lotteries, contests of

Activity:	Gross gambling receipts include amounts due to any operator for:
	chance, and/or net win from table games operated at a fund-raising event.

[Statutory Authority: RCW 9.46.070. WSR 20-08-095, § 230-05-112, filed 3/30/20, effective 4/30/20; WSR 18-05-026, § 230-05-112, filed 2/9/18, effective 5/1/18.]

WAC 230-05-160 Charitable or nonprofit organization fees.

Bona fide charitable and nonprofit organizations must pay the following fees:

(1) Annual licenses:

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Amusement games	\$65 plus \$65 per approved location	0.730%	\$1,000
Bingo	\$65	0.460%	\$11,000
Card games - House-banked	\$10,000	1.462%	\$40,000
Card games - Nonhouse-banked	\$65	0.430%	\$1,000
Combination	\$125	-	-
Fund-raising equipment distributor	\$270	1.430%	\$700
Punch board/pull-tabs	\$650	1.430%	\$10,000
Raffles	\$65	3.380%	\$2,000
Raffle - Credit Union	\$65	3.380%	\$2,000
Enhanced raffles	\$5,000	0.430%	\$32,000
<u>Electronic raffles</u>	<u>\$5,000</u>	<u>0.430%</u>	<u>\$32,000</u>

(2) Event licenses or permits:

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Fund-raising event	\$180	3.130%	\$1,000
Recreational gaming activity	\$65	-	-
Special property	\$30	-	-

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
bingo/change of bingo premises			

(3) Change fees:

Change of:	Fee
Name	\$100
Location	\$100
Fund-raising event location, date, or time	\$50

(4) Other fees:

Transaction	Fee
Add a new amusement game location	\$65
Duplicate license	\$50
Review, inspection, and/or evaluation of gambling equipment, supplies, services, games, or schemes	Deposit and cost reimbursement

[Statutory Authority: RCW 9.46.070. WSR 20-04-011, § 230-05-160, filed 1/24/20, effective 2/24/20; WSR 18-05-026, § 230-05-160, filed 2/9/18, effective 5/1/18.]

WAC 230-06-045 Conduct gambling activities on licensed

business premises only. (1) Except for raffle and enhanced raffle licensees, all other licenses, including electronic raffle licensees, must conduct all gambling activities, ~~except for raffles,~~ on the licensed business premises.

(2) Charitable or nonprofit organizations licensed to conduct bingo and punch board and pull-tab games may sell punch boards and pull-tabs to customers of a licensed card room if the charitable or nonprofit organization:

(a) Shares a common wall with the card room; and

(b) Controls all doors, counters, or windows allowing customer access through the common wall between the two premises and the charitable or nonprofit organization can securely close and lock the doors, counters, or windows; and

(c) Keeps and sells the punch board and pull-tab games and redeems prizes only on their licensed business premises. Punch board and pull-tab players may take already purchased punch boards and pull-tabs into the card room area; and

(d) Allows only its employees to sell the punch board and pull-tabs; and

(e) Posts signs at the door, window, or counter common to the two business premises that clearly notify customers of the organization's identity.

[Statutory Authority: RCW 9.46.070, 9.46.0277. WSR 14-21-079 (Order 707), § 230-06-045, filed 10/13/14, effective 1/1/15.

Statutory Authority: RCW 9.46.070. WSR 06-17-132 (Order 601), § 230-06-045, filed 8/22/06, effective 1/1/08.]

WAC 230-06-050 Review of electronic or mechanical gambling equipment. (1) When you submit gambling equipment, supplies, services, or games for our review to verify compliance with chapter 9.46 RCW and Title 230 WAC, you must pay the application deposit before we perform the review. You must also reimburse us for any additional costs of the review. All costs must be paid in full prior to the completion of the review.

(2) The gambling equipment submitted for review must be identical or substantially similar to what will be marketed, distributed, and ~~deployed~~operated in Washington. If the equipment is not sufficient for testing and review, we may require additional equipment or information.

(3) If your application is incomplete or we request additional information, you must provide us with the required items within thirty days of notification or we may administratively close your application.

(4) You can begin accepting orders for gambling equipment when you are licensed.

(5) Only gambling equipment approved by the director or director's designee is allowed in Washington except as provided under WAC 230-16-005 and WAC 230-11-305.

(6) We may include security or surveillance requirements as part of gambling equipment approval.

(7) Gambling equipment must operate as approved by the director or director's designee.

(8) We may keep equipment submitted for review to allow for continued testing and training as long as the equipment remains in play in Washington. We are not liable for any damage to equipment while in our possession.

(9) If you do not agree with the director or director's designee's decision, you may file a petition for declaratory

order with the commission according to RCW 34.05.240 and chapter 230-17 WAC.

[Statutory Authority: RCW 9.46.070. WSR 19-11-047, § 230-06-050, filed 5/10/19, effective 6/10/19; WSR 14-09-037 (Order 696), § 230-06-050, filed 4/11/14, effective 7/1/14; WSR 07-21-116 (Order 617), § 230-06-050, filed 10/22/07, effective 1/1/08; WSR 06-17-132 (Order 601), § 230-06-050, filed 8/22/06, effective 1/1/08.]

WAC 230-07-090 Keeping and depositing all gambling funds

separate from other funds. Charitable or nonprofit licensees must protect all funds generated from gambling activities and keep these funds separate from their general funds.

(1) Licensees must:

(a) Keep a separate gambling receipts account(s) in a recognized Washington state bank, mutual savings bank, or credit union; and

(b) Deposit only gambling receipts into that account. Licensees may deposit receipts from nongambling activities operated in conjunction with bingo games into the gambling receipts account if the licensee keeps detailed receipting records of the nongambling receipts; and

(c) Deposit all gambling receipts first into the account before spending or transferring them into other accounts, except for prize pay outs; and

(d) Deposit funds received from commercial amusement game operators operating amusement games on their premises in the licensee's gambling receipts account no later than the second banking day after they receive the receipts; and

(e) Make all deposits of net gambling receipts from each activity separately from all other deposits, and keep the validated deposit receipt as a part of their records. Deposit receipts are a part of the applicable daily or monthly records and licensees must make them available for our inspection; and

(f) Deposit all net gambling receipts which they are holding, pending pay out:

(i) From bingo, no later than the second banking day after they receive them. Licensees may withhold bingo receipts from deposits for "jar," "pig," or other special game prizes if the total of all such prize funds does not exceed two hundred dollars, enter the amount withheld each session in the bingo daily record, and record the reconciliation of the special game fund on the bingo daily record. "Reconcile" means the licensee must compare the two balances, resolve any differences, and document the comparison and the differences in writing.

Licensees must keep the reconciliation as part of their records; and

(ii) From raffles, excluding electronic raffles, at least once a week. This includes those raffles:

(A) With gross gambling receipts over fifty thousand dollars in their initial year;

(B) With gross gambling receipts over fifty thousand dollars in their previous license year; and

(C) Offering prizes that require approval per WAC 230-11-067; and

(iii) From electronic raffles within two banking days of the drawing date; and

(iv) From amusement games with gross gambling receipts over fifty thousand dollars in their previous license year, at least each week; and

(v) From punch board and pull-tabs, including cost recovery for merchandise prizes awarded, no later than two banking days after they remove the board or series from play; and

(g) Record the Washington state identification number assigned to the punch board or pull-tab series and the amount of net gambling receipts on the deposit slip/receipt. Licensees may record the number and the receipts on a separate record if they

record the bank validation number and maintain the record with the deposit slip/receipt; and

(2) These requirements do not apply to organizations who:

(a) Conduct only one or more of the following activities:

(i) Raffles under the provisions of RCW 9.46.0315;

(ii) Bingo, raffles, or amusement games under the provisions of RCW 9.46.0321;

(iii) Bingo, raffle, and amusement game licensees with gross gambling receipts of fifty thousand dollars or less in their previous license year, excluding electronic raffles; and

(b) Do not have any other license(s) from us.

[Statutory Authority: RCW 9.46.070. WSR 20-08-095, § 230-07-090, filed 3/30/20, effective 4/30/20; WSR 18-05-029, § 230-07-090, filed 2/9/18, effective 7/1/18; WSR 07-10-032 (Order 609), § 230-07-090, filed 4/24/07, effective 1/1/08.]

RECORDKEEPING FOR LOWER VOLUME LICENSEES

WAC 230-07-125 Recordkeeping requirements for lower volume charitable or nonprofit organizations. (1) Organizations operating without a license under RCW 9.46.0315 or 9.46.0321 and lower volume charitable or nonprofit licensees must keep a set

of permanent monthly records of the gambling activities. Lower volume licensees include:

(a) Fund-raising events;

(b) Bingo with gross gambling receipts of one hundred fifty thousand dollars or less in their previous license year;

(c) Raffles, excluding electronic raffles, with gross gambling receipts of fifty thousand dollars or less in their previous license year;

(d) Amusement games with gross gambling receipts of fifty thousand dollars or less in their previous license year; and

(e) Nonhouse-banked card games.

(2) The monthly records must include, at least:

(a) The gross gambling receipts from each activity;

(b) The gross gambling receipts from group 12 amusement games;

(c) The total amount of cash prizes actually paid out;

(d) The total of the cost to the licensee of all merchandise prizes actually paid out for each activity;

(e) A summary of all expenses related to each of the activities; and

(f) The net income received from the activity, the purpose(s) for which the net income was raised, and the amount paid to each recipient.

(3) Licensees must keep these records for three years from the end of the license year for which the record was created.

(4) Organizations operating under RCW 9.46.0315 or 9.46.0321 must maintain their records for one year.
[Statutory Authority: RCW 9.46.070. WSR 18-05-029, § 230-07-125, filed 2/9/18, effective 7/1/18. Statutory Authority: RCW 9.46.070, 9.46.0201. WSR 16-22-049, § 230-07-125, filed 10/28/16, effective 11/28/16. Statutory Authority: RCW 9.46.070. WSR 07-10-032 (Order 609), § 230-07-125, filed 4/24/07, effective 1/1/08.]

REQUIRED ANNUAL REPORTS

WAC 230-07-145 Reporting annual progress. Charitable or nonprofit licensees in Groups III, IV, and V, and electronic raffle licensees must report annually their progress toward meeting their stated purpose in the format we prescribe.

(1) The report must explain the type and scope of activities which licensees conducted during their last annual fiscal accounting period; and

(2) The report must include, at least:

(a) A brief history of the licensed organization, including its stated charitable or nonprofit purpose(s); and

(b) A written statement setting out their goals for meeting their stated charitable or nonprofit purpose(s) in the future; and

(c) The number of full and regular members; and

(d) A list of contributions, scholarships, grants, or sponsorships made during the period. This list must include:

(i) The name of each organization or individual receiving a contribution from the licensee. The licensee may use the phrase "individual contribution" in place of the recipient. If the recipient is not named in the report, the licensee must maintain records to verify and identify the recipient of each individual contribution; and

(ii) Whether funds awarded were from gambling income or other funds;

(e) Gross income from all nongambling activities and the source of the income; and

(f) The revenue and expenses for any nongambling sales activities, presented separately, when conducted primarily in conjunction with gambling activities; and

(g) Total expenses for both charitable or nonprofit services; and

(h) The percentage or extent to which the licensee used net gambling income for charitable as distinguished from nonprofit purposes; and

(i) The details of any loans, contracts, or other business transactions with related parties that accumulatively exceed one thousand dollars during the period. "Related parties" means officers, board members, key employees, or members of the licensed organization, including direct relatives of each; and

(3) The report must be submitted no later than one hundred twenty days following the end of the organization's fiscal year.

(4) We may grant an organization additional time to submit the report if a written request is received before the due date. The president of the organization must sign any request for

additional time and include a statement explaining the hardship causing the delay, and the expected date the required report(s) will be submitted.

[Statutory Authority: RCW 9.46.070. WSR 10-09-021 (Order 666), § 230-07-145, filed 4/13/10, effective 7/1/10; WSR 07-10-032 (Order 609), § 230-07-145, filed 4/24/07, effective 1/1/08.]

WAC 230-07-150 Financial statements required for Groups

III, IV, ~~and V~~, and electronic raffle licensees. (1) In addition to information required in WAC 230-07-145, charitable or nonprofit licensees in Groups III, IV, ~~and V~~, and electronic raffle licensees must also submit complete financial statements prepared in accordance with generally accepted accounting principles (GAAP).

(2) Licensees in Groups IV and V must have the financial statements prepared by an independent certified public accountant.

(3) The statements and all required disclosures or footnotes no later than one hundred twenty days following the end of the licensee's fiscal year.

(4) The financial statements must include:

(a) A statement of financial position;

(b) A statement of activities. This statement may be presented in a consolidated form if licensees provide the details of each component as supplemental information. Licensees must present revenue and expenses for each activity separately as follows:

(i) Each gambling activity; and

(ii) Retail sales conducted in conjunction with gambling activities;

(c) A statement of cash flows;

(d) A statement of functional expenses;

(e) In addition to all disclosures required by GAAP, the financial statements must disclose the following:

(i) Loans to or from officers, board members, and employees: We will not consider employee salary advances of five hundred dollars or less as loans. Details of all terms, including interest rates and payment schedules, must be disclosed;

(ii) All civil penalties, fines, bribes, or embezzlements incurred or discovered during the period; and

(iii) An explanation of any adjustments made to prior period capital accounts or net asset balances;

(f) An explanation of material differences between amounts reported on gambling activity reports and the financial statements.

(5) We may require additional information to ensure completeness of the information reported.

(6) We may grant an organization additional time to submit the information required if a written request is received before the due date. The president of the organization must sign any request for additional time and include a statement explaining the hardship causing the delay, and the expected date the required report(s) will be submitted.

[Statutory Authority: RCW 9.46.070 and 34.05.353. WSR 08-11-037 (Order 626), § 230-07-150, filed 5/14/08, effective 7/1/08.

Statutory Authority: RCW 9.46.070. WSR 07-10-032 (Order 609), § 230-07-150, filed 4/24/07, effective 1/1/08.]

Chapter 230-11 WAC

RAFFLES

ELECTRONIC RAFFLE SYSTEMS

230-11-300 Definitions.

230-11-305 Electronic raffle system standards.

