



**WASHINGTON STATE  
GAMBLING COMMISSION PUBLIC  
MEETING - August 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



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STATE OF WASHINGTON

GAMBLING COMMISSION

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

Gambling Commission Meeting Agenda

Thursday, August 12, 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

<p><b>9:30 am</b> <b>Tab 1</b></p>	<p><b>Call to Order</b> <span style="float: right;"><i>Bud Sizemore, Chair</i></span></p> <p><b>*Consent Agenda</b> <span style="float: right;"><b>(Action)</b></span></p> <ul style="list-style-type: none"> <li>• July 8, 2021 Commission Meeting Minutes</li> <li>• July 28, 2021 Special Commission Meeting Minutes</li> <li>• New Licenses and Class III Employees Licenses</li> </ul>
<p><b>Tab 2</b></p>	<p><b>Presentation</b></p> <p>Special Olympics of Washington</p> <ul style="list-style-type: none"> <li>• Program Review for fiscal year 2019</li> <li>• 2020 Enhanced Raffle Results</li> <li>• 2021 Enhanced Raffle Plan Request</li> </ul> <p style="text-align: right;"><b>(Action)</b></p> <p style="text-align: right;"><i>Roger Sauve, Special Agent Donna Khanhasa, Special Agent Mary Do, Chief Operating Officer Mark Sinay, VP Accounting &amp; Administration</i></p>
<p><b>Tab 3</b></p>	<p><b>Presentation</b></p> <ul style="list-style-type: none"> <li>• 2021 Session Recap: Law Enforcement Bills</li> </ul> <p style="text-align: right;"><i>Tommy Oakes, Professional Standards and Training Supervisor</i></p>
<p><b>Tab 4</b></p>	<p><b>Petition for Rule Change</b></p> <ul style="list-style-type: none"> <li>• Adopting Rules for Manufactures Selling to Distributors</li> </ul> <p style="text-align: right;"><b>(Action)</b></p> <p style="text-align: right;"><i>Ashlie Laydon, Rules Coordinator</i></p>
<p><b>Tab 5</b></p>	<p><b>Petition for Rule Change</b> <span style="float: right;"><b>(Action)</b></span></p> <ul style="list-style-type: none"> <li>• Adopting Rules for Minimum Cash on Hand for HBCR's</li> </ul> <p style="text-align: right;"><i>Ashlie Laydon, Rules Coordinator Ann Huysmans, Petitioner</i></p>
<p><b>Tab 6</b></p>	<p><b>Defaults</b> <span style="float: right;"><b>(Action)</b></span></p> <ul style="list-style-type: none"> <li>• Shyanna Lockridge, CR 2021-00213</li> <li>• Lyna Thou, CR 2020-01588</li> </ul> <p style="text-align: right;"><i>Adam Teal, Staff Attorney</i></p>
<p><b>Tab 7</b></p>	<p><b>2022 Agency Request Legislation</b> <span style="float: right;"><b>(Action)</b></span></p> <p style="text-align: right;"><i>Tina Griffin, Interim Director</i></p>
<p><b>Tab 8</b></p>	<p><b>Director Hiring Update</b></p> <p style="text-align: right;"><i>Lisa Benavidez, HR Director</i></p>
	<p><b>Public Comment</b></p>

<b>2-2.5 hours</b>	<b>Executive Session – Closed to the Public</b>	<i>Bud Sizemore, Chair</i>
Discuss potential agency litigation with legal counsel, including tribal negotiations.		
<b>Public Comment can be provided:</b> <ul style="list-style-type: none"> <li>• Before and during the Commission meeting you may email <a href="mailto:Julie.Anderson@wsgc.wa.gov">Julie.Anderson@wsgc.wa.gov</a> ; or</li> <li>• During the meeting you may use the Microsoft Office Teams Chat Box;</li> <li>• If you are attending the meeting by phone, we will offer you an opportunity to comment.</li> </ul>		

**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"*

July Gambling Commission Meeting Minutes

Gambling Commission Headquarters

Virtual Meeting

\*July 8, 2021

**Commissioners Present:**

**Bud Sizemore, Chair (Present)**  
**Julia Patterson (Fed. Way Teams)**  
**Alicia Levy (Via Teams)**  
**Kristine Reeves (Via Teams)**

**Ex Officio Members Present:**

**Senator Steve Conway (Via Teams)**  
**Representative Shelley Kloba (Via Teams)**

**Staff Present - Olympia:**

Tina Griffin, Interim Director; and Julie Anderson, Executive Assistant.

**Staff Present - Federal Way:**

Dan Frey, Special Agent Supervisor; and Rashida Robbins, Administrative Assistant

**Staff Present-Virtual:**

Brian Considine, Legal and Legislative Manager (LLM); Julie Lies, Tribal Liaison (TL); Ashlie Laydon, Rules Coordinator (RC); and Suzanne Becker, Assistant Attorney General.

**Chair Sizemore** called the virtual meeting to order at 9:33AM and asked Interim Director Griffin to call the roll to ensure a quorum. Commissioners then went into Executive Session to discuss potential agency litigation with legal counsel, including tribal negotiations. Executive Session adjourned at 12:32PM. Commissioners had a short break from 12:32 PM to 1:02 PM.

The public meeting adjourned at 1:02. **Chair Sizemore** asked Interim Director, Tina Griffin to call the roll to ensure a quorum after Executive Session. Chair Sizemore mentioned that TVW would be live streaming the meeting. He asked for a moment of silence to recognize the fallen law enforcement officers that lost their lives since the commission last met.

**Tab 1**

**Consent Agenda**

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

*Commissioner Levy seconded the motion.*

*The motion passed. 4:0*

**Tab 2**

**Skokomish Indian Tribe Compact Amendment Hearing for Sports Wagering**

**Honorable Tom Strong, Vice Chair, Skokomish Tribal Council, Tina Griffin, Interim Director; Julie Lies, Tribal Liaison and Brian Considine, Legal and Legislative Manager presented** the material for this tab. **Vice Chair Strong** thanked the commission for this

\* 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.

opportunity. **Interim Director Griffin** explained the process and **Tribal Liaison Lies** discussed the details of the Tribe's Compact Amendments. **Vice Chair Strong** gave a short presentation of the tribe's history and accomplishments.

**Chair Sizemore** asked for public comment. There was no public comment.

**Chair Sizemore** asked Julie Anderson if there was any emails or chat activity. **Julie Anderson** replied that were none.

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

*Commissioner Patterson seconded the motion.*

*The motion passed 6:0*

*Chair Sizemore*

*Vice Chair Patterson*

*Commissioner Levy*

*Commissioner Reeves*

*Senator Conway*

*Representative Kloba*

**Vice Chair Strong** Thanked the Commission for their time.

### **Tab 3**

#### **Petition for Rule Change - Adopting Rules for Manufactures Selling and Distributers**

**Ashlie Laydon, Rules Coordinator and Walter Antoncich, of Lake Forest Park,**

**Washington** presented the materials for this tab. The petitioner is proposing to adopt a rule to require all manufacturers to sell to all licensed distributors on an equal basis under a fixed set of rules, like what previously existed in WAC 230-12-330, Availability of gambling equipment and related products and services – Prices – Contracts – Discounts – Restrictions – Exceptions., which was repealed by the agency in 2005.

Walter Antoncich has owned Tri-Focus Enterprises since 1988 as a manufacturer and distributor of pull-tabs. He explained that Arrow International would no longer sell to him after 33 years. Mr. Antoncich discussed the attempts with the Attorney General's Office to intervene with no success and believes the WSGC should act with rulemaking because the industry and market has changed, and it is a detriment to licensees that the largest manufacturer with the largest market share does not sell to him.

Representative from Arrow was at the virtual meeting and was given an opportunity to respond to the petitioner's allegations. They indicated it was a business decision due to the petitioner's low purchasing from them and the scarcity of resources to make pull-tabs due to the pandemic. They did inform him with short notice and admitted that the communication could have been better. However, they are not discriminating against him and it was simply a business decision, but he could get their product from other distributors.

Staff recommends 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.

Commissioner Reeves asked the Commissioners could postpone the decision on this petition until our next meeting to give commissioners an opportunity to work with staff, to understand the pull-tab market better and learn more about Arrow and the petitioner's businesses in this marketplace.

Commissioners agreed with Commissioner Reeves and postponed a decision until their August 12, 2021 public meeting. Staff will work with Commissioners to present additional information at the August commission meeting.

#### **Tab 4**

##### **Rule up for Discussion Only - Sports Wagering Rules**

LLM Considine presented the material for this tab. LLM Considine provided a general overview of the rules for discussion only, including identification of the draft rules and stakeholder comments received prior to the meeting. He also shared a brief PowerPoint summarizing the process gone through up to the public meeting. Commissioners indicated growing concern on the proposed rules for WAC 230-19 and that they might need further review and stakeholder work. The Chair also indicated a desire to re-evaluate the major vendor licensing fee and see if it could be reduced.

LLM Considine reminded Commissioners that they could not make a final decision on the rules at this meeting and would need to wait until the July 28, 2021 special meeting. However, their preference and concerns are heard, and Commission staff would provide the Commissioners options for rule to approve at the special meeting, specifically looking at an option only approving rules found in WAC 230-03; WAC 230-05; and WAC 230-06 and another option with those rules and rules in WAC 230-19. Staff would also review the licensing fee analysis to see if the major vendor licensing fee could be reduced while still ensuring the agency could pay for five additional FTEs.

LLM Considine also indicated that staff needed to make technical, nonsubstantive changes to the use of "gambling equipment" definition in the rules to clear up confusion and unintentional conflicts that may currently exist in the draft rules. Would also look to remove cross-reference to WAC 230-19 in the draft rules found in WAC 230-06.

##### **Public Comment**

**Jerry Allen, Seven Cedars Jamestown Tribe** asked if the agency has looked at the data coming out of Nevada.

**Rion Ramirez, CEO Port Madison Enterprises** stated that the reduction in fees is better than \$85,00 its not the \$25,000 they were looking for and he feels that the agency has the ability to draw upon the existing loan that was part of the bill. He also stated, "*And we an Indian country would say it's still too high. But it's definitely a step in the right direction, and feel free to keep going down.*"

## **Tab 5**

### **2022 Agency Request Legislation**

LLM Considine presented the materials for this tab. LLM Considine discussed two possible topics for agency request legislation:

- Bingo at Senior Housing/Community Centers (approved last year); and
- Financial Exploitation of Vulnerable Adults

LLM Considine indicated that the second option is no longer needed at this time because appears to be a training issue with prosecutors but still wanted to highlight an important growing caseload for the agency. Thus, recommendation is to move forward with the agency request legislation approved by the Commissioners last year, especially since there is not a lot of time to do much other work with there not being a September public meeting.

Commissioners didn't have further suggestions. The Commissioners will have an opportunity to discuss this further at the August 12, 2021 public meeting and take final action at the August 27, 2021 public meeting.

## **Tab 6**

### **Director Hire Update**

**Lisa Benavidez, Human Resources Director** presented the materials for this tab. HRD Benavidez gave a short update on the director hiring process. Commissioners will begin the review process of the applications in the next coming weeks. HRD Benavidez remains to update the Commissioners weekly.

### **Commission meetings Post Pandemic**

**Tina Griffin, Interim Director** presented the materials for this tab. Commissioners decided to continue the current virtual meeting platform with the Federal Way office as an option for Commissioner's to meet in person. The commission meetings will continue to be virtual on Teams throughout the end of 2021 and through Legislative Session 2022 at which time meetings will be in-person with virtual option for attendance. Executive Assistant, Julie Anderson is working on logistics for 2022. The 2022 meeting schedule will be voted on at the October Commission meeting.

### **Public Comment**

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

Chair Sizemore suggested August 27 to replace the September 9<sup>th</sup> commission meeting date as the Commissioners are no longer available for that date. Commissioners all agreed to August 27.

The July meeting adjourned at 4:55 PM.

There were 91 people that joined the meeting.