230-11-310 Electronic raffle system requirements.

230-11-315 Access to home game authorized locations for electronic raffles.

CONDUCTING AN ELECTRONIC RAFFLE

230-11-320 Electronic raffle operating requirements.

230-11-325 Internal controls for electronic raffles.

230-11-330 Supervision of electronic raffles.

230-11-335 Wearing nametags.

230-11-340 Provide rules to electronic raffle participants.

230-11-345 Electronic raffle prize payout requirements.

230-11-350 Raffle drawing postponement.

230-11-355 Joint raffles prohibited.

ELECTRONIC RAFFLE TICKET REQUIREMENTS

230-11-360 Raffle ticket requirements.

230-11-365 Raffle ticket receipt requirements.

SELLING ELECTRONIC RAFFLE TICKETS

230-11-370 Authorized ticket sellers.

230-11-375 Restrictions on ticket sales.

230-11-380 Selling tickets at a discount.

RECORDKEEPING REQUIREMENTS FOR ELECTRONIC RAFFLES

230-11-385 Recordkeeping requirements for electronic raffles.

230-11-390 Electronic raffle - Monthly records.

230-11-395 Keeping and making records available.

WAC 230-11-002 The definition of raffle as used in this

chapter. "Raffle" as used in this chapter means raffle as defined in RCW 9.46.0277 and enhanced raffle as defined in RCW 9.46.0323.section 1, chapter 310, Laws of 2013.

[Statutory Authority: RCW 9.46.070 and 9.46.0209. WSR 13-19-056 (Order 692), § 230-11-002, filed 9/16/13, effective 10/17/13.]

ELECTRONIC RAFFLE SYSTEMS

NEW

WAC 230-11-300 Definitions. The following definitions apply to electronic raffles:

(1) "Electronic raffle" means a licensed raffle, as defined in RCW 9.46.0277, that uses an electronic raffle system for sales, accountability, and printing of tickets. Electronic raffles must only be conducted during a home game of a qualified sports team. The total prize amount must be one half (i.e., fifty percent) of the gross gambling receipts collected from the sale of raffle tickets. If deducting expenses prior to prize calculation, only actual, documented expenses up to two-thousand dollars may be deducted per raffle. Only electronic raffle licensees are authorized to conduct electronic raffles.

(2) "Home game" means a live sports event held in Washington that is designated as a home game in an official schedule

distributed by the league of a qualified sports team at a home game authorized location.

(3) "Home game authorized location" means a sports facility where spectators gather within an arena or stadium where the home game is being conducted and where a home game ticket is required for admission. This does not include ancillary areas, buildings, or facilities, such as parking areas or areas where a ticket is not required for entry.

(4) "Electronic raffle system" means the system that connects to and consists of servers located in the home game authorized location, associated network equipment, software, raffle sales units, raffle ticket printers, and related equipment used by an electronic raffle licensee to generate and account for the sale of raffle tickets.

(5) "Raffle sales unit" means a portable, remote hard-wired connected device, or an attendant operated station that is used as a point of sale for raffle ticket sales. Raffle sales units can only use a closed network with no access to the internet to conduct raffle ticket sales within the home game authorized location except for credit card transactions as authorized in WAC 230-11-310.

(6) "Manual draw" or "drawing" means the method used for the selection of a raffle ticket to determine the raffle winner. A manual draw requires the winning raffle ticket be hand-picked from the receptacle that contains every raffle ticket sold and provides an equal chance for every ticket to be selected.

(7) "Raffle ticket" means a ticket generated by the electronic raffle system that is placed in a receptacle for the manual draw to determine the winner of the raffle prize.

(8) "Raffle ticket number" means the unique number recorded on every raffle ticket and raffle ticket receipt.

(9) "Raffle ticket receipt" means a printed receipt and record of entry into an electronic raffle provided to the participant which contains the raffle ticket number and a unique validation number and/or barcode information.

(10) "Unique validation number" or "barcode information" means a number or barcode generated by the electronic raffle system as a secondary means of verifying the raffle ticket is legitimate.

NEW

WAC 230-11-305 Electronic raffle system standards. (1)

Electronic raffle systems must meet or exceed Gaming Laboratories International's GLI-31: Standards for Electronic Raffle Systems, comply with all laws and rules relating to electronic raffles as evidenced by a certification letter from an independent testing lab indicating compliance with our rules and laws and GLI-31, and submit an application and deposit for our review as outlined in WAC 230-06-050 prior to being authorized for operation in this state.

(2) Under WAC 230-06-050, the manufacturer must provide a letter, as part of the application process, indicating the electronic raffle system has been tested by an independent testing laboratory licensed by us and was found to be compliant

with GLI-31 and all laws and rules relating to electronic raffles prior to the electronic raffle system being brought into this state.

(3) The electronic raffle system will be tested for approval under WAC 230-06-050 at the home game authorized location. This will also apply to any changes made to the electronic raffle system after initial approval.

(4) An application and deposit under WAC 230-06-050, along with an updated letter from an independent testing lab certifying compliance, must be submitted to us prior to installing any changes to the electronic raffle system. Changes will be tested by us within five days of installation.

NEW

WAC 230-11-310 Electronic raffle system requirements. The electronic raffle system must be approved by us prior to operation and must:

(1) Operate on a secure network independent from the home game authorized location network. This network must be a closed network with no connection to outside components or systems. The only exceptions to the closed network include remote access as outlined in WAC 230-16-153, credit card transactions as authorized in WAC 230-06-035, and prize display communication to a screen(s) in the home game authorized location which will only occur during the live electronic raffle; and

(2) Ensure security for all communications and data to prevent unauthorized access and raffle information manipulation. These

security measures should include, but are not limited to, current encryption standards for critical information, isolation from public networks, and use of firewalls; and

(3) Have a way to independently identify the software version and signature to verify the firmware or software operating on the electronic raffle system; and

(4) Not allow for raffle sales to be conducted via the internet; and

(5) Be located, stored, and secured at the home game authorized location to prevent unauthorized access at all times; and

(6) Be accessed only by the electronic raffle licensee and licensed manufacturer; and

(7) Be overseen and supervised by a qualified member or volunteer who can address technical problems before, during, and after the manual drawing and who can provide technical support for the networks and electronic raffle system; and

(8) Require each user to sign in using a unique identification or username and password that is not shared with other users and limit user access permissions to only those which are essential to perform their duties; and

(9) Log all user activity and communicate and log all significant events; and

(10) Save critical data should the following occur: system failure, power failure, or power interruption; and

(11) Have a method for verifying valid winning ticket; and

- (12) Print all raffle tickets sold for a manual drawing. Automatic drawings, such as the use of a Random Number Generator, are not authorized; and
- (13) Print unique raffle ticket numbers. Numbers may not be duplicated; and
- (14) Print one raffle number per ticket; and
- (15) Print tickets of equal size and shape to give each ticket an equal opportunity to be drawn.

NEW

WAC 230-11-315 Access to home game authorized locations for electronic raffles. We must be allowed access to:

- (1) Home game authorized location before, during, and after an electronic raffle; and
- (2) Records; and
- (3) Restricted areas controlled by the electronic raffle licensee.

CONDUCTING AN ELECTRONIC RAFFLE

NEW

WAC 230-11-320 Electronic raffle operating requirements.

Electronic raffle licensees must:

- (1) Ensure the electronic raffle system and all other equipment used to conduct the raffle is functioning properly and fully operational by testing it using the form, prescribed by us, prior to each electronic raffle. If issues are identified,

electronic raffle licensees must notify the licensed gambling manager immediately. If the issues cannot be resolved, the licensee must not conduct the electronic raffle; and

- (2) Ensure that if any of the components of the electronic raffle system, such as the raffle sales unit, printers, or associated network, fail to function properly prior to or during the sale of any raffle ticket, they must notify us within twenty-four hours; and
- (3) Hold only one raffle per home game; and
- (4) Ensure that prior to the sale of raffle tickets, all members or volunteers assisting in operating the electronic raffle and equipment are trained to operate any equipment necessary to carry out their assigned duties and are fully informed of all pertinent laws and rules associated with electronic raffles; and
- (5) Ensure a sufficient number of trained personnel are present to fulfill at least the following duties such as raffle ticket sales, count and reconciliation, manual draw, and electronic raffle system management; and
- (6) Ensure the time during which the raffle tickets will be sold for each electronic raffle are established and posted; and
- (7) Provide members and volunteers sufficient time to ensure that all sales reconciliation and eligible raffle ticket verification can be completed prior to the manual draw; and
- (8) Not sell raffle tickets earlier than when spectators are allowed entry; and
- (9) Not print raffle tickets before they are sold; and

- (10) Ensure all ticket sales are final ~~and no refunds shall be made under any circumstances~~; and
- (11) Not change ticket prices after the first ticket is sold; and
- (12) Sell raffle tickets using a raffle sales unit operated by authorized ticket sellers; and
- (13) Reconcile cash to raffle ticket transactions in a secure location within the home game authorized location; and
- (14) Determine gross gambling receipts and the prize amount and announce to the public the prize amount prior to the drawing; and
- (15) Have at least one qualified member or volunteer overseeing the raffle ticket printers at all times who can address any technical problems; and
- (16) Ensure the manual drawing is completed before the end of the home game; and
- (17) Have a member or volunteer of the electronic raffle licensee draw the winning raffle ticket with the licensed gambling manager present; and
- (18) Video record the entire manual draw process and retain the recording with the required records.

NEW

WAC 230-11-325 Internal controls for electronic raffles.

Electronic raffle licensees must:

- (1) Submit internal controls to us in the format we require for review and approval; and

- (2) Follow internal controls at all times; and
- (3) Make internal controls available to all members and volunteers for their individual functions; and
- (4) Ensure that all members and volunteers follow internal controls.

NEW

WAC 230-11-330 Supervision of electronic raffles. (1)

Electronic raffle licensees must designate one or more licensed gambling managers to oversee each electronic raffle.

(2) At least one licensed gambling manager must be onsite during the operation of the electronic raffle and observe the manual drawing.

(3) Only members or volunteers who are supervised by a licensed gambling manager can restart a raffle sales unit or otherwise adjust any associated network equipment for any reason.

NEW

WAC 230-11-335 Wearing nametags. Anyone participating in the management or operation of an electronic raffle must wear a nametag. The nametag must:

- (1) Be provided by the electronic raffle licensee; and
- (2) Display at least the person's first name; and
- (3) Display the electronic raffle licensee's name; and
- (4) Be clear and visible.

NEW

WAC 230-11-340 Provide rules to electronic raffle

participants. Electronic raffle licensees must post rules at stationary point of sales locations and on their website. In addition, rules must be made available from ticket sellers. Raffle rules must include at least the following:

- (1) The cost of each ticket including discount levels; and
- (2) Prize calculation including whether expenses are deducted from the prize calculation; and
- (3) Time the ticket sales will begin and end; and
- (4) Time of the drawing; and
- (5) Disclosure stating the participant is not required to be present to win the prize; and
- (6) Details of where the winning ticket number will be displayed on the licensee's website; and
- (7) Information about how to claim the electronic raffle prize and any restrictions including the time limit to claim the prize; and
- (8) Name of the electronic raffle licensee conducting the raffle; and
- (9) The statement, "If you or someone you know has a gambling problem, call the Washington State Problem Gambling Helpline at 1-800-547-6133 for confidential help 24 hours a day." and
- (10) Any additional information we request.

NEW

WAC 230-11-345 Electronic raffle prize payout requirements.

Electronic raffle licensees must comply with the following prize payout requirements:

(1) Post and announce the winning raffle ticket at the home game authorized location; and

(2) Ensure only actual expenses up to a maximum of two-thousand dollars are deducted from prize payouts. Actual expenses:

(a) Include equipment costs and supplies; and

(b) Must be documented in the format we require; and

(3) Require the winner to present the raffle ticket receipt for verification; and

(4) Ensure the winning raffle ticket number matches the raffle ticket receipt; and

(5) Verify the winning raffle ticket was not voided; and

(6) Post the winning raffle ticket number on the electronic raffle licensee's website within forty-eight hours of the drawing and for the duration of the redemption period or until the prize is paid, whichever occurs first; and

(7) Verify and record the winner's identity and record the prize amount in the format we prescribe; and

(8) Pay prizes within twenty-four hours after notification and verification of the winning raffle ticket; and

(9) If the winner does not claim the prize at the home game, the licensee must allow a minimum of thirty days from the date of the drawing for winners to claim prizes. Prizes not claimed within the disclosed time period will become the licensee's proceeds.

NEW

WAC 230-11-350 Raffle drawing postponement. If for any unforeseen reason (e.g., weather delay, power outage, or other reasonably unforeseen event) the electronic raffle is not completed on the day of the home game at which the raffle tickets are sold, the manual drawing of the winning raffle ticket must be completed the first business day when normal business operations resume. No additional raffle tickets may be sold after the unforeseen event occurs, only the manual draw may take place. Notice of the winning raffle ticket number must be posted on the electronic raffle licensee's website.

NEW

WAC 230-11-355 Joint raffles prohibited. Electronic raffle licensees are not permitted to conduct joint raffles as outlined in WAC 230-11-012.

ELECTRONIC RAFFLE TICKET REQUIREMENTS

NEW

WAC 230-11-360 Raffle ticket requirements. Raffle tickets must include the following information:

- (1) Name of the electronic raffle licensee; and
- (2) Raffle ticket number; and
- (3) Unique validation number or barcode information; and
- (4) Purchase date and time (in twenty-four hour format showing hours and minutes).

NEW

WAC 230-11-365 Raffle ticket receipt requirements. Raffle ticket receipts must include the following information:

- (1) Name and contact information of the electronic raffle licensee; and
- (2) Raffle ticket number(s); and
- (3) Unique validation number or barcode information; and
- (4) Raffle sales unit identifier; and
- (5) Date and time issued; and
- (6) Total cost and quantity; and
- (7) Website where the electronic raffle rules are available and winning raffle ticket number will be posted; and
- (8) The statement, "Ticket holders need not be present to win."; and
- (9) Date the prize must be claimed by.

SELLING ELECTRONIC RAFFLE TICKETS

NEW

WAC 230-11-370 Authorized ticket sellers. (1) Only members of the electronic raffle licensee and volunteers under the supervision of a member, who are least eighteen years old, may sell raffle tickets.

(2) Electronic raffle licensees must not pay members or volunteers for selling tickets or managing or operating the

electronic raffle unless the person is a full-time or part-time employee of the electronic raffle licensee with duties other than selling electronic raffle tickets or managing or operating electronic raffles.

(3) Electronic raffle licensees may provide members or volunteers with noncash incentives for selling tickets if the licensee:

(a) Bases the incentives on the number of raffle tickets sold; and

(b) Gives incentives that do not exceed five percent of the gross gambling receipts of the raffle; and

(c) Maintains a record of the name, address, and telephone number of each person and a description of each incentive they receive. This record should be made available upon our request.

NEW

WAC 230-11-375 Restrictions on ticket sales. (1) Electronic raffle licensees must sell tickets for the electronic raffle for the same price unless offering an authorized discount plan; and

(2) Electronic raffle licensees must not:

(a) Sell tickets via the internet; and

(b) Sell tickets outside of the home game authorized location;

and

(c) Require anyone to purchase more than one raffle ticket; and

- (d) Give away raffle tickets; and
- (e) Allow members or volunteers to purchase raffle tickets for the event they work.

NEW

WAC 230-11-380 Selling tickets at a discount. Electronic raffle licensees may sell raffle tickets at a discount if they:

- (1) Use discount levels identified in internal controls; and
- (2) Do not change the discount levels during the electronic raffle; and
- (3) Offer only discount levels based on the number of tickets sold. Promotional discounts based on other criteria are not allowed; and
- (4) Use up to no more than four discount levels for each electronic raffle; and
- (5) Account for and document the number of raffle tickets sold at each price point and discount level.

RECORDKEEPING REQUIREMENTS FOR ELECTRONIC RAFFLES

NEW

WAC 230-11-385 Recordkeeping requirements for electronic raffles. (1) Electronic raffle licensees must complete records, in the format we prescribe, for each raffle within seventy-two hours after each drawing; and

- (2) Licensees must record all data in ink, on storage media, or in other permanent form; and
- (3) Print, or back up in a permanent form, all the original sales data supporting the raffle drawing; and
- (4) Separately maintain the drawing's printed raffle tickets for a minimum of thirty days or until the prize is awarded, whichever is greater; and
- (4) Keep all winning tickets; and
- (5) Keep the video recording of each drawing; and
- (6) Keep the test form we prescribe for each electronic raffle; and
- (7) Keep any and all electronic raffle system reports listed in GLI-31; and
- (8) Retain all invoices or receipts for raffles prizes and expenses.

NEW

WAC 230-11-390 Electronic raffle - Monthly records.

Electronic raffle licensees must maintain accounting records as required in WAC 230-07-130. In addition, electronic raffle licensees must keep a set of permanent monthly records of electronic raffle activity to include at least:

- (1) The drawing date; and
- (2) Gross receipts; and
- (3) Prizes paid; and
- (4) Net income; and
- (5) Documentation of expenses; and

- (6) Documentation of how the proceeds were used; and
- (7) Cash over/short.

NEW

WAC 230-11-395 Keeping and making records available.

Electronic raffle licensees must:

- (1) Keep required, completed records from electronic raffles for at least three years from the end of the license year for which the records were completed; and
- (2) Retain records at the main administrative or business office of the electronic raffle licensee located in Washington and have the records available for our review or audit.

NEW

WAC 230-16-153 Remote access of electronic raffle systems.

Electronic raffle systems may be accessed remotely, at any time, only by a licensed representative of the manufacturer of the equipment for repair, troubleshooting, or technical support under the following provisions:

(1) In order to be approved to remotely access the electronic raffle system, the manufacturer must:

(a) Submit an application and documentation as required in WAC 230-06-050; and

(b) Have the remote access solution tested. This may be done by:

(i) Submitting and transporting a working model of the remote access solution and related documentation, in the format we require, to us for testing and approval, or

(ii) Have the remote access solution tested onsite by us; and

(2) For the purpose of continued monitoring, we may retain a working model or components after approval for as long as the remote access solution is in use in the state; and

(3) The manufacturer must notify and receive approval from the electronic raffle licensee before remotely accessing the electronic raffle system for the reasons outlined above; and

(4) The manufacturer must notify us within twenty-four hours after the remote access has occurred; and

(5) The remote access must occur using a dedicated and secure communication protocol or application utilizing encryption such as a virtual private network (VPN); and

(6) The remote access must only be conducted through a laptop or computer owned and issued by the manufacturer and must meet the following requirements:

(a) Employ full disk encryption; and

(b) Have a mechanism to detect and prevent installation of spyware, key loggers, hacking tools, or other malicious software; and

(c) Have current updated antivirus software; and

(d) Employ active firewall software; and

(e) Be conducted in a secure location where only the manufacturer or licensed representatives can be present while accessing the electronic raffle system remotely; and

(7) All remote access to the electronic raffle system must use multi-factor authentication; and

(8) The communication must pass through at least one application-level firewall and not have the ability to allow for an alternate network path; and

(9) Remote access shall only be enabled for the duration of repair, troubleshooting, or technical support and the connection terminated immediately after; and

(10) Security standards for the remote access must be at least equivalent to commonly accepted national and international best practices for IT security such as National Institute of Science and Technology (NIST) standards as they currently exist or may be amended in the future; and

(11) An electronic log shall be maintained by the electronic raffle system for documentation and audit purposes and must include the following information about all remote access to the electronic raffle system:

(a) Name and license number of manufacturer representative that accessed the system; and

(b) Time and date the connection was made; and

(c) Duration of the connection; and

(d) Reason for the remote access; and

(e) Any action taken, or further action required; and

(8) The manufacturer must disable access for an employee that is no longer with the company within twenty-four hours of termination.

Communication

From: [Considine, Brian \(GMB\)](#)
To: [Mari Horita](#); [Annemarie Scalzo](#); ["Maya Mendoza-Exstrom"](#); [Rivera, Fred /SEA](#); [Amber Carter](#); [BeccaS@seahawks.com](#); [JeffR@Seahawks.com](#)
Cc: [Laydon, Ashlie \(GMB\)](#)
Subject: Electronic Raffle Update
Date: Wednesday, March 3, 2021 3:08:57 PM
Attachments: [image002.png](#)
[image004.png](#)

Hello all,

Thank you all for your patience with our rule-making process for electronic raffles—I really appreciate it. The agency is still negotiating with several Tribes on sports wagering compacts and that unfortunately is taking up a lot of our time at the moment. Additionally, we just announced today that our Director is leaving the agency so that is going to create some extra challenges as well in the short term.

Commission staff is working with manufacturers/suppliers to review their equipment and work on equipment draft rules. We've been in contact with each of them and are working on the logistics for review of their systems and equipment so we can complete a draft of the equipment section of the rules. Unfortunately, getting equipment to review has been slow and we are not as far along as we had anticipated by this time.

Staff continues to also work on refining some draft rules based on our conversations with all of you a couple months ago. Therefore, I'm hopeful that we can have a more substantive update on the electronic raffle rules in the next few weeks.

I hope to set up a collective virtual call in the next 2-3 weeks with all of you and the manufacturer representatives to go over the work we need to accomplish with some possible timelines for that work. I'm waiting for my staff to put some information together before I set up the call.

However, there is something you can do now, if you choose. In talking with staff, we do not intend to create a new and separate application/background process for this activity. Instead, there may be a different license and license fee for this activity, but the application process will remain the same.

Therefore, your nonprofit organizations could apply for a raffle license right now, if you do not already have a license. This will allow you to work through the application review process and become a qualified licensee while we work on the new rule language. This would give you and our staff a head start on part of the process that is independent of our new rules.

Information on how to apply for a license is on website [here](#) and an application can be submitted through our online licensing portal once you have registered an account in the State's Secure Access Washington (SAW) system.

I know costs are always a question and our fee schedule is in rule but also our [website](#). As you will see, the application/license initial cost is \$65 and then there is a quarterly percentage (3.380% for raffles) of gross revenues collected reporting requirement that is submitted through your online licensing account. However, I suspect there likely will be no activity until you transition to the new electronic raffle license, and, if so, then there will be no additional cost. However, you will need to report each quarter even if the gross revenue collection is \$0.

Please let me know if you have any questions. Also, I am happy to connect you with our licensing staff, if needed, for questions about the application process.

Thank you,

Brian

Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission
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(360) 485-8921 (mobile)
Brian.considine@wsgc.wa.gov



May 28, 2021

Ms. Ashlie Laydon
Rules Coordinator
Washington State Gambling Commission

Re: 50/50 Raffle Rules Amendment

Dear Ms. Laydon:

As per our joint letter dated January 22, 2020, the Seattle Mariners, Seattle Sounders FC, Seattle Seahawks, and Seattle Kraken strongly support the Washington State Gambling Commission's ("WSGC") decision to amend Washington's 50/50 raffle rules in compliance with applicable state statutes. Our shared goals in advocating for this amendment are to: 1) increase organizational efficiencies; 2) reduce waste and promote sustainability; 3) decrease opportunities for theft and fraud; and 4) advance the statutory public policy objective of maximizing funds raised for charitable causes and communities in need.

We appreciate your office keeping us apprised of the process and inviting our input over the past 12 months. Each of the teams have conducted separate research and outreach within their respective leagues to understand how best to achieve our common goals. Based on our collective research, we have identified several priority areas set forth below. We acknowledge that you and members of your office have discussed a number of these issues with the teams throughout this process, and this letter intends to consolidate the substance of those conversations. We encourage the WSGC to incorporate these recommendations into the revised rules.

1. Modernizing the draw by allowing for electronic selection

WAC 230-11-040 requires raffle operators to "place each ticket, ticket stub or other detachable section of each ticket sold" into a receptacle "from which the organization will draw the winning tickets." For the reasons set forth below, we respectfully recommend eliminating the requirement for paper tickets and modernizing the draw to allow raffle operators to use an electronic method to randomly select winning tickets using a WSGC approved random number generator.

The current method compromises the integrity of the draw. Manually selecting the winning ticket allows for manipulation of results and accidental or intentional exclusion of tickets from the pool from which the draw is made.

Additionally, as part of our commitment to combat climate change, Sounders and Kraken games will be paperless. Paper raffle tickets would be anomalous, harmful to the environment, and inconsistent with our shared (and the State's) commitment to sustainability.

2. Allowing for the use of cloud-based support systems

WAC 230-11 did not contemplate the existence or use of cloud-based systems as part of standard organizational operating procedures. We respectfully recommend allowing for the use of cloud-based raffle systems. Using cloud-based resources provides the third-party raffle provider remote access into the applications to ensure smooth operations by troubleshooting any technical difficulties the teams may encounter and helping in case of any emergencies.

By prohibiting the use of cloud-based systems, the teams and the raffle process are left extremely vulnerable in the event of mechanical or technological malfunctions. We want to protect the integrity of our raffles and ensure consumer trust in our operations. The use of cloud-based systems allows us to do both.

3. Allowing for deduction of expenses

The 50/50 raffle will generate funds for the winning ticket holder and the community, not the teams. At the same time, the team affiliated nonprofit raffle operator will incur expenses administering the raffle, including, without limitation, staffing and vendor costs, equipment rentals, and regulatory and other fees. We respectfully request clarifying that these expenses can be deducted before distributing the funds to the winning ticket holder and chosen nonprofit. The teams will take necessary measures to ensure that fans, purchasers, and nonprofit beneficiaries are informed of this accounting in advance of each raffle.

4. Allowing for paid raffle sellers

[WAC 230-11-030](#) provides that only “members of the organization” or “volunteers under the supervision of a member” are allowed to sell raffle tickets. Additionally, organizations “must not pay members or volunteers for selling tickets or managing or operating a raffle” unless the person is an “employee of the organization with duties other than selling tickets or managing or operating raffles” per [WAC 230-11-035](#). We do not object to the option to use volunteers for this role, but respectfully recommend adding the alternative to pay individuals to work as raffle sellers.

Requiring volunteer ticket sellers, particularly for sports that have upwards of 40 games per seasons, imposes a heavy burden to recruit, track, and train up to as many as 1,000 volunteers per season. Additionally, countless reports indicate that paid ticket sellers are more effective than volunteers and would ultimately help us raise more money to invest in our community. Paid sellers are more reliable than volunteers – the “show rate” for volunteers fluctuates. Planning the logistical details for operating a raffle should be smooth and turnkey; requiring our organizations to utilize only volunteers makes it impossible to predict how many sellers will actually show up for each game. Allowing us to hire part-time ticket sellers – whose sole responsibility is selling raffle tickets – is crucial to the success of our respective raffles.

5. Eliminating the requirement to collect purchaser information

[WAC 230-11-020](#) mandates raffle operators to record a purchaser’s personal information, including “name, complete address, telephone number, and other information necessary to notify the winner” unless the team requires the winner be present at the time of the drawing. We respectfully recommend eliminating this requirement in the amendment.

50/50 raffle winners are generally announced toward the end of the final period of a game or match. Practically speaking, requiring a person be present to win will substantially decrease the number of people participating in the raffle, as a significant percentage of sports goers do not stay for the duration. At the same time, collecting the required information at every transaction would severely hamper the ability to complete sales quickly and efficiently. Transaction times would go from mere seconds to minutes and in some cases discourage sales altogether. Reduced participation will significantly diminish the amount raised for charitable causes and at the same time increase overhead expenses.

If the policy concern behind the current rule is that the winner will not otherwise be notified, that concern is no longer valid. Sports teams possess powerful and far-reaching platforms to promote awareness of the winning ticket number. During the game, the winning number is announced over the PA and is posted on the video boards. After the game, teams will deploy a variety of methods to reach the winner, including by way of

example, posting the winning number on their websites and social media accounts. We are committed to being transparent with our fans and making every reasonable effort to notify the winner.

6. Including credit/debit card sales and electronic processing equipment

One of the primary drivers behind this rule change is adapting to modern currency usage, including credit and debit cards and electronic processing equipment. Like many teams across the country, the Sounders, Seahawks, Mariners, and Kraken have transitioned to cashless transactions at their games. This shift recognizes the need to enact more environmentally conscious practices, reduce theft and fraud, address sanitary concerns, and meet the expectations of one of the most tech forward and cash free populations in the nation. Additionally, as stated in our 2020 letter, requiring cash and manual sales transactions has proven prohibitively costly and inefficient.