STATE OF WASHINGTON  
**GAMBLING COMMISSION**

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

**Special Gambling Commission Meeting Minutes**

Gambling Commission Headquarters

**Virtual Meeting**

**\*July 28, 2021**

**Commissioners Present:**

**Bud Sizemore, Chair (Present)**

**Julia Patterson (Via Teams)**

**Alicia Levy (Via Teams)**

**Kristine Reeves (Via Teams)**

**Ex Officio Members Present:**

**Senator Steve Conway (Via Teams)**

**Representative Shelley Kloba (Via Teams)**

**Staff Present - Olympia:**

Tina Griffin, Interim Director; Rashida Robbins, Administrative Assistant and Julie Anderson, Executive Assistant.

**Staff Present-Virtual:**

Brian Considine, Legal and Legislative Manager (LLM); Julie Lies, Tribal Liaison (TL); Ashlie Laydon, Rules Coordinator (RC); and Suzanne Becker, Assistant Attorney General.

**Chair Sizemore** asked Interim Director to call the roll to ensure a quorum. Chair Sizemore asked for a moment of silence, and especially to keep in mind the family and friends of Clark County Sheriff's Department for their loss.

**Tab 1**

**Sports Wagering Rules**

**Brian Considine, Legal and Legislative Manager (LLM)** presented the materials for this tab. LLM Considine reviewed the materials in the Commissioners' special meeting packet for their awareness. At the June 10, 2021 meeting, Commissioners approved filing of draft language for further discussion. At the July 8, 2021 public meeting, Commissioners indicated a desire to have options on which rules that they could approve to be filed at the special meeting. LLM Considine identified technical, nonsubstantive changes made to rules in WAC 230-03; WAC 230-05; and WAC 230-06 related to major vendor licensing fees and creation of the term "sports wagering equipment" instead of adding sports wagering into the current "gambling equipment" definition. These changes reflect a reduction in the major vendor licensing fee from \$85,000 to \$65,000 and the use of "sports wagering equipment" in several rules in WAC 230-06. These changes were incorporated in both rule package options being presented to the Commissioners at the special meeting.

The proposed rules, including the latest changes, were sent out to stakeholders with only two additional comments. Most comments related to rules in WAC 230-19 and would not be addressed at this meeting unless Commissioners decide to consider filing WAC 230-19 rules at this time. Two specific comments asked for a reduction in mid-level and ancillary vendor

\* 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.

licensing fees and changes to language in vendor representative licensing requirements. Staff did not feel these changes were needed because staff had addressed these issues previously and further change would be a detriment to agency funding and regulation of representatives in this new activity.

**Tina Griffin, Interim Director** presented a short PowerPoint for the fee discussion providing the explanation and background resulting in the reduction for major vendor licensing fees to \$65,000.

Commission staff provided Commissioners with two options for consideration and possible final action at our special meeting. Option A: only includes rules changes in WAC 230-03; WAC 230-05; and WAC 230-06 previously filed with the Code Reviser. The omission of proposed rules in WAC 230-19 would result in those rules being held over for decision at a future commission meeting. Option B: includes all proposed rules in WAC 230-03; WAC 230-05; WAC 230-06; and WAC 230-19.

Both rule options include the technical nonsubstantive previously discussed.

Chair Sizemore asked for public comment. Ryan Butler, a reporter with Action Network asked for a brief explanation of why WAC 230-19 was left out of the vote. LLM Considine explained that the rules in WAC 230-19 could wait and didn't impact moving forward with Option A rules allowing for the licensing requirements to go into effect at the end of August.

***Commissioner Reeves moved to approve Option A- to file proposed sports wagering rule language for rules in WAC 230-03; WAC 230-05; and WAC 230-06 and hold proposed rules in WAC 230-19 for consideration at a later public meeting to be effective 31 days after filing with the code revisor's office.***

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

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

**Commissioner Patterson** said, *"it was really a testament to democracy because we listened and really tried hard to make things work for everyone here. So, I want to complement our staff, very flexible, creative staff work. Thank you. And I want to compliment the tribes for, they very directly expressed their concerns, but then they also came up with a suggestion on how to fix things"*.

### **Public Comment**

**Chair Sizemore** announced that this would be LLM Considine's last meeting with the Gambling Commission and asked if anyone would like to say a few words.

**Senator Conway** said, *"I was shocked to hear that Brian was leaving us, I don't know how Representative Kloba feels, but I was shocked. Brian has done a superb job in keeping the legislature in the know of the needs of the Gambling Commission. And, he has been a great bird dog of many of the Gambling Commission request bills. And, beyond that, he's been a great resource for the legislative team here, both Senate and House, in answering questions and working with Senate members, and I'm sure also the House members. Brian, I've worked with a lot of legislative liaisons in my many years here, but you have done a great job. And I am so sorry to see you go. This sport betting probably would never have occurred without your input, you know that. And legislative liaisons are often not appreciated for what they're doing, but Brian, you have done a great job. I know in the middle of the night, there were times when I*

*needed you and you were there. It wasn't like, a lot of legislative liaisons, we work until 11, sometimes 12, sometimes two, sometimes four in the morning. And, in making bills, we sometimes have questions, and we need these liaisons to help us, and you were there, Brian. I really thank you for your role. The Problem Gambling Task Force was a big one, that we were working on some of the bills dealing with the issues around the problem gaming were your, some of your great accomplishments. And I just can't say how sorry I am to see you go, but happy that you're moving up. And, happy that your skills have been recognized by other agencies as well. Thank you.*

**Commissioner Patterson** said, *“I just simply want to thank Brian and tell him that I learned a great deal from you. I appreciate so much how professional and how professional and discrete you are. I appreciate your desire to express things in terms, difficult, complicated things, in terms that average people can understand. And I also appreciate the loyalty that you showed to the agency. And so, I just want to wish so much happiness in your new profession. I hope that you find happiness there and I just know that they are going to greatly appreciate all those attributes moving forward. So, it's a personal thank you.*

**Representative Kloba** said, *“I'm probably not going to say anything too different than my colleagues Senator Conway and Commissioner Patterson. But I really have enjoyed very much working with Brian and unlike the perspective that Senator Conway brings where he's worked with many, many legislative liaisons. When I came in, babe in the woods, had no idea, got put on the gambling, the Commerce and Gaming Committee, Brian really provided a lot of great education, was able to break down complicated topics or long histories behind the actions that we were taking. Really helped lay the groundwork for future information that I would learn and absorb. And I appreciate his ability to teach someone new who is, I hope you found me an eager student and not too much of a thicky. But I really, you made it very interesting and engaging, and fun, I think it's a special set of skills to be able to do that. And of course, you're not only all the things you are as a professional, but having the little opportunity, he happened have his kids on campus one day when we had a personal delivery device. I have passed a bill about them and the delivery device was there, and the kids were kind of tentatively approaching it. Anyway, I got to see him in his role as a dad too. And I know that the ways that you taught me, I'm sure you do, you've practiced them well on your children, patience and explaining things. And so, I've enjoyed working with you very much and I know that I will enjoy working with you in the Commissioner Public Lands office as well. I may just come up with a bill to run that has to do with that, just so we can still hang out together. You're always welcome in my office. I know my LA enjoys having the two Brian thing going on, so really, really wanted to appreciate you.*

**Commissioner Reeves** said, *“I would tell you that I've also gotten to know Brian as a fellow legislative director. It's kind of ironic, I feel like we're swapping jobs, Brian, so wishing you the best of luck in your new role. You're going to do great at that agency. But now I'll get to see you in a role as a commissioner and get the opportunity like Representative Kloba said, to really benefit from your technical knowledge. And so, I'll just say, in all those capacities, in all of those positions that I've had the opportunity to work with you, I've been consistently inspired by your honesty and your integrity, especially in a profession, quite frankly, where blowing smoke I think up folks behind is often rewarded. You have always been someone who tells people what they need to know, not what they want to know, and I think that is a skill that you do with integrity and with compassion. And, I just have been really, really impressed by your ability to do that in all the roles in which I've gotten to know you. And so, just really excited for your next adventure. Thank you, I hope that I can continue to text you in the middle of the night, much like Senator*

*Conway, and ask you all the really hard questions. But wishing you the best of luck in your next endeavor, I know you're going to do great.*

**Rion Ramirez, CEO for Port Madison Enterprises** said, *“from the other side of the table, I just want to say thank you to Brian for his zealous advocacy on behalf of the Washington State Gambling Commission. Brian and I, I would say don't always agree in that regard, regarding things, but I would say that you're very passionate, you're very committed. You're somebody who's heart is committed to doing what you think is right on behalf of your client. I thank you for always being willing to talk, didn't mean we agreed all that much at times, but I really appreciate your willingness to talk and your willingness to sit down and try to find compromises where we could. And, honestly, I'm going to miss you on this side of the table. I wish you and your family the absolute best. I think as everybody has echoed, it's really an inspiring thing to see anybody with small children continuing to do the work, whether that's a woman navigating it like Commissioner Reeves was talking about, as well as a father. It's an incredibly important task that we all share as parents and it's admirable and awesome to see you navigating that and making your kids a priority. But, coming from the other side of the table, you've always been somebody that's a formidable opponent or friend on difficult obstacles at times. But I really appreciated working with you, and I wish you the absolute best, and I'm sure we will see you over there as well. So, thank you for your time, thank you for your willingness to tolerate me at times. And I look forward to seeing you later down the road, so thank you, sir.*

**Christopher Stanley** private citizen said, *“I really enjoyed being part of the public comment period here just to defeat Brian. He's a straight shooter. I've worked with a lot of legislative liaisons and I really appreciate the directness that Brian brings. In these jobs, we have limited time to make decisions and Brian cuts right to the chase. I appreciated working with him when I was working there. We got a lot done in a short period of time together and I found him just to be a straight shooter. And I really enjoyed working with you, Brian. You represented the agency well. So, I just wanted to go on the record and say that. I've got a lot of forestry ideas to gin up and send to your email address, so looking forward to continuing to work with you. But, just wanted to chime in and I wish you the best.*

**Chair Sizemore** said, *“I have more of a story about Brian's beginning with us. So, I think I had been a commissioner for maybe a year or two and I had been advocating for maybe a little more proactive approach to our legislative work. So, as any good deputy director would, Amy, who was in charge of the hiring and in charge of the lobbying up to that point, made me join in on the interview panels for the leg job. So, Brian was head and shoulders above the other candidates. They were all good, but it was obvious that Brian shared my vision of being proactive of engaging with folks. The only problem and I think Brian will probably remember this is, "Okay, Brian. I see the energy. I see the logic in your arguments. Can you say that in 30 seconds?" And, to this day, I don't know that Brian's gotten his elevator speech down to 30 seconds. But he's always compelling and I think that out of all the hiring type decisions or participation that I've had in my career, yours rises to the top. So, thank you and I wish you well.*

The Commissioners adjourned to Executive Session at 1:51 PM to discuss potential agency litigation with legal counsel, including tribal negotiations.

The July Special Commission meeting reconvened for adjournment purposes only at 3:31 PM.

There were 75 people that joined the meeting.



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

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Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 23.