7. Eliminating caps

The issues listed in points 1-6 represent our highest shared priorities because they directly impact our ability to run successful raffles. We would also respectfully recommend eliminating the current individual game (\$40,000) and season (\$300,000) dollar caps set forth in [WAC 230-11-065](#). While the teams do not yet know exactly what the raffles will yield, we aspire to raise as much for the community as possible. Removing the current caps would eliminate both compliance uncertainty as well as the need for the teams to submit an annual good cause exemption request.

The Seattle Kraken, Seattle Mariners, Seattle Sounders FC, and Seattle Seahawks applaud the WSGC's modernization of the 50/50 raffle rules. We offer the above recommendations in an effort to maximize the dollars raised for our communities in need, protect our environment, enhance the integrity of the raffle process by minimizing theft and fraud, and optimize organizational efficiencies.

Thank you for your consideration of our recommendations. Please let us know if we can provide any additional information.

Respectfully,

SEATTLE MARINERS

Fred Rivera
Executive Vice President & General Counsel

SEATTLE KRAKEN

Mari Horita
Vice President - Community Engagement & Social Impact

SEATTLE SOUNDERS

Maya Mendoza
Senior Vice President & General Counsel

SEATTLE SEAHAWKS

Ed Goines
Chief Legal Officer

cc: Brian Considine and Sonja Dolson

From: [Mari Horita](#)
To: [Considine, Brian \(GMB\)](#)
Cc: [Dolson, Sonja \(GMB\)](#); [Goines, Ed](#); [Maya Mendoza-Exstrom](#); [Diego Pleitez](#); [Rivera, Fred /SEA](#); [Amber Carter](#); [Eric Pettigrew](#); [Laydon, Ashlie \(GMB\)](#); [Griffin, Tina \(GMB\)](#); [Nicks, Jim \(GMB\)](#); [Drumheller, Gary \(GMB\)](#); [LaMont, Jennifer \(GMB\)](#); [Annemarie Scalzo](#)
Subject: RE: Consolidated recommendations re 50/50 raffle rules amendment
Date: Thursday, June 24, 2021 11:35:02 AM
Attachments: [image002.png](#)
[image004.png](#)
[image005.png](#)

External Email

Thanks Brian for your prompt response and your candor. The Seattle Kraken would like to move forward assuming we can use credit/debit cards, and that our proposed vendor can work within this construct. We'll reach out to them to confirm.

Best,

Mari

From: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>
Sent: Wednesday, June 23, 2021 5:01 PM
To: Mari Horita <mhorita@seattlekrakenhockey.com>
Cc: Dolson, Sonja (GMB) <sonja.dolson@wsgc.wa.gov>; Goines, Ed <EdG@Seahawks.com>; Maya Mendoza-Exstrom <mayam@soundersfc.com>; Rivera, Fred /SEA <frivera@mariners.com>; Amber Carter <amber.carter@comcast.net>; Eric Pettigrew <EPettigrew@seattlekrakenhockey.com>; Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>; Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>; Nicks, Jim (GMB) <jim.nicks@wsgc.wa.gov>; Drumheller, Gary (GMB) <gary.drumheller@wsgc.wa.gov>; LaMont, Jennifer (GMB) <jennifer.lamont@wsgc.wa.gov>
Subject: RE: Consolidated recommendations re 50/50 raffle rules amendment

Hi Mari,

Commission staff has reviewed the letter you submitted and we have also spoken with our Interim Director on the items as well.

The following items will not be considered in our electronic raffle rule-making at this time for the following reasons:

1. Modernizing tickets and the draw: As you've heard from us before, raffles must be conducted in the manner they currently exist in law ([RCW 9.46.0277](#)) and this includes physical tickets and a hand draw. Equipment must only be able to help facilitate a raffle

within the current legal parameters under the Gambling Act. Any changes to this part of the process will need a law change by the Legislature. Commission staff is not, and cannot, consider changing this part of a raffle in our rules.

2. Cloud-based raffle systems: As you've heard from us before, the internet cannot be used in any way to conduct or facilitate a raffle. Cloud-based systems utilize the internet and, unfortunately, [RCW 9.46.240](#) is clear that gambling information cannot be transmitted by telephone, telegraph, radio, semaphore, the internet, or a telecommunications transmission system without express authorization from the Legislature. The only exceptions to this statute are in the [enhanced raffle statute](#) (mail, telephone, fax) and [sports wagering statute](#) (internet).
3. Paid Raffle Sellers: Raffles in [RCW 9.46.0277](#) requires that "no person other than a bona fide member of the organization takes any part in the management or operation of the game, and no part of the proceeds thereof inure to the benefit of any person other than the organization conducting the game." Additionally, this type of change is something that can have broad implications for all of our nonprofits, including the agency's need to consider [RCW 9.46.0209\(1\)\(c\)](#)'s qualification mandate that: "Any person, association or organization which pays its employees, including members, compensation other than is reasonable therefor under the local prevailing wage scale shall be deemed paying compensation based in part or whole upon receipts relating to gambling activities authorized under this chapter and shall not be a [qualified] bona fide charitable or nonprofit organization for the purposes of this chapter." (emphasis added). I believe we have discussed compensation for nonprofit employees and gambling activities before, and happy to have Sonja and her team discuss the current rules/regulations on what is possible with you and your team.

The additional requests: deduction of expenses; collection of customer/purchaser information; use of debit and credit cards; and eliminating caps are still under discussion internally. Currently, debit/credit cards are authorized for all raffles, but we need to check-in individually with our Commissioners individually due to some recent public meeting conversations around the use of credit cards in gambling activities.

We wanted you to have the answers to the three items above as quickly as we could get them back to you because they are likely the most significant items. We do understand the reasonings behind the requests, but do have statutory requirements we need to abide by and enforce.

We are still committed to working on our internal rule draft. However, I want to be mindful of your and your group's time, and also mindful of Commission staff's time. I do not wish to have staff continue forward on rules and creating a regulatory program unless you can affirmatively let me know that you still wish for us to proceed now that we have reaffirmed our position on these items.

Therefore, please let me know, or have each organization let me know, if our position on the three above items changes your or another organizations' desire to move forward with rule-making at this time. If it does, we understand and will pause our work. However, we will continue forward if you are still willing to move forward on this activity knowing the agency's

position on the parameters above.

Please let me know if you have any questions. Also, I'm happy to set up a call if that is better.

Thank you,

Brian

Brian J. Considine
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Brian.considine@wsgc.wa.gov



From: Mari Horita <mhorita@seattlekrakenhockey.com>
Sent: Friday, May 28, 2021 8:52 AM
To: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Cc: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>; Dolson, Sonja (GMB) <sonja.dolson@wsgc.wa.gov>; Goines, Ed <EdG@Seahawks.com>; Maya Mendoza-Exstrom <mayam@soundersfc.com>; Rivera, Fred /SEA <frivera@mariners.com>
Subject: Consolidated recommendations re 50/50 raffle rules amendment

External Email

Hi Ashlie –

Following up on my email of last week, attached please find our joint letter regarding the 50/50 rules amendment. Thank you, Brian, Sonja, and your team for your support and collaboration throughout this process. Please let us know if you have any questions.

Best,

Mari, Ed, Maya, & Fred

Mari Horita (She/Her)
Vice President, Community Engagement & Social Impact
Executive Director, One Roof Foundation
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**CLIMATE
PLEDGE
ARENA**

Stakeholder Feedback on Draft Language



BUMP, Division of Canadian Bank Note Company, Limited
Comments on Proposed Washington State Electronic
Raffle Draft Rules

Version 1.1

Contents

Executive Summary.....	2
Security of Platform	3
Security of Intellectual Property.....	4
Integrity of Platform	4
Maintenance/Support.....	4
Durability of data	5
Scalability	5
Closed Network Requirement.....	5
Network Connectivity	5
Gambling Data Considerations	6
Support and Maintenance	7
No Refund Capability	7
Manual Drawing.....	7
Gambling Manager Responsibilities	8
Need for Clarity in Fee Calculation	8
Location of Gambling Activities	8

Executive Summary

Canadian Bank Note Company, Limited is a leading provider of high security solutions to governments in the United States of America, Canada and elsewhere around the world. Our lottery and charitable gaming group provides secure, transparent and successful gaming solutions to government lottery agencies and not-for-profit foundations. Our recent acquisition of Bump Worldwide Inc. (BUMP) from Sportech has made BUMP one of the most successful electronic raffle providers in the world.

This document provides our specific comments on the proposed changes by the Washington State Gambling Commission (WSGC) to [Title 230 WAC](#) that will authorize Electronic Raffles within the State of Washington. This supplements BUMP's prior communications in writing and orally in support of this important initiative of the Gambling Commission.

As an experienced electronic raffle system provider, we have several serious reservations with regards to the proposed changes to Title 230 WAC primarily because the security, integrity and reliability of electronic raffles operated under the proposed rules will be compromised in comparison to the standard that prevails in most North American electronic raffles. The two most serious concerns with the proposed changes are:

- A) the requirement that the 'Server' (back-end Raffle Engine) be physically located at the Home Game Authorized Location (**WAC 230-11-300, WAC 230-11-310 and others**), and
- B) the requirement for a closed network that restricts all aspects related to connectivity to the internet while carving out unrealistic expectations surrounding authorizing credit card transactions, one-way communication to in-venue connected displays and vaguely documented remote access. (**WAC 230-11-300, WAC 230-11-310 and others**)

The items above along with other comments are elaborated on within this document.

We view the potential reputational consequences of both items A and B listed as so serious in nature that we would be unable to provide electronic raffle services within Washington State. The proposed changes to Title 230 WAC expose electronic raffle system providers, charitable partners and raffle participants to unacceptable risk related to the integrity, security and maintainability of electronic raffles proposed by WSGC.

WSGC would be the sole Gaming Commission within North America to insist on locating the Raffle Server on-premises of the location of the authorized raffle. Such locations cannot be secured in the way that industry leading cloud hosted data centres are. The security, integrity, redundancy, scalability and maintainability of an electronic raffle system provider's platform, software, database and Intellectual Property would be entirely outside of electronic raffle system provider's control.

This results in an unacceptable risk of fraud, IP theft, data loss, and service disruption. Further, WSGC would also be the sole Gaming Commission within North America to require a closed network for all raffle communications. This requirement is closely tied to 'A' above. While carving out exceptions for in-stadium digital signage, credit card processing and remote access (not fully defined **WAC 230-11-310 references WAC 230-16-XXX**), these restrictions will result in patchwork of both networking infrastructure, and rules and regulations that materially adversely impact the functionality, security, and integrity of both the raffle and electronic raffle platform.

The risk profile created by the proposed changes should be unacceptable to gaming suppliers, charitable partners, participants and the WSGC itself.

Home Game Authorized Location for Electronic Raffle System

WAC 230-11 proposes the Electronic Raffle System Server(s) be located in the Home Game Authorized Location, meaning the sports facility where spectators gather within an arena or stadium where the home game is being conducted. This deviates from the Electronic Raffle systems that are provided, accredited/tested and secured in every other jurisdiction. This requirement will result in the following unacceptable risks:

Security of Platform

The logical and physical security of the raffle server and system would not be capable of being managed by the electronic raffle system provider. This will result in the full risk profile of server security being

assigned to the associated charitable organization which would be unlikely to have the necessary technical knowledge or the appetite to assume those risks and responsibilities.

The electronic raffle system provider would be unable to properly control access to the critical back-end systems which in turn can lead to abuse and/or breaches affecting the underlying hardware, software and data. It would not be a question of if a breach would happen, but rather when. Such a breach would result in permanently damaging the electronic raffle system provider brand, permanent damage to the charitable organization, questions regarding why the WSGC required such a scenario given the industry recommendation, loss of faith from raffle players and avoidable litigation.

Security of Intellectual Property

An on-premise server exponentially increases the risk of exposure of the electronic raffle system supplier's Intellectual Property to external 3rd parties. As noted above, the logical and physical security would be outside of the control of the electronic raffle system provider. It would have no ability to ensure that its IP is not exposed either intentionally or inadvertently to outside third parties. Such an exposure of Intellectual Property would have far reaching consequences, not only for the electronic raffle system provider, but also for every other charitable organization globally that utilizes its platform. It would likely immediately trigger suspension of every gaming supplier license and possibly result in litigation throughout the industry, not simply in Washington State.

Integrity of Platform

The risks associated with an on-premise platform resulting from logical/physical security and IP security would have the additional impact of not being able to ensure the integrity of the raffle. Many security and IP breaches are not proactively but rather reactively detected. Such breaches would call into question every raffle that has previously occurred and that would in future occur under the proposed regulations. A server directly managed by the electronic raffle system provider's technical resources hosted on a high reliability secure cloud infrastructure is the only way to enable rapid reaction to, and correction of, system issues.

Maintenance/Support

While the proposed legislation makes note that the ability for remote access may be defined, it references an unknown section WAC 230-16-XXX. Further BUMP is unable to comment if such a remote access scenario is technically possible. With an on-premise server, full network configuration, maintenance and access would be the responsibility of the charitable organization. The networking capabilities of the venue are completely unknown and the requirement of an on-premise server and closed network would result in little to no ability for an electronic raffle system provider to provide support and maintenance to the system(s) it contractually provides to organizations. The risk associated with being unable to provide timely/any support or maintenance will result in failures of the platform, integrity and security concerns that would materially damage all parties involved.

Durability of data

Requirements for an on-premise server deviate from the industry standard for ensuring data redundancy for disaster recovery. An on-premise server would be subject to increased risk of failure of components (hardware & software) resulting in data loss (i.e., Database). With no ability to ensure off site backup and storage of critical data, the durability of the data in case of disaster is zero. This would result in non-compliance with all record retention and reporting requirements noted in WAC 230 along with the likelihood of being unable to conduct raffles, provide refunds or trace any transactions. Cloud hosted platforms are configured to perform automatic backups and recovery within multiple availability zones ensuring data integrity. Further every pro sports foundation rightly insists on a disaster recovery plan that comprises off site storage of backups.

Scalability

Requiring an on-premise server eliminates the possibility of scaling infrastructure to meet real time demands on the platform. BUMP's cloud hosted platform has the ability to scale during a raffle to meet the needs of the on-going raffle event. An on-premise server requirement would result in zero scaling ability to meet the real time needs of the organization causing significant impairment should the interest in the raffle be greater than the capabilities of the on-site server.

Closed Network Requirement

WAC 230-11 proposes that the electronic raffle system operate on a secure network independent from the Home Game Authorized Location network and further that this network must be a closed network with no connection to outside components or systems. While the proposed changes do carve out exceptions for in-stadium digital signage, credit card processing and remote access (not fully defined **WAC 230-11-310 references WAC 230-16-XXX**) it is our advice that these restrictions will result in a patchwork of both networking infrastructure, and rules and regulations that materially adversely impact the functionality, security, and integrity of both the raffle and electronic raffle platform for the following reasons:

Network Connectivity

A requirement for a closed network would entirely be the responsibility of the charitable organization to maintain, secure and support. Whether the charitable organization has the sophistication and/or knowledge to create such a network is unknown, but highly unlikely and it would most probably be uneconomic to do so. It is safe to assume that creation and management of such a network will be an expensive and time-consuming effort that will not meet the needs of the raffle platform. Network connectivity between the Raffle Sales Units and the raffle server are paramount to ensure accuracy and integrity of raffles, a custom closed network is unlikely to have the in-venue coverage of a traditional in-

venue wifi or cellular connection. This will result in dead spots and connectivity interruptions that will negatively impact the raffle. All current BUMP charitable partners utilize a combination of in-venue public Wi-Fi and cellular data connectivity to ensure close to 100% coverage and up time, with all communications encrypted and secured to industry standards.

Should a breach of this network occur, such a breach could be catastrophic to both the electronic raffle system provider and the charitable organization for all the reasons previously noted with regards to an on-premise server. BUMP's cloud hosted architecture is firewalled and restricted to ensure only authorized access to the underlying systems. In a closed network with an on-premise server an electronic raffle system provider would be unable to monitor whether any unauthorized access or communications are taking place.

Gambling Data Considerations

Gambling consists of prize, consideration and chance which likely constructs part of the WSGC definition of gambling data. The proposed legislation has been previously articulated as being designed to meet the WSGC requirement that no gambling data traverses the internet however ostensibly the proposed WAC 230-11 carves out a specific exception for Credit Card Transactions to be processed over the Internet. We strongly encourage WSGC to align the rules on transmission of raffle data to be consistent with the rules applying to credit card transactions. It is clear that the Gambling Commission has the authority to do so. The relevant section of Washington State Gambling Law chapter 9.46 namely [9.46.240](#) reads:

RCW 9.46.240

Gambling information, transmitting or receiving.

(1) Whoever knowingly transmits or receives gambling information by telephone, telegraph, radio, semaphore, the internet, a telecommunications transmission system, or similar means, or knowingly installs or maintains equipment for the transmission or receipt of gambling information shall be guilty of a class C felony subject to the penalty set forth in RCW 9A.20.021.

(2) This section shall not apply to such information transmitted or received or equipment or devices installed or maintained relating to activities authorized by this chapter including, but not limited to, sports wagering authorized under RCW 9.46.0364 and 9.46.0368, or to any act or acts in furtherance thereof when conducted in compliance with the provisions of this chapter and in accordance with the rules adopted under this chapter and conducted in accordance with tribal-state compacts.

By virtue of section (2) italicized above, the internet can be legally used to carry gambling information required to adopt the same secure, transparent and reliable approach to electronic raffle systems that one finds in all other North American jurisdictions, provided that the person doing so is duly licensed by the Gambling Commission.

Support and Maintenance

A closed network severely impairs an electronic raffle system provider's ability to be both responsive to support requests as well as maintenance of the underlying platform. While WAC 230-11 vaguely references remote access it also references an unknown section **WAC 230-16-XXX**. As the closed network would be the responsibility of the charitable organization it is impossible to determine whether such remote access could be viably achieved to access the required closed network. It should be assumed that such access will be impossible to achieve. Being unable to constantly support and maintain the platforms will result in failures of the system, with no remediation possible by the electronic raffle system provider or the charitable partners. This will lead to partial or complete impairment of all raffle activities, integrity and security concerns and/or issues.

No Refund Capability

WAC 230-11-320 (10) notes that "all ticket sales are final" and no refunds shall be made under any circumstances. This requirement should be reconsidered as experience has demonstrated that there are circumstances where refunds are necessary and should be permitted. Consider the scenario of a credit card transaction where the seller has made a mistake on the requested transaction, issuing a \$10 ticket instead of a \$5 ticket as requested by the participant. If the participant 'tapped' to pay, the transaction is approved and then notice of the incorrect amount occurs then the participant should be entitled to a refund as the transaction amount was not what was requested.

Manual Drawing

The advent of electronic raffles approximately 10 years ago saw most regulators adopting a manual drawing model. As time progressed and platforms and highly secure internal Random Number Generators (RNGs) became certified by reputable gaming labs such as GLI, regulators migrated away from the substandard model of manual drawing in favor of RNG drawings for several reasons:

- Integrity concerns with manual drawings – the risk of manipulation of results is high whereas with a certified RNG it is not an issue
- Hardware concerns with manual drawings – manual draw printers often malfunction just as is the case with all commercial printers, leading to purchased tickets being left out of the draw, either knowingly or unknowingly. Under the proposed rules all tickets must be in the manual draw for the draw to be valid, which is important and necessary to protect the public. With an RNG all tickets can be demonstrably shown to be in the draw. Manual draws can never be audited to confirm this. Malfunctions in a manual draw could lead to the nightmare of a need to cancel a draw and refund players if it becomes impossible to know if all tickets are in the drum.
- Audit, reporting and traceability overhead – as noted above manual draws are virtually impossible to audit effectively and any audit is enormously labor intensive and time consuming

- Resource waste/cost of single-use paper – manual draws generate mounds of paper that must be securely stored until audit periods have expired.

While BUMP does have the capability to support manual draws, we strongly encourage WSGC to adopt an RNG winner selection model to address the concerns noted above.

Gambling Manager Responsibilities

Section WAC 230-11-330 (3) of the proposed rule change stipulates that only a licensed gambling manager can restart raffle sales unit or otherwise adjust any associated network equipment for any reason. The technical sophistication required in the proposed rules with regards to a closed network and on-premise server will result in the gambling manager not having the technical expertise to adjust any associated networking equipment. The limitation in this clause should be adjusted to “only a gambling manager or their designate”.

Need for Clarity in Fee Calculation

The proposed text of WAC 230-05-112 has some ambiguity in that sub-clause (3) requires the fee calculation occur before deduction of prizes whereas sub-clause (4) seems to more logically provide that the fee should be calculated after deductions of amounts that are contributed to player supported jackpots. In the most common form of electronic raffle 50 percent of ticket prices are directly contributed to the jackpot in the form of player supported prizes. It seems that sub clause (3) should therefore start with the words “subject to sub-clause (4)”

Location of Gambling Activities

The draft of WAC 230-06-250 specifies that electronic raffle licensees must conduct all gambling activities on the licensed business premises. For all the reasons specified above, this provision should be clarified to permit data storage, data management, software support and maintenance and payment processing transactions to occur off-premises.

From: [Diego Pleitez](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: Electronic Raffle Rules
Date: Sunday, August 15, 2021 8:18:51 PM
Attachments: [image001.png](#)

External Email

Hi Ashlie,

Please forgive me for my late email! I have provided a list of rules below that we would like to discuss during tomorrow's meeting. The rules are listed by importance – the rules at the bottom are smaller questions/require a shorter discussion.

- WAC 230-11-300
 - (4) – “servers located in the home game authorized location”
 - (5) – “raffle sales units can only use a closed network with no access to the internet to conduct raffle ticket sales”
 - (9) – “a printed receipt and record of entry into an electronic raffle provided to the participant”
 - Q – so no cloud-based server, right? And would we be able to provide an electronic receipt, instead of a printed receipt? We would provide the same information on the electronic receipt as we would on the physical copy...
- WAC 230-11-310
 - (1) – System must operate on secure network – exceptions include remote access/credit card transactions
 - Q – so will our vendor/manufacture be able to remotely access our server? Just want to confirm
- WAC 230-11-345
 - “ensure expenses are not deducted from prize payouts”
 - Q – any possibility we could revisit/reconsider? Not being able to deduct expenses from payout ultimately means less money for our charitable efforts in the community...
- WAC 230-11-320
 - (13) – reconcile cash to raffle ticket transactions in a secure location
 - Q – are we required to use cash? Or is this policy in place in case we do accept cash? Will we be allowed to accept debit/CC?
- WAC 230-11-370
 - (2) – licensees must not pay members or volunteers for managing/operating raffle unless person is FT/PT with duties other than managing raffle
 - Q – what constitutes a “member” of the licensee?
- WAC 230-07-145
 - Annual reporting on meeting stated purpose
 - Q – is this in addition to the information we needed to submit as part of our licensing application?

- WAC 230-11-325
 - (1) – must submit internal controls to WSGC for review and approval
 - Q – what controls does the WSGC have in mind?
- WAC 230-11-305
 - Electronic raffle system will be tested for approval at CPA
 - Q – when would WSGC need to do this? How long after this until we get approval?
- WAC 230-05-160
 - New WSGC fees
 - Q – did WSGC base these new fees off another state?
- WAC 230-11-320
 - (17) – video record the entire manual draw process and retain the recording with required records
 - Q – does a cell phone video fulfill this requirement? Or does WSGC envision another medium to record this process? IE – security camera
- WAC 230-05-112
 - Seeding future pots
 - Q – can we seed future pots?
- WAC 230-11-315
 - (1) – WSGC must be allowed to access CPA before, during, and after raffle
 - Q – no issues providing access. But will WSGC provide us advanced notice? Will most likely need to secure your staff with credentials to enter the building and will need time to secure those credentials...
- WAC 230-11-375
 - Authorized discount plan
 - Q – can we sell tickets at multiple price points? Or only 1 price point?
- WAC 230-06-045
 - Holding dual raffle license
 - Q – can we hold both an electronic raffle license and a “standard” raffle license?
- WAC 230-03-153
 - Must apply for a license to operate electronic raffle if you are a NPO affiliated with a qualified sports team
 - Q – is this a completely new application? Or will the application ask for the same information already submitted to the WSGC?
- WAC 230-11-335
 - Nametags
 - Q – what kind of name tags does the WSGC envision us using?

Diego Pleitez (He/Him)
Community Programs Coordinator
 16 W Harrison St, Ste 200 | Seattle, WA 98119
 Cell: (301) 448-0858



From: [Johnston, Drew](#)
To: [Griffin, Tina \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#); [Dolson, Sonja \(GMB\)](#)
Cc: [Cisija, ALEN](#)
Subject: RE: 50/50 Raffle business premises follow up
Date: Friday, August 20, 2021 12:07:08 PM
Attachments: [image001.png](#)
[image002.png](#)

External Email

Hi Tina, Ashlie, and Sonja:

I wanted to take a moment to appreciate the quick work you all are doing given a promising update from Amber/Eric.

Before there's text to review, I wanted to put one pressing thought to you and then ask a technical question.

On expense deduction, recognizing the point in time we're at and the overall constraints you face, would it be possible to consider more of a deduction placeholder in lieu of a set amount that may affect the teams differently? We certainly appreciate the movement to allow for some expense deduction, yet given we have 10 home games including preseason versus the 81 of the Mariners, this would allow us to deduct up to \$20,000 over a season while the Mariners could go up the \$162,000. Could a potential fix be allowing for deductions yet leaving it subject to future rulemaking as we know more the particulars of costs for the teams and equipment/operational costs from the vendors which is a hard to predict variable at this time?

Lastly, on our Monday call you indicated the \$40k prize amount maximum elsewhere in the WAC would not apply to electronic raffles but I'm having a difficult time seeing where that's spelled out in the new rules. Appreciate any guidance as we continue reviewing comments.

Happy to jump on the phone if anyone would like.

Best,
Drew

Drew Johnston

Director, Government Affairs and Compliance
Seattle Seahawks | First & Goal Inc.
(T) 425.203.8007 | (C) 206.947.5446



From: Johnston, Drew

Sent: Tuesday, August 17, 2021 8:33 AM

To: tina.griffin@wsgc.wa.gov; ashlie.laydon@wsgc.wa.gov; sonja.dolson@wsgc.wa.gov

Cc: Cisija, Alen <AlenC@seahawks.com>; Goines, Ed <EdG@Seahawks.com>

Subject: 50/50 Raffle business premises follow up

Dear Tina, Ashlie, and Sonja:

Thank you for helping to organize the call yesterday and all the work put into the draft rules.

In advance of a more formal response from the Seahawks, I wanted to flag one issue highlighted on the call that will feature prominently in our letter – the scope of business premises. During this process, the Seahawks had assumed our Lumen Field Event Center – connected to the stadium and where we host many pregame fan and community engagement events— would be included as part of our premises. In response to Alen Cisija’s question about the event center, WSGC staff indicated their read of the draft rules suggests it would be prohibited. This is an important issue for us as over a third of Seahawk fans enter through the event center and that area has been an important source of our gameday charitable fundraising.

WAC 230-11-300(3) sets the definition for “home game authorized location” and lists parking areas as indicative of what falls outside the arena premises. Given the heightened security connected to attending a professional sporting event, the Seahawks agree with the Kraken who indicated that a guest with a ticket who has passed the security perimeter is a better definition than one narrowed to the in-arena experience. At the very least, the Lumen Event Center should be considered part of the “licensed business premises” as described in WAC 230-06-045.

Thank you for your consideration as you continue to build the record and background information for the Commissioners.

Best,
Drew

Drew Johnston

Director, Government Affairs and Compliance

Seattle Seahawks | First & Goal Inc.