## HOUSE-BANKED PUBLIC CARD ROOM REPORT

<b>Licensed and Operating</b>		<b>41</b>			
	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**

FOE 02308  
00-00108 01-00751

1106 E MAIN AVE  
PUYALLUP WA 98372

**RAFFLE**

CENTRAL VALLEY BEAR BOOSTER CLUB  
00-16068 02-02682

821 S SULLIVAN ROAD  
SPOKANE VALLEY WA 99037

DEER PARK BAND BOOSTERS  
00-24783 02-21187

800 S WEBER ST  
DEER PARK WA 99006

FOE 02308  
00-00108 02-00412

1106 E MAIN AVE  
PUYALLUP WA 98372

HABITAT FOR HUMANITY IN WHATCOM COUNTY  
00-24742 02-21167

1825 CORNWALL AVE  
BELLINGHAM WA 98225

HOLY REDEEMER CHURCH  
00-24257 02-20929

1707 S 3RD AVE  
YAKIMA WA 98902

OLPH BOOSTER CLUB  
00-05722 02-01325

2619 CEDAR ST  
EVERETT WA 98201-3137

ONE ROOF FOUNDATION  
00-24762 02-21177

16 W HARRISON STREET  
SEATTLE WA 98119

ORCAS ISLAND HISTORICAL SOCIETY  
00-24782 02-21186

104 ROSSEL ROAD  
EASTSOUND WA 98245

POMEROY LIVING HISTORY FARM  
00-24768 02-21180

20902 NE LUCIA FALLS RD  
YACOLT WA 98675

SEATTLE 2030 DISTRICT  
00-24018 02-20790

1402 3RD AVE STE 301  
SEATTLE WA 98101

SHELTON HIGHCLIMBERS FOOTBALL BOOSTER CLUB  
00-24776 02-21184

1610 MONROE ST  
SHELTON WA 98584

THE GENESIS PROJECT SEATTLE  
00-24688 02-21142

2819 S 208TH ST  
SEATAC WA 98198

TRI TOWN EVENTS  
00-24442 02-21045

124 E 5TH AVE  
METALINE FALLS WA 99153

WASHINGTON HUNTER & JUMPER ASSOCIATION  
00-24775 02-21183

3020 ISSAQUAH PINE LK RD SE 226  
SAMMAMISH WA 98075

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS**

**PUNCHBOARD/PULL-TAB NONPROFIT**

FOE 02308  
00-00108 05-00750

1106 E MAIN AVE  
PUYALLUP WA 98372

**PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT**

BOLO'S BAR & GRILL  
00-24790 05-21725

116 S BEST RD  
SPOKANE VALLEY WA 99216-2127

BROWN SHACK TAVERN  
00-24779 05-21720

155 SALKUM RD  
SALKUM WA 98582

CASEY'S GRILL AND SPORTS BAR  
00-24756 05-21715

24228 104TH AVE SE  
KENT WA 98030

RED HORSE DINER  
00-24750 05-21712

1518 W UNIVERSITY WAY  
ELLENSBURG WA 98926

**COMMERCIAL AMUSEMENT GAMES - CARNIVAL**

NIKI'S CONCESSIONS  
00-24666 52-20118

25060 HANCOCK AVE  
MURRIETA CA 92562

**COMMERCIAL AMUSEMENT GAMES OPERATOR**

D AND M CONCESSIONS  
00-19781 53-21556

5464 NE 121ST AVE  
VANCOUVER WA 98682

INSERT COIN  
00-24755 53-21553

309 N TOWER AVE  
CENTRALIA WA 98531

**CARD GAME NON HOUSE-BANKED**

FOE 02308  
00-00108 60-00041

1106 E MAIN AVE  
PUYALLUP WA 98372

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**DISTRIBUTOR REPRESENTATIVE**

DELZER, KYLE P  
22-01289

MCCOYS DISTRIBUTING  
KENNEWICK WA 99336

**MANUFACTURER REPRESENTATIVE**

ANANTHARAJ, RAJESH  
23-01196

SCIENTIFIC GAMES  
LAS VEGAS NV 89119

BARNETTE, RICHARD L  
23-03213

EVERI GAMES INC.  
AUSTIN TX 78746

BRETT, MARTIN M  
23-03220

ARISTOCRAT TECHNOLOGIES INC  
LAS VEGAS NV 89135

CHIECHI, DEVON R  
23-03222

IGT  
LAS VEGAS NV 89113

COLE, NAOMI M  
23-03225

SCIENTIFIC GAMES  
LAS VEGAS NV 89119

CONNOLLY, ANDREW J  
23-02549

VIDEO KING  
OMAHA NE 68154

DEANDRADE, JORGE HENRIQUE G  
23-03229

ARISTOCRAT TECHNOLOGIES INC  
LAS VEGAS NV 89135

DEL ROSARIO, AMBER L  
23-03214

EVERI GAMES INC.  
AUSTIN TX 78746

DICKERSON, ZACHERY H  
23-03215

ARISTOCRAT TECHNOLOGIES INC  
LAS VEGAS NV 89135

GALLUP, JOHN E  
23-03227

IGT  
LAS VEGAS NV 89113

GARDNER, ROBERT G  
23-03223

IGT  
LAS VEGAS NV 89113

GOPINATHAN, SUGANYA  
23-03212

SCIENTIFIC GAMES  
LAS VEGAS NV 89119

GOTTIER, BRETT M  
23-03219

SCIENTIFIC GAMES  
LAS VEGAS NV 89119

HENRY, TONY E  
23-03226

EVERI PAYMENTS INC  
LAS VEGAS NV 89113-2175

PERSON'S NAME  
 LICENSE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

### NEW APPLICATIONS

#### MANUFACTURER REPRESENTATIVE

HOLIFIELD, DELL S  
 23-03224

IGT  
 LAS VEGAS NV 89113

KEHN, AUSTIN J  
 23-02970

VIDEO KING  
 OMAHA NE 68154

KORNEGAY, PATRICK K  
 23-03218

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89135

MCKINNELL, FAITH  
 23-03221

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89135

MORAN, LAURIE A  
 23-03228

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89135

NIEBERLEIN, WAYNE F  
 23-00572

IGT  
 LAS VEGAS NV 89113

RICE, GREGORY A  
 23-03217

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89135

RUSSELL, ZACHARIAH A  
 23-03216

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89135

SHINMEI, JAMES J  
 23-01252

IGT  
 LAS VEGAS NV 89113

TIEN, ALEXANDER H  
 23-03230

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89135

ZICCARDI, DANIEL T  
 23-02973

VIDEO KING  
 OMAHA NE 68154

#### NON-PROFIT GAMBLING MANAGER

ANDREWS, LONI R  
 61-04568

FOE 02308  
 PUYALLUP WA 98372

KAIN, PATRICIA A  
 61-04756

BPOE 02524  
 FORKS WA 98331

PHILHOWER, TERESA J  
 61-04026

WESTSIDE IMPROVEMENT CLUB  
 BREMERTON WA 98312

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

### NEW APPLICATIONS

#### SERVICE SUPPLIER REPRESENTATIVE

BURNS, SAMUEL H 63-00976		SALISHAN-MOHEGAN LLC VANCOUVER WA 98660
COLLIER, MITCHELL G 63-00832		GAMING MANAGEMENT LAKEWOOD WA 98499
GUDAPATI, KAVITHA NANDINI 63-00979		MAVERICK WASHINGTON KIRKLAND WA 98034
JUNEAU, PAYTON M 63-00981		MAVERICK WASHINGTON KIRKLAND WA 98034
LEGENDRE, KEVIN A 63-00982		SALISHAN-MOHEGAN LLC VANCOUVER WA 98660
THOTA, SASIKALA 63-00980		MAVERICK WASHINGTON KIRKLAND WA 98034
WALL, PATRICK B 63-00978		MAVERICK WASHINGTON KIRKLAND WA 98034
WEBSTER, SAMANTHA J 63-00983		SALISHAN-MOHEGAN LLC VANCOUVER WA 98660
ZHANG, YUE 63-00977		MAVERICK WASHINGTON KIRKLAND WA 98034

#### CARD ROOM EMPLOYEE

ADAMS, JULIE L 68-36238	B	ROXY'S BAR & GRILL SEATTLE WA 98126
ARMBRUSTER, MATTHEW A 68-30657	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
ATOUM, RAMI Z 68-33502	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
BERRY, TRACY L 68-36250	B	MACAU CASINO LAKEWOOD WA 98499-4457
BOUTIN, JESSE F 68-36186	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
BYERLY, WILLIAM E 68-36265	B	FORTUNE CASINO - RENTON RENTON WA 98055

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**CARD ROOM EMPLOYEE**

CAGAYAT, PHIAVANH 68-19284	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
CAO, THO H 68-36231	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499
CARLTON, ERIN P 68-36240	B	LILAC LANES & CASINO SPOKANE WA 99208-7393
CHOUN, MOM S 68-07861	B	FORTUNE CASINO - TUKWILA TUKWILA WA 98168
CHUNG, MEI LING BETTY 68-36248	B	ROMAN CASINO SEATTLE WA 98178
COTHREN, TUESDAY H 68-36221	B	JOKER'S CASINO SPORTS BAR & FIEST RICHLAND WA 99352-4122
CREVLING, BRADLEY D 68-35735	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
CRUICKSHANK, ANDREA B 68-24664	B	BLACK PEARL RESTAURANT & CARD I SPOKANE VALLEY WA 99206-4719
DALE, ANDREW J 68-36194	B	CASINO CARIBBEAN YAKIMA WA 98901
DAVIS, LORI A 68-36213	B	CASINO CARIBBEAN YAKIMA WA 98901
DEAN, FRANKLIN W 68-29356	B	ALL STAR CASINO SILVERDALE WA 98383
DIAZ-GASTON, ROSITA 68-36189	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
DO, TUAN K 68-36179	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
DONALDSON, PHILLIPE A 68-36193	B	FORTUNE CASINO - RENTON RENTON WA 98055
ECKHART, TIM A JR 68-21830	B	JOKER'S CASINO SPORTS BAR & FIEST RICHLAND WA 99352-4122
ELKINS, ARIANA D 68-36237	B	NOB HILL CASINO YAKIMA WA 98902

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**CARD ROOM EMPLOYEE**

ELICKSON, BRANDON M 68-36197	B	ALL STAR CASINO SILVERDALE WA 98383
ERLANDSON, JEREMY A 68-36208	B	CASINO CARIBBEAN YAKIMA WA 98901
FONG, LAI VA 68-11628	B	SILVER DOLLAR CASINO/RENTON RENTON WA 98057
GALLOWAY, DEIDRE L 68-36224	B	BUZZ INN STEAKHOUSE/EAST WENAT EAST WENATCHEE WA 98802
GILBERTSON, SHELBY L 68-36219	B	BLACK PEARL RESTAURANT & CARD I SPOKANE VALLEY WA 99206-4719
GOAG, WON J 68-02957	B	FORTUNE POKER RENTON WA 98057
GRIFFIN, JASON M 68-03621	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
GRK, RACHELLE R 68-16743	B	CLEARWATER SALOON & CASINO EAST WENATCHEE WA 98802
GUTIERREZ, ISMAEL A 68-36239	B	LILAC LANES & CASINO SPOKANE WA 99208-7393
HILDERBRANT, CHRISTIAN L 68-36246	B	HAWKS PRAIRIE CASINO LACEY WA 98516
HOFFER, JANEL R 68-22357	B	CASINO CARIBBEAN KIRKLAND WA 98034
HOWARD, TERRIESA F 68-06026	B	BLACK PEARL RESTAURANT & CARD I SPOKANE VALLEY WA 99206-4719
KARNES, TAYLOR M 68-35042	B	JOKER'S CASINO SPORTS BAR & FIEST RICHLAND WA 99352-4122
KILE, CURTIS A II 68-09238	B	BLACK PEARL RESTAURANT & CARD I SPOKANE VALLEY WA 99206-4719
KNOWLES, RICHARD J III 68-36215	B	ROYAL CASINO EVERETT WA 98204
LAO, ZHICHENG 68-32748	B	RIVERSIDE CASINO TUKWILA WA 98168