(T) 425.203.8007 | (C) 206.947.5446



Additional Stakeholder Feedback
(received after August 20, 2021)

From: [Cisija, Alen](#)
To: [Griffin, Tina \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)
Cc: [Johnston, Drew](#); [Eric Pettigrew](#); mhorita@seattlekrakenhockey.com; amber.carter@comcast.net; [Felipe Mendez](#)
Subject: 50/50 Raffles - Deductions
Date: Tuesday, August 24, 2021 1:50:08 PM

External Email

Hi Ashlie and Tina,

Hope your week is off to a great start. I first want thank you and commission staff for all your work on the 50/50 raffle modernization effort. You've moved the needle and the results should soon show as the Seattle teams begin raising money for the benefit of our communities. I want to highlight one outstanding concern on behalf of the Seahawks and Sounders: the deduction of operating expenses. (Felipe M. from the Sounders is cc-ed here.) We feel that the \$2,000 per raffle deduction disproportionately harms our teams as we have far fewer home games—and thus far fewer opportunities to conduct raffles. If, for example, the Mariners were to conduct a raffle at every home game, they could deduct up to \$162,000 in expenses each license year. For the Kraken, it's \$82,000. By comparison, with 10 home games each year, the Seahawks could deduct only \$20,000 in any one license year, and the Sounders \$34,000.

Many of the costs we anticipate deducting are fixed. They include printers, point of sale devices (e.g., iPads), card readers, network infrastructure, and the like. ***Other than paper for tickets, these deductible expenses will likely be close to identical for all teams.*** Yet, the current draft regulations would allow certain teams to spread those expenses out over the course of a longer season.

Further, we understand that 50/50 raffle prizes in the NFL far exceed prizes for the same raffles in other professional sporting leagues—on average by approximately \$15,000 ***per raffle*** to the next closest league. (Based on our understanding, the league after that is another \$30,000 away, again per raffle.) We believe that the success of 50/50 raffles in the NFL is driven largely by the physical size and capacities of NFL facilities, which as you can imagine, necessitate more points of sale, more equipment, and thus higher expenses. Indeed, if anything, the operating expenses at Lumen Field will likely exceed that of the other facilities.

In light of these considerations, we would like to propose a tiered structure that more equitably accounts for the length of the teams' playing seasons. The amount of allowable deductions would be based on the number of raffles conducted in a license year, as follows:

If a sports team conducts X raffles in any one license year...	...it can deduct up to \$Y for expenses.
1-20	\$50,000
21-50	\$100,000
51-100	\$150,000

This framework would not materially adversely impact the Kraken or Mariners, but would go a significant way toward enabling the Seahawks and Sounders to successfully conduct raffles. We would also be open to other frameworks suggested by commission staff that account for the concerns described above. Ultimately, if our charitable foundations are unable to cover a material portion of expenses, we would face a difficult decision as to whether to conduct 50/50 raffles at all.

Thanks in advance for your consideration.

Alen Cisija

Vice President – General Counsel

Seattle Seahawks

tel 425.203.8012 | cell 317.414.1458



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From: [Shivani Anand](#)
To: [Laydon, Ashlie \(GMB\)](#)
Cc: [Ken Cook](#)
Subject: Re: Commission Meeting Information- Electronic Raffles
Date: Monday, August 23, 2021 7:18:13 PM
Attachments: [image003.png](#)
[image005.png](#)
[WAC 230 -11 Ascend Commentary 08192021.docx](#)

External Email

Hi Ashlie,

Thank you for the info and for the informative meeting last week. After reviewing the draft rules and attending the meeting, we have a few comments and points of clarification that we wanted to submit. Let us know of any questions or if you need anything further from us. Happy to set up a discussion if needed.

Thank you very much!
Shivani

Shivani Anand | General Counsel
Ascend Fundraising Solutions
1.416.479.3873 ext. 101
sanand@ascendfs.com

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From: "Laydon, Ashlie (GMB)" <ashlie.laydon@wsgc.wa.gov>
Date: Monday, August 23, 2021 at 1:29 PM
To: "'EdG@Seahawks.com'" <EdG@Seahawks.com>, "'mayam@soundersfc.com'" <mayam@soundersfc.com>, "'dpleitez@seattlekrakenhockey.com'" <dpleitez@seattlekrakenhockey.com>, "'frivera@mariners.com'" <frivera@mariners.com>, "'amber.carter@comcast.net'" <amber.carter@comcast.net>, "'EPettigrew@seattlekrakenhockey.com'" <EPettigrew@seattlekrakenhockey.com>, "'AMScalzo@seattlekrakenhockey.com'" <AMScalzo@seattlekrakenhockey.com>, "'mhorita@seattlekrakenhockey.com'" <mhorita@seattlekrakenhockey.com>, "'BeccaS@seahawks.com'" <BeccaS@seahawks.com>, "'JeffR@Seahawks.com'" <JeffR@Seahawks.com>, "'AlenC@Seahawks.com'" <AlenC@Seahawks.com>, "'jschultz@bumpcbn.com'" <jschultz@bumpcbn.com>, "'sean@tap5050.com'" <sean@tap5050.com>, "'dave.kurland@sportech.net'" <dave.kurland@sportech.net>,

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Cc: "Griffin, Tina (GMB)" <tina.griffin@wsgc.wa.gov>, "Chicone, Melissa (GMB)" <melissa.chicone@wsgc.wa.gov>, "Lane, Brian (GMB)" <brian.lane@wsgc.wa.gov>, "LaMont, Jennifer (GMB)" <jennifer.lamont@wsgc.wa.gov>, "Nicks, Jim (GMB)" <jim.nicks@wsgc.wa.gov>, "Doughty, Jamie (GMB)" <jamie.doughty@wsgc.wa.gov>, "Dolson, Sonja (GMB)" <sonja.dolson@wsgc.wa.gov>, "Wilson, Tyson (GMB)" <tyson.wilson@wsgc.wa.gov>, "Teal, Adam (GMB)" <adam.teal@wsgc.wa.gov>, "Czar, Tony (GMB)" <tony.czar@wsgc.wa.gov>, "Lohse, Jess (GMB)" <jess.lohse@wsgc.wa.gov>, "Rancour, Michelle (GMB)" <michelle.rancour@wsgc.wa.gov>, "Lies, Julie (GMB)" <julie.lies@wsgc.wa.gov>

Subject: Commission Meeting Information- Electronic Raffles

Good morning,

Information about the upcoming Commission meeting to be held on Friday, August 27th can now be found on our [website](#), including the link to attend the virtual meeting, the agenda, and the commission packet . The meeting is scheduled to begin at 9am. Electronic raffles are the third item on the agenda. The information that will be presented at the Commission meeting can be found within the commission packet, beginning on page 201. Please contact me if you have any questions.

Thank you,

Ashlie Laydon

Rules Coordinator | Legal and Records Division
Washington State Gambling Commission
P.O. Box 42400 | Olympia, WA 98504-2400
☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov



Reference	Text	Ascend Commentary
WAC 230-11-300 Definitions.	(2) "Home game" means a live sports event held in Washington that is designated as a home game in an official schedule distributed by the league of a qualified sports team at a home game authorized location.	Does this prevent non-sports foundations from using electronic raffle technology? Are NCAA and CHL affiliated foundations permitted to operate electronic raffles under this rule?
WAC 230-11-300 Definitions.	(3) "Home game authorized location" means a sports facility where spectators gather within an arena or stadium where the home game is being conducted and not at ancillary areas or facilities such as parking areas or areas outside the arena or stadium.	This would prevent sales in the tailgate sections of the stadiums which typically account for a large portion of sales in jurisdictions that permit this. Restricting sales here would reduce the charity's fundraising potential.
WAC 230-11-300 Definitions.	(4) "Electronic raffle system" means the system that connects to and consists of servers located in the home game authorized location, associated network equipment, software, raffle sales units, raffle ticket printers, and related equipment used by an electronic raffle licensee to generate and account for the sale of raffle tickets.	Drawbacks of physical server: <ul style="list-style-type: none"> • Limited/inconsistent physical security <ul style="list-style-type: none"> ○ The server is vulnerable to theft/tampering if not kept in a secure location • Limits the ability to keep the system up <ul style="list-style-type: none"> ○ Closed network means the operating system cannot keep up with emerging threats ○ Closed network means the operating system cannot patch vulnerabilities with automatic system updates • Requires on site support from Ascend for system administration <ul style="list-style-type: none"> ○ Closed network means we need someone on site to perform maintenance and troubleshooting

		<p>Amazon AWS provides industry best practice infrastructure and security. Access to the servers is only by authorized AscendFS operations and technical personnel. The raffle database is backed up daily. As opposed to on-site physical hosting, AWS provides better server security, reliability and performance while keeping operating costs low for charities and non-profits.</p>
<p>WAC 230-11-300 Definitions.</p>	<p>“Manual draw” or “drawing” means the method used for the selection of a raffle ticket to determine the raffle winner. A manual draw requires the winning raffle ticket be hand-picked from the receptacle that contains every raffle ticket sold and provides an equal chance for every ticket to be selected.</p>	<p>Use of a random number generator (vs printing counterfoils) is advantageous because it i) increases the draw integrity as there is no chance of losing/misprinting counterfoils, ii) significantly reduces equipment costs, allowing more of the proceeds to be used by the charity and iii) has a better ability to support very large raffles as organizers do not need to account for time (upwards of several hours) to print counterfoils into barrels.</p>
<p>WAC 230-11-310 Electronic raffle system requirements. The electronic raffle system must be approved by us prior to operation and must:</p>	<p>(14) Print one raffle number per ticket</p>	<p>Is this referring to the ticket that goes in the barrel or the receipt provided to the purchaser?</p>



Electronic Raffles

August 27, 2021

Sonja Dolson

Special Agent Supervisor



What is an Electronic Raffle? (WAC 230-11-300)

- Raffle as defined in RCW 9.46.0277
 - Tickets are no more than \$100 each
 - Prizes awarded based on a physical drawing of tickets
 - Only members or volunteers of the organization operate or manage
- Conducted by a charitable or nonprofit organization who is affiliated with a qualified sports team for the purposes of raising funds for charity
- Uses an electronic raffle system for sales, accountability, and printing tickets
- Conducted during a home game of a qualified sports team
- Prize must be 50% of gross gambling receipts, after deducting maximum of \$2,000 of actual raffle expenses per raffle (WAC 230-11-030(1) and 230-11-345)

What is an Electronic Raffle System?

System that connects to and consists of:

- Servers located in the home game authorized location,
 - Associated network equipment,
 - Software,
 - Raffle sales units,
 - Raffle ticket printers, and
 - Related equipment used by an electronic raffle licensee to generate and account for the sales of raffle tickets
- (WAC 230-11-300)

What is an Electronic Raffle System? (cont'd)

- Operated on a secure network from the home game authorized location network
- Closed network with no connection to outside components or system, no access to the internet to conduct raffle ticket sales except for:
 - Credit card transactions authorized in WAC 230-06-035
 - Prize display communication to screens in the home game authorized location
 - Remote access as outlined in WAC 230-16-153
- Not allow for internet sales

Who can conduct Electronic Raffles?

- Must meet the definition of charitable or nonprofit organization as outlined in RCW 9.46.0209
- A charitable or nonprofit organization who is affiliated with a qualified sports team for the purposes of raising funds for charity (WAC 230-03-153)
 - *Teams organized in Washington from NFL, NHL, MLB, NBA, WNBA, MLS, or NWSL (WAC 230-03-138)
- License fees (WAC 230-05-160)

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Electronic raffle	\$5,000	0.430%	\$32,000

When can an Electronic Raffle be held?

- During a home game of a qualified sports team (WAC 230-11-300)
- No sales of raffle tickets earlier than when spectators are allowed entry (WAC 230-11-310)
- One electronic raffle per home game (WAC 230-11-320)
- Manual drawing held prior to the end of the home game after all tickets are printed and raffle ticket transactions reconciled (WAC 230-11-320)

Where can an Electronic Raffle be held?

At the home game authorized location (WAC 230-11-300(3)):

- Sports facility where spectators gather where the home game is being conducted and where a ticket is required for admission
- Does not include areas, such as parking lots, where a ticket to the home game is not required for entry

Operational Controls for Electronic Raffles

- Minimum internal controls required (WAC 230-11-325)
- Supervised by an onsite, licensed gambling manager (WAC 230-11-330)
- Test electronic raffle system prior to raffle to verify the system is functioning properly (WAC 230-11-320)
- Train staff to use equipment and educate on raffle rules and laws prior to ticket sales (WAC 230-11-320)
- Provide rules to participants (WAC 230-11-340)
- Raffle ticket requirements (WAC 230-11-360)

Operational Controls (cont'd)

- Volunteers and members are not allowed to purchase tickets for the event they work (WAC 230-11-375)
- Video the manual draw (WAC 230-11-320)
- Only allow up to four discount levels (WAC 230-11-380)
- Cannot change the discount levels during a raffle (WAC 230-11-380)
- Raffle ticket receipt must contain the information needed to verify winning ticket number if not present to win. (WAC 230-11-365)
- Post winning ticket number on the website and hold prize for 30 days after the drawing (WAC 230-11-345)

Reporting Requirements

Annual reporting by the Electronic Raffle licensee:

- Progress toward meeting their stated purpose (WAC 230-07-145)
- Financial statements within 120 days following the end of their fiscal year (WAC 230-07-150)

License and Approval Process

License process for the charitable or nonprofit organization (WAC 230-03-154)

- Submit a raffle plan
- On-site Pre-Operational Review Evaluation of the gambling premises
- Internal control approval
- Commissioner approval of the Electronic Raffle Licensee at public meeting
- Manufacturer must be licensed
- Equipment must be tested and approved by us

(WAC 230-06-050 and 230-11-305)



Questions?





**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

August 27, 2021

TO: COMMISSIONERS:
Bud Sizemore, Chair
Julia Patterson, Vice Chair
Alicia Levy
Kristine Reeves

FROM: Adam Teal, Acting Legal Manager
Legal and Records Division

**SUBJECT: Lyna Thou, CR 2020-01588
Final Order – August 27, 2021 Commission Meeting**

Lyna Thou has a gambling certification authorizing Class III Employee activity for the Puyallup Tribe of Indians. Her certification expires on August 25, 2021.