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**CARD ROOM EMPLOYEE**

LE, STEVEN T 68-36232	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499
LEE, MARTIN C 68-36212	B	SILVER DOLLAR CASINO/SEATAC SEATAC WA 98188
LI, BUFAN 68-34976	B	SILVER DOLLAR CASINO/RENTON RENTON WA 98057
LITTLE, LINDSEY A 68-36254	B	BLACK PEARL RESTAURANT & CARD I SPOKANE VALLEY WA 99206-4719
LIU, ZHIYU 68-35354	B	MACAU CASINO TUKWILA WA 98188
LOHSTRETER, JESSECA L 68-04623	B	BLACK PEARL RESTAURANT & CARD I SPOKANE VALLEY WA 99206-4719
LONG, JOHNNY B 68-36259	B	IRON HORSE CASINO AUBURN WA 98002
LOUIE, TOM T 68-02538	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
MABBATT, JOSEPH S 68-34992	B	FORTUNE POKER RENTON WA 98057
MACKI, ISABELLA R 68-36218	B	JOKER'S CASINO SPORTS BAR & FIESTA RICHLAND WA 99352-4122
MAHN, ZACHARY A 68-36190	B	LILAC LANES & CASINO SPOKANE WA 99208-7393
MARTINEZ SAECHAO, ANGEL K 68-36243	B	LAST FRONTIER LA CENTER WA 98629-0000
MARTINEZ, BRENNAN J 68-35228	B	BUZZ INN STEAKHOUSE/EAST WENATCH EAST WENATCHEE WA 98802
MAY, MARILEE 68-36255	B	CLEARWATER SALOON & CASINO EAST WENATCHEE WA 98802
MCELROY, JONTE J 68-36202	B	MACAU CASINO LAKEWOOD WA 98499-4457
MELVILLE, CINDY M 68-22463	B	LAST FRONTIER LA CENTER WA 98629-0000



PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**CARD ROOM EMPLOYEE**

MENSING, AMY M 68-18369	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
MILLER, DAVID J 68-36185	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
MORALES, PATRICK J 68-17925	B	SILVER DOLLAR CASINO/RENTON RENTON WA 98057
NGUON-KROUCH, NYLA 68-36211	B	RIVERSIDE CASINO TUKWILA WA 98168
NGUYEN, NGAN N 68-33775	B	IRON HORSE CASINO AUBURN WA 98002
NGUYEN, RICHARD H 68-34420	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499
NGUYEN, TRINA T 68-36226	B	ROMAN CASINO SEATTLE WA 98178
NHOEUN, NATHAN K 68-36249	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499
OZ, ISAAC S 68-36216	B	ROYAL CASINO EVERETT WA 98204
PARRICK, MI S 68-17828	B	MACAU CASINO LAKEWOOD WA 98499-4457
PAULING, KIERSTEN M 68-36261	B	BLACK PEARL RESTAURANT & CARD I SPOKANE VALLEY WA 99206-4719
PELLETIER, MATTHEW J 68-29169	B	SILVER DOLLAR CASINO/SEATAC SEATAC WA 98188
PENG, XIAO-XIN 68-36264	B	ROMAN CASINO SEATTLE WA 98178
PETITCLERC, LISA A 68-36207	B	NOB HILL CASINO YAKIMA WA 98902
PHAM, HUY-TUNG V 68-25968	B	ROMAN CASINO SEATTLE WA 98178
PHON, CHANN 68-11645	B	MACAU CASINO LAKEWOOD WA 98499-4457

PERSON'S NAME  
 LICENSE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**CARD ROOM EMPLOYEE**

PILOTTE, HAL D JR 68-25853	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434
POWERS, KRISTI A 68-23393	B	CRAZY MOOSE CASINO/PASCO PASCO WA 99301
REED, BARRY E 68-36217	B	ROYAL CASINO EVERETT WA 98204
RINGHOUSE, STEVEN F 68-11560	B	JAMESTOWN SALOON ARLINGTON WA 98223
RUSH, ANDREW J 68-36196	B	JAMESTOWN SALOON ARLINGTON WA 98223
SALEHI, AMIN 68-36242	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
SELBY, KHANH T 68-36050	B	FORTUNE CASINO - TUKWILA TUKWILA WA 98168
SHELBY, DAMON W 68-36241	B	RED DRAGON CASINO MOUNTLAKE TERRACE WA 98044
SINGH, HARPREET 68-36200	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
SLOAN, DANIEL R 68-36188	B	WIZARDS CASINO BURIEN WA 98166-2524
SO, BRIAN H 68-36251	B	GREAT AMERICAN CASINO/EVERETT EVERETT WA 98204
STRANGE, KIERA B 68-36206	B	HAWKS PRAIRIE CASINO LACEY WA 98516
TON, TUAN T 68-36192	B	ROMAN CASINO SEATTLE WA 98178
TRAN, HIEN N 68-36214	B	MACAU CASINO LAKEWOOD WA 98499-4457
TRAN, NHAT D 68-36187	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
TRILLANES, ZIAN S 68-36203	B	ALL STAR CASINO SILVERDALE WA 98383

PERSON'S NAME  
 LICENSE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**CARD ROOM EMPLOYEE**

VANDY, MEUAY 68-36223	B	IRON HORSE CASINO AUBURN WA 98002
VO, MAI X 68-36244	B	RIVERSIDE CASINO TUKWILA WA 98168
VONG, ROMEO T 68-36233	B	RIVERSIDE CASINO TUKWILA WA 98168
WEAVER, KEEGAN B 68-36106	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499
WESTERLUND, THOMAS M 68-36247	B	WIZARDS CASINO BURIEN WA 98166-2524
WILKENS, JEFF C 68-36267	B	RED DRAGON CASINO MOUNTLAKE TERRACE WA 9804:
WILKERSON, JUWITA 68-21613	B	LANCER LANES/REST AND CASINO CLARKSTON WA 99403-2219
WOO, KYONG C 68-14991	B	IRON HORSE CASINO AUBURN WA 98002
WRIGHT, STEVEN E 68-26960	B	LILAC LANES & CASINO SPOKANE WA 99208-7393
YIN, KOLIA E 68-32604	B	RIVERSIDE CASINO TUKWILA WA 98168
ZACHMAN, ARICK C 68-35088	B	RED DRAGON CASINO MOUNTLAKE TERRACE WA 9804:
ZHANG, XIANGLING J 68-36191	B	RED DRAGON CASINO MOUNTLAKE TERRACE WA 9804:
ZHU, SHU F 68-17577	B	FORTUNE POKER RENTON WA 98057

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**CHEHALIS CONFEDERATED TRIBES**

ASLIN, ROSALIE Y  
69-50507

BOYD, SAMUEL C  
69-50458

DOCHERTY, CHARLES R  
69-50491

HALLIBURTON, KYLE R  
69-39640

HILL, DEVINY L  
69-50590

LOONEY, TAYLOR A  
69-50457

MCDONALD, BLAKE S  
69-50459

SUTHERLAND, MICHAEL B  
69-50523

UNDERWOOD, LARRY E  
69-50460

**COLVILLE CONFEDERATED TRIBES**

AREVALO GARCIA, FLAVIO C  
69-50647

BELGARDE, RAESSA A  
69-50470

CIRCLE, ROSE J  
69-50653

DE LA CRUZ, JAIRO M  
69-50471

GRANDOS, PERLA Y  
69-50472

LAWRENCE, JUNIOR  
69-50648

MATT, ANTHONY M  
69-38769

MCDONALD, GERALDINE L  
69-24050

MILLER MERCADO, JENNIFER M  
69-50646

ORTIZ, ROBERT D  
69-25991

RUIZ, STANLEY D JR  
69-23505

SUAREZ CRUZ, ROBERTO C  
69-42378

THOMAS, ANTHONY D  
69-28602

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**COWLITZ INDIAN TRIBE**

AN, KEVIN H  
69-50511

ASHLEY, TONI A  
69-41107

BAUER, JACQUELINE D  
69-50605

BOAGLIO, GRAEME L  
69-50574

COATS, KEDRICK J  
69-50508

COLE, THOMAS D  
69-50575

COLEMAN, LESLIE A  
69-50467

COMIN, CORBIN L  
69-50495

CONRAD, KYLE T  
69-50510

EIDSVIK, JONATHAN C  
69-50417

ENGLEHART, SARA L  
69-39278

ENYINWA, JADA P  
69-50452

FENBY, RAYMOND S  
69-50453

FORTIER, KEVIN R  
69-20161

FOSTER, STEPHEN E  
69-50576

GONZALES-BIELEFELD, COLE A  
69-50536

GORDON, JANICE L  
69-50494

GREUPNER, KELSEY M  
69-50449

HAGER, KIRA N  
69-50496

HULEGAARD, ZACHARY D  
69-50493

HURLEY, HAROLD L  
69-50540

JOHANSEN, MARK R  
69-50579

LEWIS, JEANNIE K  
69-50538

LUPIN, SCOTT G  
69-50450

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**COWLITZ INDIAN TRIBE**

MARTIN, THOMAS O  
69-50456

MASHCHENKO, YELENA N  
69-42401

MONTGOMERY, JAMES E  
69-50541

MUMMERT, AMBER M  
69-41042

PAULL-WESTON, PAYDENN A  
69-50577

REYNOLDS, DEAN V  
69-50537

SHEPHERD, MARK W  
69-50545

SHERWOOD, AARON  
69-50492

SMITH, PARKER J  
69-50573

STROCK, CHEYANNE B  
69-50580

THOLBERG, KATE T  
69-50454

WILDE, JACOB M  
69-50539

**KALISPEL TRIBE**

BIALOZOR, BENJAMIN C  
69-50610

BLACKWOOD, BRIANA D  
69-50486

BOURQUIN, CATITLIN R  
69-50390

DAVID, MONICA A  
69-50421

DOFFEK, RYAN A  
69-50391

EARL, BRADLEY W  
69-50499

GOMEZ, ALEAS D  
69-43190

KRAUSE, KYLAN L  
69-50501

LAKE, IVORY A  
69-50422

LAWSON, DAMIEN T  
69-50498

LOZANO, VICENTE JR  
69-44940

LUHN, COLLIN A  
69-50445

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**KALISPEL TRIBE**

PIERRE, ALEXANDER M  
69-50552

POWDERFACE, NAKOMA S  
69-41159

SANDOVAL S, SUSANA I  
69-50562

SANTINOCETO, PHILLIP A  
69-50331

STAI, MICHAEL W  
69-50420

STEG, JEREMY R  
69-50553

TOMEIO, WILLOW R  
69-50332

WARD, GERALD M  
69-50563

WILLIAMS, REGINALD J  
69-50500

WILSON, BRADLEY R  
69-50611

WYROBEK, GREGORY R  
69-50583

**LUMMI NATION**

ANSLEY, MICHELLE A  
69-50565

ESCOBAR AYALA, LEONARDO A  
69-50617

HTUN, SOE  
69-16095

MAXWELL, ROBERT B  
69-50447

SHETSKY, ELIZABETH L  
69-50509

TREPANIER, DREW V  
69-46069

TWINING, WANDA L  
69-07671

**MUCKLESHOOT INDIAN TRIBE**

AFALAVA, LANA F  
69-50554

ANDERSON, RAYMOND A  
69-50531

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

MUCKLESHOOT INDIAN TRIBE

ATIMALALA, TAUMAIA J  
69-50528

AUMOEUALOGO, SONSEL R  
69-50587

CAUDILL, LARRY J  
69-47497

CONINGFORD, EDWARD R JR  
69-50479

CONVERSE, JENNIFER L  
69-50586

DEROME, ETHAN J  
69-50532

FARMER, SIMON M  
69-50480

FORSYTH, MARCUS A  
69-50438

GOMEZ, LUTGARDA B  
69-50588

HERNANDEZ, MARISELA  
69-46890

HOCINI, KRISTOPHER E  
69-50527

KONG, SOPHANNAVY  
69-50589

KUMAR, AMITESH  
69-50440

LOPEZ, GISEL C  
69-50478

MOSES, WILLIAM C  
69-50435

NGUYEN, KIMDUC T  
69-50556

NICHOLS, CHANTILLY L  
69-50441

OLSON, STEPHEN T  
69-44142

OSLEY, JAMES D  
69-35833

PALESOO, LEGALO  
69-50436

PAN, ZIJUN  
69-50439

PASSMORE, MARK D  
69-50437

SOEUNG, SORIYA T  
69-50526

STARR, CHEZERAY G  
69-50481



PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**MUCKLESHOOT INDIAN TRIBE**