On November 4, 2019, the WSGC received an anonymous complaint alleging that multiple licensees were playing a Chinese card game for money on a nightly basis. According to the complainant, the parties would pass around a tin on every hand played and were required to pay a tip to the "house" in order to be dealt a hand. Thou spoke with a WSGC Special Agent, with her daughter helping to translate. During the interview, Thou acknowledged playing in the game, and paying the tips that went towards the owners of the home the activity was occurring in. Thou also mentioned that if players did not have enough cash on hand, they could be issued chips which would serve as a loan until the next game was held.

Upon proper receipt of the Notice of Administrative Charges issued by Former Director Trujillo, on March 29, 2021, Thou was issued a Case Number and Schedule by the Office of Administrative Hearings (OAH). When Thou failed to appear at a Pre-Hearing Conference, OAH issued an Order Dismissing Appeal. Pursuant to RCW 34.05.440 and WAC 230-17-090, a response was required to be received by the Commission by July 12, 2021. To date, the Commission has received neither the Petition to Reinstate or the Petition for Review from Thou.

Lyna Thou's failure to respond to the Order Dismissing Appeal is a waiver of Thou's right to a hearing in Case No. CR 2020-01588. You may take final action against her gambling certification. By playing in unlicensed and illegal card games, Thou is in violation of both RCW 9.46.221 and RCW 9.46.160, thus the Commission is authorized to revoke her certification per RCW 9.46.075 RCW 9.46.153, WAC 230-03-085(1), (3), and (9), and V.E.(1) of the Puyallup Tribal-State Gaming Compact. Based on her conduct, Thou cannot show by clear and convincing evidence that she is qualified to keep her gambling certification. Therefore, staff recommends that the Commission sign the proposed final order and revoke Lyna Thou's Class III Employee certification, Number 69-19439.

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**STATE OF WASHINGTON
GAMBLING COMMISSION**

In the Matter of:

NO. CR 2020-01588

LYNA THOU,
License No. 69-19439,

FINAL ORDER OF THE
GAMBLING COMMISSION

Class III Employee.

This matter having come before the Washington State Gambling Commission (Commission) on August 12, 2021, and being continued until August 27, 2021, the Commission makes the following Findings of Fact, Conclusions of Law, and issues its Final Order:

I. FINDINGS OF FACT

1. The Washington State Gambling Commission issued Lyna Thou gambling certification No. 69-19439 authorizing Class III Employee activity for the Puyallup Indian Tribe.

2. This certification, which expires on August 25, 2021, was issued subject to Thou’s compliance with state gambling laws, Commission rules, and the Puyallup Tribal-State Gaming Compact.

3. Thou has held this certification since 2002.

4. On November 4, 2019, a WSGC Special Agent received an anonymous complaint regarding an illegal gambling operation. According to the complainant nearly every night a group of people, primarily public card room and tribal casino employees, played a Chinese card game where they “bought in” for each hand and paid tips to the renter of the apartment located in Tacoma.

1 5. From this initial contact until September 30, 2020, the Agent communicated with
2 the complainant via text message. Through these conversations, the Agent learned that the
3 players sit on the ground, putting money into a red tin for “tips.” When a new hand is dealt,
4 players put a chip into the red tin; if they do not pay with a chip, they are not dealt cards.

5 6. According to the complainant, the resident of the apartment keeps all chips and
6 cash in the tin in order to pay for food that is provided. The players then make separate wagers
7 amongst themselves. The complainant provided the Agent with numerous pictures of the games
8 being played, identifying each person found in the photos.

9 7. Amongst the photos provided by the complainant were three photographs of
10 Class III employee Lyna Thou. The photographs showed Thou sitting on the floor playing the
11 card game with both cash and chips in front of her.

12 8. During the ongoing discussion with the Agent, the complainant also voiced
13 concerns about the games going on while COVID-19 mandates were in effect. According to the
14 complainant, players were not wearing their required masks, and were often in groups larger
15 than 14 people in the apartment.

16 9. The complainant notified the Agent that the original location, 3707 East E St. #3
17 in Tacoma, Washington was no longer being used for the games. Instead, the games were being
18 held on a regular basis at a new Tacoma address, 7416 Golden Given Road E #09. Upon
19 receiving this information, the Agent began performing surveillance at this location.

20 10. On December 17, 2020, the Agent called the phone number that was listed for
21 Thou in the WSGC’s internal system. Eventually, the Agent was able to arrange an interview
22 with Thou through her daughter.

23 11. On December 21, 2020, Thou met with the Agent for a voluntary interview.
24 Thou’s daughter Sina served as a translator during the interview. Thou acknowledged playing
25 in the games, saying that she was invited to the 7416 Golden Given apartment by the resident of
26

1 the apartment, Phal Chea. According to Thou she only played in the game because she knew
2 Chea.

3 12. Thou said that she was playing the game for fun, and had done so three or four
4 times. Thou explained that there were four to six people at the games that she played in. A
5 typical bet was between \$1-5 per hand, but could max out at \$20 per hand; Thou would bring
6 \$20-30 with her to play.

7 13. According to Thou, there was no “buy in” before hands, but after a hand was
8 played, the winner would traditionally give a “tip” to the host, Chea. Thou also explained the
9 use of chips in the game, stating that if players ran out of cash, they could use the chips to play
10 instead of cash. She described using chips as a loan from the group, a loan that was expected to
11 be repaid by bringing food or something else of value to the next game. This is primarily because
12 in order to play the game, a minimum of four players is necessary.

13 14. Former Director David Trujillo issued administrative charges on February 26,
14 2021 alleging that Thou’s actions constituted a violation of RCW 9.46.221 and 9.46.160 and
15 Sections V.E. (1) of the Puyallup Tribal-State Compact. Further, that Thou could not show by
16 clear and convincing evidence that she was qualified for licensure as required by RCW
17 9.46.153(1), and that her actions warranted revocation of her certification pursuant to RCW
18 9.46.075(1), (2), and (3), WAC 230-03-085(1), (3), and (9)(d) and (3), and Section V.E (1) of
19 the Puyallup Tribal-State Gaming Compact.

20 15. Thou was sent the charges by regular and certified mail on February 26, 2021 to
21 the last address the Gambling Commission had on file.

22 16. Thou filed a Request for Administrative Hearing on March 8, 2021. As a result,
23 Thou was assigned a case with the Office of Administrative Hearings (OAH). On June 18, 2021,
24 Thou failed to appear at a previously scheduled hearing in front of OAH. As a result, OAH
25 issued an Order Dismissing Appeal-Default on June 21, 2021.
26

1 17. Pursuant to that Order, Thou was required to either: 1) file a request to have the
2 order vacated within seven (7) days, or 2) file a petition for review the decision within twenty
3 (20) days of when the order was mailed to Thou. To date, the Commission has not received
4 either of these documents from Thou.

5 II. CONCLUSIONS OF LAW

6 1. Lyna Thou received proper notice of the Order Dismissing Appeal within three
7 days of June 21, 2021 via regular and certified mail, pursuant to RCW 34.05.413 RCW
8 34.05.434, RCW 34.05.440, WAC 230-17-005, WAC 230-17-010, WAC 230-17-090 and WAC
9 10-08-130.

10 2. The Commission can take final action against Lyna Thou's gambling certification
11 under Case Number CR 2020-01588 pursuant to RCW 9.46.075, RCW 34.05.440, RCW
12 34.05.461, WAC 230-17-090 and WAC 230-03-085.

13 3. Lyna Thou's certification should be revoked under Case Number CR 2020-01588
14 pursuant to RCW 9.46.075, RCW 9.46.153(1), RCW 34.05.440, RCW 34.05.461, WAC 230-
15 17-090 and WAC 230-03-085.

16 III. ORDER

17 This matter having come before the Commission at its August 12, 2021, Commission
18 meeting, the Commissioners having heard arguments, been given the chance to review the
19 administrative record, and being fully advised in this matter, now therefore:

20 It is hereby **ORDERED** that Lyna Thou's gambling certification, Number 69-19439, is
21 **REVOKED**.

22 DATED this 27th day of August, 2021.

23
24 _____
BUD SIZEMORE, Chair

_____ JULIA PATTERSON, Vice Chair

25
26 _____
ALICIA LEVY
FINAL ORDER OF THE
GAMBLING COMMISSION

_____ KRISTINE REEVES

NOTICE

Reconsideration: RCW 34.05.470 and WAC 230-17-140 provide that a party may file a petition for reconsideration of a final order. A petition for reconsideration must be received no later than thirteen (13) days after the date this final order is mailed. Any motion for reconsideration must state the specific grounds supporting the party's request for reconsideration.

Stay of Final Order: Filing for reconsideration does not stay the effectiveness of this Order. WAC 230-17-145 provides that a party may petition the Commission for a stay of a final order. Any petition for a stay should be received by the Commission within thirteen (13) days after the date this final order is mailed.

Judicial Review: RCW 34.05.542 provides that a party may appeal this final order by filing a petition for judicial review within thirty (30) days after service of this order. A petition for judicial review must be filed with the appropriate superior court and served upon both the Commission and the Office of the Attorney General.

Service: This Order was served on you three days after it was deposited in the United States Postal Service regular mail, excluding the date of mailing. WAC 230-17-035.

Any motions or petitions for judicial review should be served on or mailed to:

Washington State Gambling Commission
Legal and Records Division
4565 7th Avenue S.E., Lacey, WA
P.O. Box 42400
Olympia, WA 98504-2400

Doug Van de Brake
Attorney General's Office
1135 Washington St. SE
P.O. Box 40100
Olympia, WA 98504-0100

CERTIFICATE OF SERVICE

I certify that on the date below I served a copy of the foregoing document on all parties and/or their counsel by United States Postal Service regular mail to the following:

LYNA THOU
8820 PACIFIC AVE #10
TACOMA WA 98444

EXECUTED this ____ day of August, 2021, at Lacey, Washington.

Ashlie Laydon
Rules Coordinator



STATE OF WASHINGTON GAMBLING COMMISSION

“Protect the Public by Ensuring that Gambling is Legal and Honest”

Agency Name: Washington State Gambling Commission

Agency Contact: Tommy Oakes, Special Agency Supervisor and Interim
Legislative Liaison, 360-486-3579

Ashlie Laydon, Rules Coordinator, 360-486-3473

Short Title: Amending types of nonprofit organizations qualified to
engage in certain bingo gambling activities and changes
to the number of occurrences for unlicensed bingo
activities.

Introduction

In 1973, the legislature adopted Chapter 9.46, the Gambling Act. The legislature stated, “The public policy of the state of Washington on gambling is to keep the criminal element out of gambling and to promote the social welfare of the people by limiting the nature and scope of gambling activities and by strict regulation and control (RCW 9.46.010).” The Gambling Commission was created (RCW 9.46.040) and its powers and duties enumerated in RCW 9.46.070.

The legislature also declared that “the raising of funds for the promotion of bona fide charitable or nonprofit organizations is in the public interest as is participation in such activities and social pastimes as are hereinafter in this chapter authorized.”

RCW 9.46.0209 sets forth several requirements that charitable and nonprofit organizations must meet in order to be allowed to receive a gambling license and/or engage in unlicensed gambling activities. These organizations must:

- Be organized under Washington State law as a: religious organization (corporation sole); grange; fraternal society; agricultural fair; or a nonprofit corporation organized for thirteen purposes has specified in [RCW 9.46.0209](#);
- Have been in continuous operation for at least twelve calendar months prior to applying for a license or engaging in a gambling activity; and
- Demonstrate to the Commission that the organization has made significant progress toward the accomplishment of its charter during the previous twelve calendar months prior to application or license renewal.

This section has been amended three times since 2000 to create an exception to the list of qualified nonprofits identified above. Credit unions, the combined fund drive, and cities and counties are authorized as a bona fide charitable or nonprofit organization for limited raffle opportunities.

Additionally, RCW 9.46.0321 allows for a bona fide charitable or nonprofit organization to conduct unlicensed bingo, raffle, and amusement game activities if the organization conducts no more than two of these activities, alone or in any combination, each calendar year and gross revenues for the two activities do not exceed five thousand dollars. The statute also establishes operating and record-keeping requirements for these unlicensed activities.

The Gambling Commission believes the current regulatory framework prevents fraudulent organizations from engaging in gambling activities and sets a good regulatory structure for unlicensed activities. Recently, the Gambling Commission has been working with senior housing and community organizations regarding senior bingo occurring on their properties. These organizations have created a space for seniors to play low stakes bingo but are not authorized to operate or facilitate a gambling activity. Utilizing RCW 9.46.0321's unlicensed activity regulations may be a helpful avenue to channel these senior bingo activities, but the twice per year limit in the statute would need to be expanded.

In reviewing this issue further, the Gambling Commission also noticed that RCW 9.46.0321's twice a year requirement creates a challenge for smaller nonprofits who need to be licensed because they hold more than two activities in a calendar year but do not have gross revenues more than five thousand dollars per year. Some of these smaller charitable or nonprofit organizations may not have a large enough structure to ensure they follow the necessary record-keeping and filing requirements needed to be licensed. Increasing the twice a year limit may also then benefit these smaller nonprofits and allow the Gambling Commission to use our law enforcement and regulatory resources more effectively.

Therefore, the Gambling Commission requests approval to modify the qualifications in RCW 9.46.0209 and RCW 9.46.0321(2) to ensure certain nonprofit organizations can qualify and offer/facilitate low stakes senior bingo. Additionally, we request an increase to the yearly limit for unlicensed activities. This will allow some of our lower revenue nonprofits to operate without a license but keep the five-thousand-dollar gross revenue limit.

Statement of Need

This request is tied to the Governor's Priorities of having Healthy and Safe Communities and Efficient, Effective, and Accountable Government. The Gambling Commission is a limited jurisdiction law enforcement agency and the only statewide agency devoted to gambling regulation, licensing, and enforcement. The Gambling Commission is a non-appropriated agency and does not receive any general fund dollars currently. Therefore, it must meet its regulatory obligations by setting fees to generate funds necessary to cover all costs of licensing and enforcement.

In the past few years, agency staff has needed to expend significant resources on investigating complaints related to low stakes senior bingo occurring at senior housing centers or community centers. As part of this, the agency has continued to dedicate resources working with local housing organizations on how to best comply with state gambling laws. We have also received additional complaints from senior housing residents, their families, and Legislators about restrictions in state law.