UNDERWOOD, MONIOUE  
69-50477

WAGNER, JESSICA M  
69-50442

WALTHALL, JORDAN J  
69-50525

WILLIAMS, KEEVIN S  
69-50530

**NISQUALLY INDIAN TRIBE**

BRAUKMAN, DANIEL J  
69-50534

BROOKS, MATTHEW K  
69-34468

BROWN, JASON M  
69-50488

DUNCAN, JEFFREY E  
69-47771

GREBINGER, ETHAN P  
69-50550

JONES, NICHOLAS W  
69-35353

LANEY, JULIE A  
69-50614

MARTIN, SHAYLYNE E  
69-50358

PARKS, ANTHONY F  
69-50535

REMINGTON, MORGAN J  
69-50490

SOK, SAMATH  
69-32370

SUTTER, NINA M  
69-50551

WINSLETT, STACEY L  
69-50615

WRIGHT, HANNAH M  
69-48424

**NOOKSACK INDIAN TRIBE**

ASHURST, CAMERON J  
69-50572

CANNADAY, FRANKLIN S  
69-28001

ELLENWOOD, ARIELL D  
69-50519

PIERCE, JERILL D  
69-09051

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**PORT GAMBLE S'KLALLAM TRIBE**

NEAL, DEVON M  
69-50423

PONTIUS, KAMELA N  
69-39785

SABAS, JOSHUA L  
69-50521

TOTTEN, ASHLEY N  
69-50522

ZINK, LORI R  
69-50425

**PUYALLUP TRIBE OF INDIANS**

BOARDMAN, KIRSTEN D  
69-50430

BROWN, TASHA L  
69-50431

CARLOS, ALMA  
69-50464

CHALLSTROM, LINDA K  
69-18354

FORSMAN, FRANCHESKA J  
69-50504

GARBAGNI, TRISTIN A  
69-50620

GRASSER, DIANE L  
69-17526

HARRIS, SAMAIYAH R  
69-50555

IYALL, JAMES R  
69-50566

JACKSON, JERRY S  
69-50567

JOHNSON, RODNEY L  
69-50544

KENNAR, FAAFETA S  
69-50593

LAPENSKI, GLINDA L  
69-50465

LOPEZ, RACHEL A  
69-50463

NEWTON, JASON K  
69-50594

NUCKOLLS, JAMES S JR  
69-50568

NUTH, CHANTREA  
69-50533

PARKER, ALEENA B  
69-50462

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**PUYALLUP TRIBE OF INDIANS**

RA, ALYSA D  
69-50466

RAMOS-LAMAS, BANESA  
69-50426

RIOS, JESSE L  
69-50505

SHEPHERD, JUSTIN W  
69-50601

SORANAKA, LIZA S  
69-50429

TANKERSLEY, DANIEL JR  
69-50416

TOLLENAAR, TYLER N  
69-50461

VELLMURE, ALEXANDRIA A  
69-50543

WALKER, CHERYL A  
69-50600

WHITEHORN, THOMAS E III  
69-50503

WINN, ROBERT L  
69-46884

**QUINALT NATION**

HORTON, STEVEN D JR  
69-50483

IVERSEN, HARRY C  
69-50564

PAYNE, GEORGE A  
69-50446

PICKETT, ROBERT C JR  
69-50549

**SNOQUALMIE TRIBE**

ALGOSO, REEZE L  
69-50516

CHHET, KAKADA  
69-42679

CHOW, MATTHEW L  
69-50627

DUONG, OUANG H  
69-50582

FRAZEE, LOGAN S  
69-50514

FURUKAWA, JOSHUA Y  
69-50624

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**SNOQUALMIE TRIBE**

MUNIZ, ANTHONY M  
69-50547

PHAKOXAY, MICHAEL  
69-20167

PIERCE, BETTY L  
69-50623

RICHARDSON, MICHAEL A  
69-50515

VUONG, NHA H  
69-50581

WALLEN, LURISA  
69-47705

**SPOKANE TRIBE**

BAIR, LOREN L  
69-50612

COTHREN, DENA L  
69-50585

FOX, ERIK A  
69-50397

HOPPER, JOHN R  
69-50613

MATT, ANTHONY M  
69-38769

PETTIT, JONATHAN L  
69-43665

PORTER, CHARLES S  
69-50591

RODENBAUGH, TED A  
69-50396

RUZANSKI, MATTHEW D  
69-50592

SATTLEEN, JACOB J  
69-50398

SIJOHN, FRANCIS A  
69-50489

STANGER, BRIAN L  
69-22519

VETSCH, ROGER D  
69-27850

YEADO, JEREMY L  
69-43857

**SQUAXIN ISLAND TRIBE**

ABURTO GONZALEZ, CARLOS G  
69-42708

ALBRIGHT, KIMBERLY A  
69-50469

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**SQUAXIN ISLAND TRIBE**

BROWN, DANA R  
69-50468

CHILDRESS, CAITLIN C  
69-50497

COTTRELL, ZACHARY W  
69-50484

FAIRCHILD, JOHNATHAN T  
69-50570

FUHER, SHON N  
69-50607

HALL, THOMAS A  
69-50444

HO, HOANG TON DAC  
69-50448

MACKEY, JEFFREY M  
69-06771

MARROTTE, KHAI A  
69-50485

MCCLUNG, JARROD B  
69-43484

NELSON, TABITHA L  
69-12130

PARISH, LYDIA E  
69-33618

PARISH, RENEE J  
69-50487

**STILLAGUAMISH TRIBE**

BARLOW, JAYDON M  
69-50473

BARRERA, IRENE L  
69-50475

BEALS, THOMAS M  
69-50619

BROGAN, DAVEINA L  
69-50561

GULDEN, SEAN M  
69-50474

HURRE, CORY B  
69-50560

NEWLAND, INDRA T  
69-50616

YOUNG, SEAN W  
69-50476

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

SUQUAMISH TRIBE

BETZOLD, STEPHANIE K  
69-50512

CAMPBELL-MORTENSEN, KAHLIL R  
69-50524

PURSER, NOEL N  
69-50599

SWINOMISH INDIAN TRIBAL COMMUNITY

HURD, HENRY R  
69-50542

KERNEY-ELDER, MADISON C  
69-50559

SCHMITT, COLTON H  
69-50414

VILLALUZ-GAONA, DANIEL C  
69-36893

THE TULALIP TRIBES

IUKES, JOSHUA M  
69-50443

KEO, EMILY  
69-50596

LIAN, KORY E  
69-50557

MACINTOSH, ALEXANDER I  
69-24280

MAPLE, JOSHUA J  
69-31437

MENDOZA, MYA R  
69-50578

MOSER, JEFFREY D  
69-50597

NGUYEN, VALENTINA T  
69-36778

TRUONG, THI LE TRINH  
69-50595

VIDES, ELIZABETH  
69-44852

WILLIAMS, DASHON L  
69-48436

WILSON, SHANNON S  
69-48680

UPPER SKAGIT INDIAN TRIBE

KENNEDY, JONATHAN D  
69-50571

KIVETT, CHARLES W  
69-50517

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

UPPER SKAGIT INDIAN TRIBE

LYNCH, JAMES E  
69-31518

TRUE, MARY L  
69-08709

YAKAMA NATION

LUNA, JESUS  
69-31275



**Washington State Gambling Commission  
Program Review  
Special Olympics Washington**

**Part I  
Licensing/Organization Information**

<b>For Fiscal Year Ended</b> December 31, 2019	<b>Name/Address</b> Special Olympics Washington 2815 2 <sup>nd</sup> Ave STE 370 Seattle, WA 98121
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**MEMBERSHIP AND MANAGEMENT**

28 Active voting members  
4 Officers and 28 Board members  
4 General membership meetings were held during the 2019 fiscal year

**ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION**

<b>Description/Class</b>	<b>Exp. Date</b>	<b>License Number(s)</b>
Enhanced Raffle	03/31/2022	30-00001
Raffle	03/31/2022	02-02549

**Organizational Purpose and Structure**

**Statement of Purpose**

Special Olympics Washington (SOWA), an accredited affiliate of Special Olympics Inc., was organized in the State of Washington as a non-for-profit corporation in 1975. The mission of SOWA is to provide year-round sports training and athletic competition in a variety of Olympic-type sports for children and adults with intellectual disabilities, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in a sharing of gifts, skills, and friendship with their families, other Special Olympic athletes and the community. Activities are funded primarily through donor contributions and fund-raising events.

**Charitable/Nonprofit Services**

Recap of Program Delivery in 2019  
Athletes Served: 19,500  
Year-Round Competitions: 180  
State Games: 4  
Sports Offered: 24  
Local Programming Regions: 11

**Healthy Athletes:** The Healthy Athletes program is dedicated to changing the way health systems interact with people with intellectual disabilities. We provide athletes with free health screenings, education, and referrals for follow-up care in a fun, welcoming environment that removes the barriers our athletes too often encounter during visits with healthcare professionals.



**Highlights:**

- 20 Healthy Athlete screenings events held statewide
- 1,805 health screenings
- 101 Pairs of free glasses given to athletes
- 200 inclusion trainings given to healthcare professionals

Unified Champion Schools: Dedicated to promoting social inclusion through shared sports training and competition experiences, Unified Sports joins people with and without intellectual disabilities on the same team. It was inspired by a simple principle: training together and playing together is a quick path to friendship and understanding. Through the Unified Schools program, this inclusive mentality moves off the playing field and into the classroom.

**Highlights:**

- 183 Unified Champion Schools across the state
- 74,139 students received the message of respect and acceptance
- 61 Unified competitions held statewide

SOWA spent \$4,728,443 on program expenses for the year ended December 31, 2019.

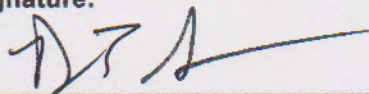
**Part II  
Staff Findings**

During our review of SOWA, numerous steps were taken to ensure they are functioning in accordance with their Bylaws and continue to meet the definition of a charitable or nonprofit organization under the RCW. This was done in part by reviewing: board meeting minutes, program services, financial statements, internal controls, and payroll for reasonable wages, the use of funds and assets and contracts for reasonableness. We verified their programs exist and are being supported.

Based on our review, we determined SOWA is suitable for continued licensure.

**Prepared By:**  
Roger Sauve

**Signature:**



**Date:**  
07/30/2021



**STATE OF WASHINGTON  
GAMBLING COMMISSION**

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

July 12, 2021

**TO:**           **COMMISSIONERS**                           **EX OFFICIO MEMBERS**  
Bud Sizemore, Chair                           Senator Steve Conway  
Julia Patterson, Vice Chair                 Senator Jeff Holy  
Alicia Levy                                     Representative Brandon Vick  
Kristine Reeves                                 Representative Shelley Kloba

**FROM:**       Donna Khanhasa, Special Agent  
                  Licensing Unit

**SUBJECT:**   Special Olympics of Washington – 2020 Western Washington Enhanced Raffle Results

At the November 2019 commission meeting, the Commissioners approved a plan submitted by the Special Olympics of Washington (SOWA) to conduct an enhanced raffle in Western Washington. SOWA held the grand prize drawing on May 8, 2020.

In accordance with WAC 230-11-103, charitable or nonprofit licensees conducting enhanced raffles must have an independent audit conducted on each enhanced raffle and the associated smaller raffles. SOWA submitted the auditor's report in accordance with the rule.

The purpose of this memo is to report the results of the enhanced raffle and the agents' review. This is the eighth enhanced raffle SOWA has reported on.

The grand prize offered was a dream home located in the Puget Sound area or an annuity of \$4,000,000 paid over 20 years or a one-time cash payment of \$2,800,000 based on 65,000 tickets being sold. If fewer than 62,000 tickets were sold, the grand prize winner would receive a choice between a sum equal to 50% of the net raffle proceeds paid as an annuity over 20 years, not to exceed \$4,000,000, or a one-time cash payment of up to 70% of the annuity value, not to exceed \$2,800,000.