In talking with local nonprofit organizations, including the Sustainable Housing for Ageless Generations (SHAG) organization, the senior bingo activities occurring at their residential living communities meet the definition of gambling, but the majority of games are played for little money and with inexpensive prizes.

The Legislature has stated that the goal of the Gambling Act is to have strict regulation and control over professional gambling activities but to provide Washingtonians the ability to participate "in activities and social pastimes where [they] are more for amusement rather than for profit...." The

senior bingo activities occurring at nonprofit senior housing communities and community centers do not typically facilitate profit-seeking behavior and is more recreational, meant to provide entertainment in a social atmosphere for their community members. Therefore, the Gambling Commission believes it is appropriate to create an exception under the nonprofit qualifications statute for nonprofit senior housing organizations and community centers allowing them to conduct unlicensed bingo activities.

Additionally, increasing the unlicensed activity limit to twelve per year in RCW 9.46.0321 provides additional opportunities for these senior bingo activities and does not create any significant regulatory concerns.

Increasing the unlicensed activity limit in RW 9.46.0321 will also allow current low earning licensees the ability to continue to operate gambling activities without needing a license. This will provide lower earning charitable or nonprofit organizations flexibility to continue to raise funds for their stated purpose without obtaining a license and paying a license fee.

These changes will allow the Gambling Commission to be more effective and efficient with its licensing and enforcement resources and better meet its core mission of protecting the public by ensuring that gambling is legal and honest in Washington State.

The primary laws and rules utilized by the Gambling Commission to prevent fraudulent organizations from engaging in gambling activities and ensure that organizations put their gambling revenues towards their stated purposes remain intact. However, these changes will save the agency resources and allow us to use our limited resources on more severe gambling violations without diminishing our ability to properly regulate the nonprofit industry.

Therefore, making these changes is in the best interest of the state and the Gambling Commission. Further, these changes will allow for senior recreational bingo at the housing and community centers and provide lower earning charities and nonprofits the ability to raise money for projects and services that help Washingtonians. Most importantly for the agency, these changes follow the Legislative purpose and direction of the Gambling Act while allowing the Gambling Commission to be more effective and efficient in the use of agency resources when regulating charitable and nonprofit organizations engaged in gambling activities.

A summary of the major provisions of the bill and their impact on current law.

Amending the bona fide charitable or nonprofit qualifications section in RCW 9.46.0209 to include an exception for nonprofit senior housing organizations and community centers offering senior bingo under RCW 9.46.0321. The amendment increases the twice per year limit for unlicensed bingo, raffle, and amusement game activities to twelve per year.

Names, titles, and phone numbers of subject matter experts in your agency who are available to answer policy and fiscal questions related to the proposed bill.

Tommy Oakes, Special Agent Supervisor and Interim Legislative Liaison, 360-486-3579,
Tommy.oakes@wsgc.wa.gov

Ashlie Laydon, Rules Coordinator, (360) 486-3473, Ashlie.laydon@wsgc.wa.gov

Tina Griffin, Acting Director, (360) 486-3546, Tina.Griffin@wsgc.wa.gov

Jennifer LaMont, Agent in Charge, Licensing Unit, (360) 486-3571,
Jennifer.Lamont@wsgc.wa.gov

Jim Nicks, Agent in Charge, Regulation Unit, (509) 325-7915, jim.nicks@wsgc.wa.gov

A complete list of all other government agencies affected by the bill, a summary of their positions, and each agency's representative who may be contacted on the issue. If no other government agency is affected, please indicate.

No other state agencies would be affected by this agency request legislation.

Irrespective of whether a bill has a fiscal impact, a completed fiscal note from each of the affected state agency(s) including local government.

Attached.

Stakeholder analysis that includes a complete list of affected stakeholders as well as tribal governments. For each, provide the entities names, contact person and any concerns and position.

The Gambling Commission sent an email to over 800 charitable and nonprofit organizations that are licensed by the agency in August 2020 and again in July 2021 with the latter asking for a response by Friday, August 13, 2021. We received one response from VFW 1474 in Spokane in 2020 supportive of raising the number of unlicensed raffles to twelve and two responses, one from Rena Beyke of the American Legion AUX 00172 and the other from Elizabeth Sage of Community Life Foundation, both supportive of the 2021 proposed bill.

This proposal was also presented to the agency's Commissioners in 2020 and approved for filing as agency request legislation in September 2020 for the 2021 legislative session. The Governor's Office asked the Gambling Commission to withdraw this agency request legislation due to COVID-19 restrictions for the 2021 session. We complied and are now back asking for approval of this request.

Lastly, the Gambling Commission sent notice, along with the proposed amendment to RCW 9.46.0209, to these additional stakeholders in 2020 and 2021, with the latter asking for a response by Friday, August 13, 2021:

- Sustainable Housing for Ageless Generations (SHAG) Organization, Mariah Weston, Director, Resident Programs & Operations and Elizabeth Sage Program Operations Manager, Resident Programs and Operations, Supports the proposal;
- Washington Nonprofits, Daniel Parkhurst, Director of Policy and Communications, Supports the proposal; and
- Washington Indian Gaming Association, Rebecca George, Executive Director; No response at this time.

An official Code Reviser draft of the proposed legislation containing the Z-draft number.

Attached, Z-0264.1

AAG review.

AAG Suzanne Becker has completed a review of the proposal.

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-0264.1/21

ATTY/TYPIST: ES:jlb

BRIEF DESCRIPTION: Amending types of nonprofit organizations qualified to engage in certain bingo gambling activities and changes to the number of occurrences for unlicensed bingo activities.

1 AN ACT Relating to amending types of nonprofit organizations
2 qualified to engage in certain bingo gambling activities and changes
3 to the number of occurrences for unlicensed bingo activities; and
4 amending RCW 9.46.0209 and 9.46.0321.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 9.46.0209 and 2021 c 176 s 5202 are each amended to
7 read as follows:

8 (1)(a) "Bona fide charitable or nonprofit organization," as used
9 in this chapter, means:

10 (i) Any organization duly existing under the provisions of
11 chapter 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized
12 under the provisions of chapter 15.76 or 36.37 RCW, or any nonprofit
13 corporation duly existing under the provisions of chapter 19.09 or
14 24.-- RCW (the new chapter created in section 6101, chapter 176, Laws
15 of 2021) for charitable, benevolent, eleemosynary, educational,
16 civic, patriotic, political, religious, scientific, social,
17 fraternal, athletic, or agricultural purposes only, or any nonprofit
18 organization, whether incorporated or otherwise, when found by the
19 commission to be organized and operating for one or more of the
20 aforesaid purposes only, all of which in the opinion of the
21 commission have been organized and are operated primarily for

1 purposes other than the operation of gambling activities authorized
2 under this chapter; or

3 (ii) Any corporation which has been incorporated under Title 36
4 U.S.C. and whose principal purposes are to furnish volunteer aid to
5 members of the armed forces of the United States and also to carry on
6 a system of national and international relief and to apply the same
7 in mitigating the sufferings caused by pestilence, famine, fire,
8 floods, and other national calamities and to devise and carry on
9 measures for preventing the same.

10 (b) An organization defined under (a) of this subsection must:

11 (i) Have been organized and continuously operating for at least
12 twelve calendar months immediately preceding making application for
13 any license to operate a gambling activity, or the operation of any
14 gambling activity authorized by this chapter for which no license is
15 required; and

16 (ii) Demonstrate to the commission that it has made significant
17 progress toward the accomplishment of the purposes of the
18 organization during the twelve consecutive month period preceding the
19 date of application for a license or license renewal. The fact that
20 contributions to an organization do not qualify for charitable
21 contribution deduction purposes or that the organization is not
22 otherwise exempt from payment of federal income taxes pursuant to the
23 internal revenue code of 1954, as amended, shall constitute prima
24 facie evidence that the organization is not a bona fide charitable or
25 nonprofit organization for the purposes of this section.

26 (c) Any person, association or organization which pays its
27 employees, including members, compensation other than is reasonable
28 therefor under the local prevailing wage scale shall be deemed paying
29 compensation based in part or whole upon receipts relating to
30 gambling activities authorized under this chapter and shall not be a
31 bona fide charitable or nonprofit organization for the purposes of
32 this chapter.

33 (2) For the purposes of RCW 9.46.0315 and 9.46.110, a bona fide
34 nonprofit organization can be licensed by the commission and
35 includes:

36 (a) A credit union organized and operating under state or federal
37 law. All revenue less prizes and expenses received from raffles
38 conducted by credit unions must be devoted to purposes authorized
39 under this section for charitable and nonprofit organizations; and

40 (b) A group of executive branch state employees that:

1 (i) Has requested and received revocable approval from the
2 agency's chief executive official, or such official's designee, to
3 conduct one or more raffles in compliance with this section;

4 (ii) Conducts a raffle solely to raise funds for either the state
5 combined fund drive, created under RCW 41.04.033; an entity approved
6 to receive funds from the state combined fund drive; or a charitable
7 or benevolent entity, including but not limited to a person or family
8 in need, as determined by a majority vote of the approved group of
9 employees. No person or other entity may receive compensation in any
10 form from the group for services rendered in support of this purpose;

11 (iii) Promptly provides such information about the group's
12 receipts, expenditures, and other activities as the agency's chief
13 executive official or designee may periodically require, and
14 otherwise complies with this section and RCW 9.46.0315; and

15 (iv) Limits the participation in the raffle such that raffle
16 tickets are sold only to, and winners are determined only from, the
17 employees of the agency.

18 (3) For the purposes of RCW 9.46.0277, a bona fide nonprofit
19 organization also includes a county, city, or town, provided that all
20 revenue less prizes and expenses from raffles conducted by the
21 county, city, or town must be used for community activities or
22 tourism promotion activities.

23 (4) For the purposes of bingo operated under RCW 9.46.0321, a
24 bona fide nonprofit organization also includes a county, city, or
25 town community center or a nonprofit senior housing organization.

26 **Sec. 2.** RCW 9.46.0321 and 1987 c 4 s 28 are each amended to read
27 as follows:

28 Bona fide charitable or bona fide nonprofit organizations
29 organized primarily for purposes other than the conduct of such
30 activities are hereby authorized to conduct bingo, raffles, and
31 amusement games, without obtaining a license to do so from the
32 commission but only when:

33 (1) Such activities are held in accordance with all other
34 requirements of this chapter, other applicable laws, and rules of the
35 commission;

36 (2) Said activities are, alone or in any combination, conducted
37 no more than (~~twice~~) 12 times each calendar year and over a period
38 of no more than twelve consecutive days each time, notwithstanding
39 the limitations of RCW 9.46.0205: PROVIDED, That a raffle conducted

1 under this subsection may be conducted for a period longer than
2 twelve days;

3 (3) Only bona fide members of that organization, who are not paid
4 for such services, participate in the management or operation of the
5 activities;

6 (4) Gross revenues to the organization from all the activities
7 together do not exceed five thousand dollars during any calendar
8 year;

9 (5) All revenue therefrom, after deducting the cost of prizes and
10 other expenses of the activity, is devoted solely to the purposes for
11 which the organization qualifies as a bona fide charitable or
12 nonprofit organization;

13 (6) The organization gives notice at least five days in advance
14 of the conduct of any of the activities to the local police agency of
15 the jurisdiction within which the activities are to be conducted of
16 the organization's intent to conduct the activities, the location of
17 the activities, and the date or dates they will be conducted; and

18 (7) The organization conducting the activities maintains records
19 for a period of one year from the date of the event which accurately
20 show at a minimum the gross revenue from each activity, details of
21 the expenses of conducting the activities, and details of the uses to
22 which the gross revenue therefrom is put.

--- END ---

Individual State Agency Fiscal Note

Bill Number: Z-0264.1	Title: Amending types of nonprofit organizations qualified to engage in certain bingo gambling activities and changes to the number of occurrences for unlicensed bingo activities.	Agency: 117-Washington State Gambling Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 08/02/2021
Agency Preparation: Cheri Jackson	Phone: 360-486-3490	Date: 08/02/2021
Agency Approval:	Phone:	Date:
OFM Review:	Phone:	Date:

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 adds to the definition of bona fide nonprofit organization under RCW 9.46.0321 (the Gambling Act) to include a county, city, or town community center or a nonprofit senior housing organization.

Section 2 increases the number of occurrences that a nonprofit organization may hold an unlicensed bingo activity from two per year to twelve per year.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

It is unknown how many new organizations would take advantage of the change in definition to apply for a bingo license. Because our fees are on a sliding scale relative to gross gambling receipts, any estimate is indeterminate at this time.

It is unknown how much revenue might be lost by qualifying organizations holding twelve or fewer bingo activities per year that would no longer need to be licensed. Because our fees are on a sliding scale relative to gross gambling receipts, any estimate is indeterminate at this time.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

It is unknown how many new organizations would take advantage of the change in definition to apply for a bingo license therefore the expenditure impact of our regulatory and licensing staff is indeterminate.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules .

Section 1 and 2 would require updates to gambling rules. These changes would be part of our normal rule-making process including stakeholder work and comments, and would not require any extra expenditures.




Bob Ferguson
ATTORNEY GENERAL OF WASHINGTON

Government Compliance & Enforcement Division
PO Box 40100 • Olympia, WA 98504-0100 • (360) 664-9006

MEMORANDUM

DATE: August 17, 2021

TO: Tina Griffin, Interim Director
Washington State Gambling Commission

FROM: Suzanne Becker, Assistant Attorney General 
Office of the Attorney General, GCE Division, MS 40100

SUBJECT: **Z-0264.1 – Concerning bingo gambling activities**

Thank you for providing me with the opportunity to review this proposed legislation. I understand that the purpose of the proposed legislation is to modify RCW 9.46.0209 and RCW 9.46.0321 to amend the types of nonprofit organizations qualified to engage in certain bingo gambling activities and make changes to the number of occurrences permitted for unlicensed bingo activities.

I did not identify any legal prohibitions with this proposed legislation.

THE OPINIONS EXPRESSED HEREIN ARE THOSE OF THE AUTHOR ONLY, AND ARE
NOT AN OFFICIAL OPINION OF THE OFFICE OF THE ATTORNEY GENERAL

SB:ds

cc: Stacia Hollar, Division Chief
Matt Kernutt, Section Chief