**The results of the May 8, 2020, enhanced raffle and the associated raffles are as follows:**

Tickets Sold	Sales of Raffle Tickets	Prizes Awarded	Other Expenses	Net Proceeds from Enhanced Raffle
46,262	\$6,756,400	\$2,003,793	\$2,980,220	\$2,531,627

**Drawing details and prizes:**

Drawing	Date	Location	Prizes Awarded
Early Bird 1	March 5, 2020	SOWA Office	\$100,000
Early Bird 2	April 2, 2020	SOWA Office	\$10,000
Multi-Ticket	May 8, 2020	SOWA Office	\$50,000
Add-On (50/50)	May 8, 2020	SOWA Office	\$435,150
Grand Prize	May 8, 2020	SOWA Office	Grand prize: \$1,128,873 2 <sup>nd</sup> prize: \$50,000 3 <sup>rd</sup> prize: \$10,000 4 <sup>th</sup> to 10 <sup>th</sup> prize: \$5,000*

\*In addition to prizes noted above, there were an additional 3,243 prizes awarded, with prize values ranging from \$40 to \$600.

**Use of Proceeds:**

Net proceeds of \$2,531,627 from the Enhanced Raffle will benefit SOWA by supporting program activities.

**Regulatory Review:**

An agent from the Regulatory Unit conducted an inspection of the enhanced raffle. Prior to the inspection, he reviewed the approved enhanced raffle plan and reviewed the case reporting system for compliance history. No material findings were noted prior to the 2020 enhanced raffle. During the 2020 enhanced raffle the licensee failed to follow the approved ticket sales methods. Due to the violations, the licensee entered into a settlement agreement to resolve the matter.

The agent compared the enhanced raffle ticket sales to the bank statements and verified the money from all ticket sales was deposited. The agent noted 46,262 tickets were sold for the grand prize drawing and 61,154 tickets were sold for the Add-On 50/50 drawing. The agent contacted the top tier Grand Prize Drawing winner, Multi-Ticket Drawing winner, and the 50/50 Add-On prize winner. All winners contacted confirmed they received their prizes.

The agent noted the total grand prize amount awarded was \$1,128,873. In addition, the 50/50 Add-On prize awarded was \$435,150. No discrepancies in the calculation method of the grand prize or 50/50 Add-On prize were noted.

The agent reviewed the licensee's gambling records to verify accuracy and compliance with the WACs. He noted no discrepancies.

The agent confirmed that SOWA operated the enhanced raffle within the plan approved by the Commissioners with the exception of the settlement agreement mentioned above.

**Regulatory Actions:**

Besides the WSGC regulatory action mentioned above, there were no additional state or federal regulatory actions taken in relation to this enhanced raffle.



STATE OF WASHINGTON  
**GAMBLING COMMISSION**

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

July 16, 2021

**TO:**           **COMMISSIONERS**                           **EX OFFICIO MEMBERS**  
                  Bud Sizemore, Chair                           Senator Steve Conway  
                  Julia Patterson, Vice Chair                   Senator Jeff Holy  
                  Alicia Levy                                       Representative Brandon Vick  
                  Kristine Reeves                                 Representative Shelley Kloba

**FROM:**       Donna Khanhasa, Special Agent  
                  Licensing Unit

**SUBJECT:**   Special Olympics of Washington – 2021 Western Washington Enhanced Raffle  
                  Plan Request

Special Olympics of Washington (SOWA) is requesting your approval to conduct a “Dream House Raffle,” an enhanced raffle in Western Washington.

In the 2013 Legislative session, the Legislature passed Engrossed Substitute Senate Bill 5723 authorizing enhanced raffles. Washington Administrative Code (WAC) 230-03-152 states the commissioners may vote to approve a bona fide charitable or nonprofit organization whose primary purpose is serving individuals with intellectual disabilities to conduct enhanced raffles when they meet the requirements of the law and submit a plan as set out in the rule.

**Mission:**

SOWA’s mission is to provide year-around sports training and athletic competition in a variety of Olympic type sports for children and adults with intellectual disabilities, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in the sharing of gifts, skills and friendship with their families, other Special Olympics athletes and the community

**Programs and Clients Served:**

SOWA currently serves more than 19,500 athletes and has a support system of nearly 10,000 volunteers.

**Purpose for Conducting the Enhanced Raffle:**

To provide the necessary resources for the organization to enhance its programming and to grow its athlete base.

**Enhanced Raffle Details:**

Ticket costs: \$150 each, 3 for \$400, or 5 for \$550.

Add-on tickets are \$25 each, 3-pack for \$60, or 6-pack for \$100.

Drawing	Date	Location	Prizes Available
Early Bird 1	October 15, 2021	Western Washington – King County	Winner’s choice: Mercedes Sprinter Van Custom Conversion, Tesla Model S plus \$25,000 bonus cash or \$100,000 cash
Early Bird 2	November 12, 2021	Western Washington – King County	Winner’s choice: Ford F-150 Supercrew or \$50,000 cash
Grand Prize	December 3, 2021	Western Washington – King County	Grand Prize Dream House, \$4,000,000 annuity, or \$2,800,000 cash option. Other prizes include cash or merchandise.
Multi-Ticket	December 3, 2021	Western Washington – King County	Winner’s choice: Mercedes C 300 Coupe or \$50,000 cash.
Add-on Drawing	December 3, 2021	Western Washington – King County	\$100,000

**Security and Purchase of Prizes:**

All prizes will be purchased with the raffle revenue and awarded after each applicable drawing.

**Protection of the integrity of the raffle:**

SOWA will conduct an audit of ticket stubs prior to each drawing. The audit will be performed by the CEO who will use an Excel generated random list of tickets to audit. The tickets will be made up of the entire population of tickets sold, both active and voided. The sample size will be no less than 90 tickets. An employee of SOWA will draw all winning raffle tickets.

All ticket proceeds of the raffle, whether the tickets are sold in the SOWA office by SOWA designated staff or through the call center, will be deposited into a SOWA raffle account which is separate from the Organization’s general operating funds.

**Use of Proceeds:**

The proceeds will be used to further drive the vision of SOWA.

**Protection in the Event of Low Ticket Sales:**

The law requires that in the event SOWA determines the ticket sales are insufficient to qualify for a complete enhanced raffle to move forward, the enhanced raffle winner must receive fifty percent of the net proceeds in excess of expenses as the grand prize. The enhanced raffle winner will receive a choice between an annuity value equal to fifty percent of the net proceeds in excess of expense paid by annuity over twenty years, or a one-time cash payment of seventy percent of the annuity value. In no case will the grand prize be less than \$50,000. Unless, the raffle ticket sales fall at or below the breakeven amount of 19,488 tickets sold, and net proceeds in excess of expenses produce a negative value, Special Olympics Washington will consider refunding all purchases and cancelling the raffle due to insufficient sales of tickets or issuing a flat \$5,000 to the Grand Prize winner.

**Projected Budget:**

SOWA estimates the breakeven number of ticket sales to be 19,488. The net proceeds will depend upon the grand prize awarded. SOWA estimates net proceeds to be between \$0 and \$3,223,438 if a \$6,000,000 house is the grand prize.

**Dedicated Employee Responsible for Oversight of the Enhanced Raffle Operation:**

Mary Do, Chief Operating Officer of SOWA, will be overseeing the enhanced raffle operation.

**Licensed Service Supplier Managing the Enhanced Raffle:**

NZ Consulting, Inc., owned 100% by Neal Zeavy, is managing the enhanced raffle for SOWA.

**Licensed Call Center Contracted to Receive Enhanced Raffle Ticket Sales:**

Incept Corporation, owned 100% by Salvatore Falletta, will be the call center contracted to receive enhanced raffle tickets sales for SOWA.

Attachments (2)

# **Special Olympics Washington**



## **Special Olympics Washington Enhanced Raffle Plan 2021 “Special Olympics Washington Dream House Raffle”**

### **Purpose**

Special Olympics Washington (“SOWA” or “Special Olympics WA”) serves more than 19,500 participants across the state which is just a fraction of the nearly 180,000 individuals with intellectual disabilities in Washington State who are eligible for its programs.

As the organization navigates through the COVID-19 pandemic, one thing remains clear: Special Olympics Washington is a constant in the lives of its athletes. For individuals with intellectual disabilities in Washington, Special Olympics is often the only place where they can participate in physical activity, health education, and sports in their communities, as well as at a regional and state level. The need to continue these programs is more vital than ever.

Since the inception of the Special Olympics Washington Dream House Raffle in 2013, proceeds from the raffle have enabled the organization to unlock old financial constraints and open the door to new programs and serving more athletes across the state. With the funds earned from the Dream House Raffle, Special Olympics Washington can continue the journey of reaching into every corner of the state to make sure EVERYONE has the opportunity to be tested like champions!

### **About Special Olympics Washington**

Special Olympics Washington was incorporated in 1975 and is a 501(c)(3) organization in Washington State. The mission of Special Olympics is to provide year-round sports training and athletic competition in a variety of Olympic-type sports for children and adults with intellectual disabilities, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in the sharing of gifts, skills and friendship with their families, other Special Olympics athletes and the community. Special Olympics Washington currently serves more than 19,500 athletes and has a support system of more than 10,000 volunteers. The organization is part of Special Olympics International, which serves more than 6.7 million athletes and Unified Sports partners in more than 200 countries.

### **About Our Athletes**

Everybody is different. Special Olympics is for people who are different because they learn new skills slowly. They are different in other ways as well. They have an intellectual disability, or ID. Intellectual disabilities happen in all cultures, races and countries. The goal of Special Olympics Washington is to reach out to the nearly 180,000 people in Washington State with ID. Our 19,500 Special Olympics Washington athletes—ages 8 years old and up – the oldest of our athletes compete into their 70’s. We also have a Young Athletes program for children ages 2 to 7.

No matter the person's age or skill level, Special Olympics Washington has something for everyone with intellectual disabilities. We deliver high-quality, year-round competition and training opportunities in an inclusive culture that stresses athletic excellence, rewards determination, emphasizes health, brings together communities and celebrates personal achievement.

### **Empowering Leaders Beyond the Field of Play**

In addition to 23 Olympic-type sports offerings and 180+ local and state competitions, Special Olympics Washington also puts an emphasis on empowering our athletes off the playing field by providing opportunities through our Athlete Leadership Program, Unified Champions Schools and Inclusive Health Initiatives.

Athlete Leadership: Athletes are empowered to use their voices to assume meaningful leadership roles, influence change in the Special Olympics movement, and help create more accepting and inclusive communities.

Unified Champion Schools: Special Olympics Unified Champion Schools® builds on Special Olympics' values, principles, practices, experiences and impacts to shape a generation that welcomes everyone.

The Special Olympics Unified Champion Schools program is aimed at promoting social inclusion through intentionally planned and implemented activities affecting systems-wide change. With sports as the foundation, the three-component model offers a unique combination of effective activities that equip young people with tools and training to create sports, classroom and school climates of acceptance. These are school climates where students with disabilities feel welcome and are routinely included in, and feel a part of, all activities, opportunities, and functions.

Inclusive Health: Despite severe need and higher health risks, people with intellectual disabilities (ID) are often denied health services and die on average 16 years sooner than the general population.

Special Olympics Health, made possible by the Golisano Foundation, and in the United States in collaboration with the U.S. Centers for Disease Control and Prevention, is creating a world where people with intellectual disabilities have every opportunity to be healthy.

Inclusive health means people with ID are able to take full advantage of the same health programs and services available to people who do not have ID. Currently, people with ID face significant challenges in accessing quality health care and obtaining opportunities that promote fitness and wellness, resulting in pronounced health disparities and reduced life expectancy. Special Olympics' health programming focuses on improving the physical and social-emotional well-being of people with ID by increasing inclusion in health care, wellness and health systems for Special Olympics athletes and others with ID.

All of our programs and services are provided at no cost to our athletes, Unified Partners and/or their families, and are made possible through the Dream House Raffle, individual giving, special events, grants and corporate partnerships.



**SPECIAL OLYMPICS WASHINGTON**  
**Enhanced Raffle Rules**  
**2021**

Special Olympics Washington, a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code, is conducting this raffle pursuant to SB 5723, Washington Administrative Code 230-03-152, to raise funds for ongoing charitable purposes. The Rules and Regulations of the SOWA raffle are set forth below. By purchasing a raffle ticket, the purchaser agrees to be bound by these rules and regulations. SOWA's interpretation and application of the rules and regulations shall be final.

The Grand Prize Drawing for Special Olympics Washington Dream House Raffle will be held on Friday, December 3, 2021 at 2815 2nd Ave, Suite 370, Seattle, WA, 98121. All early bird drawings will be held at 2815 2nd Ave, Suite 370, Seattle, WA, 98121. Tickets will not be sold after November 19, 2021. Tickets may sell out before that time. An independent raffle auditor will supervise the drawing. The drawing for prizes may be open to the public, but the winner does not need to be present to win.

Only 75,000 tickets will be sold. The chances of winning are based on that number. If fewer tickets are sold, the chances of winning the Grand Prize and other prizes improve. The IRS has taken the position that amounts paid for chances in raffles, lotteries or similar drawings for valuable prizes are not gifts, and consequently do not qualify as deductible charitable contributions.

The Grand Prize Winner assumes all fees, local, state and federal taxes (including but not limited to income taxes based on the value of the prize). Likewise, there are federal taxes and there may be state and/or local tax consequences if the winner selects the alternate cash prize (See Prizes section below). These consequences may apply to other prizes as well. SOWA takes no responsibility for any tax liabilities. Consult your tax advisor. This offer is void where prohibited by law, and all federal, state and local laws and regulations apply.

By entering this raffle, entrants accept and agree (1) to be bound by all the rules, limitations and restrictions set forth here and (2) that their names and/or likenesses may be disclosed to and used by the news media and may otherwise be used by SOWA for publicity purposes and in lists of prize winners to be published in area newspapers and announced on the SOWA raffle website. SOWA will provide purchasers all raffle information as required by WAC 230-11-015. Other rules and regulations may apply. Please contact SOWA if you have questions. SOWA's interpretation and application of the rules and regulations shall be final.

By entering this raffle, each participant releases SOWA, its directors, officers, employees and agents from any and all liability for injuries, losses or damages of any kind caused by participating in the raffle or winning any prize or resulting from acceptance, possession, use or misuse of any prize, and each winner agrees to indemnify and hold SOWA harmless from any and all losses, damages, rights, claims and actions of any kind rising in connection with or as a result of participating in the raffle or the winner's acceptance or use of any prize.

Special Olympics Washington will provide a "Q&A" document that will be given to potential ticket purchasers and be prominently displayed on the Dream House Raffle website.

<https://pugetsoundraffle.com/faq>

**Tickets:**

Tickets are \$150 each, 3-pack for \$400, or 5-pack for \$550. Only one method of payment, one name, and one mailing address are permitted per ticket pack. Only one eligible person may be entered in the raffle per ticket sold. If the name of more than one person is submitted with a ticket purchase, and that ticket is selected as a winning ticket, then the person named first will be deemed the holder of record of that ticket and declared the winner regardless of who paid for the ticket. Division of prize by a group purchasing a ticket in common shall be to the sole responsibility of the person named as the holder of record of that ticket, should that ticket be selected as a winner.

Early ticket purchases will be included in up to three drawings. Tickets purchased by October 1, 2021, will be eligible for the Early Bird Drawing 1 (drawing date: October 15, 2021). Tickets purchased by October 29, 2021 will be eligible for the Early Bird Drawing 2 (drawing date: November 12, 2021). All such tickets, including all winning tickets from Early Bird drawings, will be included in applicable subsequent drawings as well as the Grand Prize drawing. Tickets purchased by November 19, 2021, will be eligible for the Grand Prize drawing (drawing date: December 3, 2021).

Raffle participants who purchase at least one raffle ticket are eligible to purchase an Add-On ticket in the Add-On drawing. Add-On tickets are one for \$25, 3-pack for \$60 or 6-pack for \$100. Rules for purchasing Add-On tickets are as follows:

Change from 2020: The prize for the Add-On drawing is \$100,000 cash. Add-On tickets must be ordered in conjunction with a raffle ticket. Add-On orders will not be accepted after the original raffle ticket order date. Only one method of payment and only one mailing address are permitted. An individual can purchase as many Add-On tickets as he or she may wish. There is no limit on the maximum number of Add-On tickets that may be sold.

SOWA reserves the right to reject any entry form that is submitted with payment that does not constitute "good funds." All defective or physically altered entry forms will be immediately disqualified by SOWA. Prior to the Grand Prize drawing, SOWA will make a reasonable effort to notify the individual and/or entity that submits such an entry form or one which has been rejected because the credit card or check did not clear that the entry has been rejected by attempting to make contact through the information provided at the time of submitting the purchase request. All orders for tickets for the Early Bird drawings must be received and/or purchased by the indicated deadline. Any orders received after these deadlines will be held for the subsequent drawings, if applicable and Grand Prize drawing. SOWA assumes no responsibility for lost, late, misdirected or non-delivered mail or fax messages, or any other failure to receive orders or deliver receipts prior to the drawing deadlines.

A raffle participant's sole and exclusive remedy for SOWA's breach shall be limited to the return of the purchase price paid for his or her raffle ticket(s). In no event shall SOWA, its directors, officers, employees, agents or representatives be liable to any party for any loss or injuries to earnings, profits or goodwill, or for any incidental, special, punitive or consequential damages of any person or entity whether arising in contract, tort or otherwise, even if advised of the possibility of such damages.

**How to Purchase:**

To purchase tickets: use the order form provided and fax the order form to Special Olympics Washington's fax machine: (206) 361-8158, or you may mail it to SOWA Dream House Raffle, 2815 2<sup>nd</sup> Avenue, Suite 370 Seattle, WA, 98121 or call 877-740-9633, providing your name, address, phone number along with your credit card number, credit card security code and expiration date.

Tickets cannot be purchased on the raffle website or by email. ***Any entry form submitted by email will be rejected.*** All entries must include payment by cash, check, money order or credit card in US dollars. SOWA reserves the right to reject any entry form that is submitted with payment that does not constitute "good funds." No refunds will be made except under the following circumstances: any ticket order with payment received after 75,000 tickets have been sold or after November 19, 2021, will be returned. No other refunds are available except in the exclusive discretion of SOWA. SOWA assumes no responsibility for lost, late, misdirected or non-delivered mail or fax messages, or any other failure to receive orders or deliver receipts prior to the drawing deadlines.

### **Selection of Winners:**

The Special Olympics Washington Dream House Raffle Grand Prize drawing will be held on December 3, 2021 from all eligible raffle tickets. Winners need not be present to win. SOWA will conduct the Early Bird drawings on October 15, 2021 (Early Bird Drawing 1) and November 12, 2021 (Early Bird Drawing 2). The Grand Prize drawing, Multi-Ticket drawing, and Add-On drawing will be held on Friday, December 3, 2021 at 2815 2<sup>nd</sup> Avenue, Suite 370, Seattle, WA, 98121. All Early Bird drawings will be held at 2815 2<sup>nd</sup> Avenue, Suite 370, Seattle, WA, 98121. Winners will be notified according to the contact information provided to SOWA at the time of ticket purchase. If the Grand Prize winner cannot be located by 5:00 p.m., December 17, 2021, after attempting to make contact through the information provided at the time of purchasing the ticket, such winner will be deemed to have elected the onetime cash alternate prize and another winner will not be selected for such prize. In addition to the list of winners posted on the SOWA raffle web site (PugetSoundRaffle.com), a list of winners may be obtained from SOWA or by sending a self-address, stamped envelope to Special Olympics Washington Dream House Raffle, 2815 2<sup>nd</sup> Avenue, Suite 370, Seattle, WA, 98121 within one week of the drawing.

In order to collect prizes valued greater than \$4,999, a ticket winner must sign and deliver to SOWA: (a) a sworn affidavit of eligibility in accordance with these Rules and applicable law, including without limitation that he or she is at least 18 years old; (b) such written information as is required by any applicable tax and/or real estate laws, including without limitation his or her Social Security Number; (c) proof of identity in forms satisfactory to the SOWA showing that the person claiming the prize is the same person who is named on the winning raffle ticket.; and (d) the winning ticket stub. Winners of prizes of \$5,000 or more may be required to submit a W-2G, Form 5754 or similar tax form (provided by SOWA) for tax withholding purposes.

### **Winning Odds:**

The odds of winning a prize will depend on the number of tickets sold. If all 75,000 tickets are sold the odds of winning the Grand Prize is 1 in 75,000. If fewer tickets are sold, the chance of winning the Grand Prize, Early Bird Prizes and all secondary prizes improves. The odds to win a prize are no less than 1 in 20.

### **Eligibility:**

Anyone 18 years of age or older may enter. SOWA employees, members of the Board of Directors, authorized agents and employees thereof, consultants, attorneys, independent accountant firm, and their spouses and children living in the same household are excluded from participating and are not eligible to win a prize. All federal, state, and local laws and regulations apply. The raffle is void where prohibited or restricted by law. An affidavit of eligibility may be required from prize winners.

### **Prizes:**

The Grand Prize is the home located within the Puget Sound area of Washington, and a detailed description will be referred to in all raffle materials. Alternatively, the Grand Prize winner may elect to receive an annuity of \$4,000,000 paid over 20 years or a one-time \$2,800,000 cash payment

(except as stated below) based on 75,000 tickets sold. The Grand Prize winner must make an election in writing between the house, the annuity, or the one-time cash payment no later than 5:00 p.m. December 17, 2021.

In the event of circumstances outside of the control of SOWA such as but not limited to: fire, earthquake, foreclosure and as determined by SOWA, the Grand Prize winner will instead have no election as stated above and will instead have an election between an annuity of \$4,000,000 paid over 20 years or a onetime \$2,800,000 cash payment (except as stated below).

**A minimum of 72,000 tickets must be sold by November 19, 2021 for the Grand Prize Winner to have a choice of the House, the annuity of \$4,000,000 paid over 20 years, or a onetime \$2,800,000 cash payment alternate prize. If fewer than 72,000 tickets are sold by November 19, 2021, the raffle will be held as scheduled, and prizes will be awarded as advertised with the exception that the Grand Prize Winner will receive a choice between sum equal to 50% of the Net Raffle Proceeds paid as an annuity over 20 years, not to exceed \$4,000,000 or a one-time cash payment of 70% of the annuity value, not to exceed \$2,800,000. Net Raffle Proceeds will be calculated based on SOWA accounting, which shall be final and conclusive with respect to the Grand Prize Winner.**

For these purposes "Net Raffle Proceeds" are defined as the balance of funds left after paying all other prizes, all raffle expenses and all expenses for the House. SOWA will estimate the final prize ("Estimate Prize") just prior to the Grand Prize drawing so as to award 90% of the estimated prize payment. No later than 120 days from the drawing date, SOWA will verify that all expenses have been accounted for and a final Net amount will be calculated ("Actual Prize"). SOWA will issue a final check to the Grand Prize winner based on the difference between the Actual Prize and the Estimated Prize payment along with an updated W-2G.

All vehicles come base model factory equipped and winner(s) are also solely responsible for any and all state or local license, title, registration, cost differential between the value of the car and the cash alternate prize, taxes, or fees associated with the vehicle, as well as insurance (proof of which must be shown prior to delivery) and pickup or delivery costs at the dealership as well as any non-standard options chosen by the winner and negotiated with the dealership. All winners of vehicles must make an election in writing between the vehicle and the alternative cash payment no later than 5:00 p.m. on the fifth business day after the drawing. All contracted vehicles are subject to availability at the automobile dealer selected by SOWA and may be substituted with a comparable vehicle by SOWA or with the cash alternate prize.

Vacation travel prizes are for two economy round trip tickets from any continental US airport to the destination city and for one double occupancy standard hotel room in the destination city unless otherwise noted on the raffle website. Please note that some vacation travel is for land only and does not include airfare. All vacation and travel prizes are subject to space and availability. All gratuities, taxes and fees are the responsibility of the winner. Winners of travel related prizes must comply with all applicable requirements and restrictions related to said prizes including without limitation applicable travel dates, age restrictions, liability waivers, travel documentation and reservation and confirmation procedures. All contracted vacations are subject to availability and may be substituted with a comparable vacation prize or with a cash alternate prize. Travel may be dependent on pandemic/covid travel restrictions. Winners of travel related prizes may opt to take a cash prize in lieu of travel prize.

All unclaimed prizes will be returned to Special Olympics Washington 60 days after the Grand Prize drawing date.

**Early Bird Drawings:**

Early Bird Drawing 1

Winner's choice between a Mercedes Sprinter Van Custom Conversion, a Tesla Model S plus \$25,000 bonus cash or \$100,000 cash\*

Early Bird Drawing 2

Winner's choice between a vehicle Ford F-150 Supercrew or \$50,000\*

**Grand Prize Drawing:**

Grand Prize: The \$6,000,000 Dream House or \$4,000,000 annuity or \$2,800,000 cash option\*

2nd Prize: Winner's choice between a vacation South Africa (10 Days/9 Nights) or \$10,000 cash\*

3rd Prize: Vacation to Greece (5 Days/4 Nights) or \$5,000 cash\*

4th Prize: Vacation to Bali, Indonesia (8 Days/7 Nights) or \$5,000 cash\*

5th Prize: Winner's choice between a vacation to Rome &amp; Florence (7 Days/6 Nights) or \$5,000 cash\*

6th Prize: Vacation to the Maldives (7 Days/6 Nights) or \$5,000 cash\*

7th Prize: Vacation to Hong Kong &amp; Singapore (6 Days/5 Nights) or \$5,000 cash\*

8th Prize: Vacation to the Virgin Islands (7 Days/6 Nights) or \$5,000 cash\*

9th Prize: Vacation to Germany (8 Days/7 Nights) or \$5,000 cash\*

10th Prize: Vacation Prague (7 Days/6 Nights) or \$5,000\*

Prizes 11-3250

200 Blackfire Heavy Duty Multi Tool

275 Blackfire Clamplight Lantern

225 Blackfire Wireles Speaker with Magnet

125 SLIDE Smart Watch + Sport True Wireless Headphones

110 Capresso 4-cup Espresso &amp; Cappuccino Machine

105 BioLite HeadLamp 330 Ocean Teal

120 Homedics Weighted Gel Heating Pad w/ Cold Therapy

95 JBL Clip 4 Ultra-Portable Waterproof Speaker Black

55 Bushnell 10x25 H2O Binocular

50 myCharge Adventure H2O Turbo 20050mAh Rechargeable Power Bank

75 High Sierra Endeavor Elite 2.0

60 Bissell MyAir Personal Air Purifier

80 Homedics Pro Series I Percussion Massager

50 Nuvelon One Noise Canceling Headphones

4 Apple HomePod Mini White

12 Blomus ANI Lamp 3 in 1 Rechargeable LED

10 Marshall Emberton Portable Bluetooth Speaker in Black

10 Zwilling J.A. Henckels Gourmet 14pc Knife Block Set

8 Aura Mason Digital Picture Frame - Graphite

5 Solo Stove Ranger + Stand

4 GoPro HERO9 Complete Sports Bundle

3 Samsung 7.1.2Ch Q-Series Soundbar &amp; Wireless Subwoofer w/ Dolby Atmos/DTS:X

1559 Spa &amp; Wellness Gift Cards

\*Except as stated above

**Bonus Drawing:**Multi-Ticket Drawing

Prize: Mercedes C 300 Coupe or \$50,000 cash

Any individual who buys three or more tickets will be entered into the Multi-Ticket drawing, subject to the following: to be eligible entrants must purchase three or more tickets during the

same purchase, using one method of payment, using the same name on each ticket, and the same mailing address for each eligible ticket. For each eligible ticket purchased, a corresponding eligible ticket will be added into the Multi-Ticket drawing. Three tickets purchased will have three tickets entered into the Multi-Ticket drawing. Four tickets purchased will have four tickets entered into the Multi-Ticket drawing, etc. Multiple tickets purchased at the same time are eligible for discounts. Multiple tickets can be purchased individually or a 3-pack for \$400, or 5-pack for \$550.

**Add-On Drawing:**

Prize: \$100,000

Raffle participants who purchase at least one raffle ticket are eligible to purchase an Add-On ticket in the Add-On drawing. Add-On tickets are one for \$25, 3-pack for \$60 or 6-pack for \$100.

Rules for purchasing Add-On tickets are as follows:

The prize for Add-On is \$100,000 cash. Add-On tickets must be ordered in conjunction with a raffle ticket. Add-On orders will not be accepted after the original raffle ticket order date. Only one method of payment and only one mailing address are permitted. An individual can purchase as many Add-On tickets as he or she may wish. There is no limit on the maximum number of Add-On tickets that may be sold.

**General Terms and Conditions:**

No express warranties are given and no affirmation of SOWA by words and/or actions will constitute a warranty. The House, if selected, will be transferred to the Grand Prize Winner "as is, where is, and with all faults." SOWA does not provide any guarantee or warranty, expressed or implied, in connection with the House and accepts no liability or responsibility regarding the construction or condition of the House. SOWA does not warrant that the house is of mercantile quality or that it can be used for any particular purpose. No express warranties are given and no affirmation of SOWA by words and/or actions will constitute a warranty.

At the time of closing, all federal and state income taxes based on the value of the House will be due from the Grand Prize winner. If the Grand Prize winner selects the annuity or the one-time cash payment as well as winners of Early Bird prizes, Multi-Ticket prize, Add-On prize, and secondary prizes of \$5,000 or more, all appropriate and required federal and state taxes will be withheld by SOWA in accordance with federal and state law and SOWA will remit the balance of the cash prizes to the winners. SOWA makes no guarantee that the Grand Prize Winner will be able to sell the House for the value of \$6,000,000 nor is there any guarantee that the Internal Revenue Service (IRS) will accept that value of the house for the purpose of determining any income tax that may be due from the winner. SOWA takes no responsibility for any tax liabilities. Consult your tax advisor.

Any controversy or claim arising out of or relating to the contract, or the breach thereof, shall be settled by binding arbitration administered by the American Arbitration Association (pursuant to its expedited procedures) under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

**c(i) Dates of raffle and drawing:**

August 16 – Start date

October 15 – Early Bird 1 drawing

November 12 – Early Bird 2 drawing

November 19 – Grand Prize deadline

December 3 – Grand Prize drawing, Multi-Ticket drawing and Add-On drawing

**c(ii) Cost of raffle ticket:**

Tickets are \$150 each, or 3-tickets for \$400, or 5 tickets for \$550  
Add-On Tickets are 1 for \$25, 3-pack for \$60 or 6-pack for \$100

**c(iii) Prizes available:**

Early Bird Drawing 1

Winner's choice between a Mercedes Sprinter Van Custom Conversion, a Tesla Model S plus \$25,000 bonus cash or \$100,000 cash\*

Early Bird Drawing 2

Winner's choice between a vehicle Ford F-150 Supercrew or \$50,000\*

Grand Prize: The \$6,000,000 Dream House or \$4,000,000 annuity or \$2,800,000 cash option\*

2nd Prize: Winner's choice between a vacation South Africa (10 Days/9 Nights) or \$10,000 cash \*

3rd Prize: Vacation to Greece (5 Days/4 Nights) or \$5,000 cash\*

4th Prize: Vacation to Bali, Indonesia (8 Days/7 Nights) or \$5,000 cash\*

5th Prize: Winner's choice between a vacation to Rome & Florence (7 Days/6 Nights) or \$5,000 cash\*

6th Prize: Vacation to the Maldives (7 Days/6 Nights) or \$5,000 cash\*

7th Prize: Vacation to Hong Kong & Singapore (6 Days/5 Nights) or \$5,000 cash\*

8th Prize: Vacation to the Virgin Islands (7 Days/6 Nights) or \$5,000 cash\*

9th Prize: Vacation to Germany (8 Days/7 Nights) or \$5,000 cash\*

10th Prize: Vacation Prague (7 Days/6 Nights) or \$5,000\*

Prizes 11-3250

200 Blackfire Heavy Duty Multi Tool

275 Blackfire Clamplight Lantern

225 Blackfire Wireles Speaker with Magnet

125 SLIDE Smart Watch + Sport True Wireless Headphones

110 Capresso 4-cup Espresso & Cappuccino Machine

105 BioLite HeadLamp 330 Ocean Teal

120 Homedics Weighted Gel Heating Pad w/ Cold Therapy

95 JBL Clip 4 Ultra-Portable Waterproof Speaker Black

55 Bushnell 10x25 H2O Binocular

50 myCharge Adventure H2O Turbo 20050mAh Rechargeable Power Bank

75 High Sierra Endeavor Elite 2.0

60 Bissell MyAir Personal Air Purifier

80 Homedics Pro Series I Percussion Massager

50 Nuvelon One Noise Canceling Headphones

4 Apple HomePod Mini White

12 Blomus ANI Lamp 3 in 1 Rechargeable LED

10 Marshall Emberton Portable Bluetooth Speaker in Black

10 Zwilling J.A. Henckels Gourmet 14pc Knife Block Set

8 Aura Mason Digital Picture Frame - Graphite

5 Solo Stove Ranger + Stand

4 GoPro HERO9 Complete Sports Bundle

3 Samsung 7.1.2Ch Q-Series Soundbar & Wireless Subwoofer w/ Dolby Atmos/DTS:X

1559 Spa & Wellness Gift Cards

\*Except as stated above

Multi-Ticket Drawing

Mercedes C 300 Coupe or \$50,000 cash

Add-On Drawing  
Prize: \$100,000

**c(iv) Security of prizes:**

Prizes including cash, vacations, and cars, which will be purchased and awarded after each applicable drawing with raffle revenue, thus prizes don't need to be protected since they are not being purchased prior to the raffle drawing.

**c(v) Plans for selling raffle tickets:**

Raffle tickets will be sold via phone, fax, mail, and in person.

Please refer to the Raffle Ticket Process document attachment (**Attachment A**)

**c(vi) Description of how the integrity of the raffle will be protected:**

Special Olympics WA will conduct an audit of ticket stubs prior to each drawing. The audit will be performed by the CEO who will use an Excel generated random list of tickets to audit. The tickets will be made up of the entire population of tickets sold, both active and voided. The sample size will be no less than 90 tickets.

All ticket purchase proceeds of the raffle, whether the tickets are sold in the SOWA office by SOWA designated staff or through the call center, will be deposited into a Special Olympics WA raffle account which is separate from the Organization's general operating funds. An employee of Special Olympics WA will draw all winning raffle tickets.

**d) Explanation of how the proceeds from the raffle will be used:**

Funds will be used to further drive the vision of Special Olympics Washington as described on page 1 of this document.

**e) Plan to protect the licensee in the event of low ticket sales and other risks:**

In the event that Special Olympics Washington determines ticket sales are insufficient to qualify for a complete enhanced raffle to move forward, the enhanced raffle winner must receive fifty percent of the net proceeds in excess of expenses as the Grand Prize. The enhanced raffle winner will receive a choice between an annuity value equal to 50% of the net proceeds in excess of expense paid by annuity over 20 years, or a one-time cash payment of 70% of the annuity value. In no case will the Grand Prize be less than \$50,000. Unless, the raffle ticket sales fall at or below the breakeven amount of 19,488 tickets sold, and net proceeds in excess of expenses produce a negative value, Special Olympics Washington will consider refunding all purchases and cancelling the raffle due to insufficient sales of tickets or issuing a flat \$5,000 to the Grand Prize winner.

**f) Explanation of how the prize(s) will be purchased for the raffle:**

Cash prizes are offered from the sale of raffle tickets. Non-cash prizes, such as vacations and cars will be purchased if the winner chooses such prize in lieu of cash.

**g) Projected budget includes the following – (**Attachment B**):**

- i. Estimated gross gambling receipts, expenses, and net income for the raffle
- ii. Corresponding sales and prize levels with projected revenues and expenses for each level.
- iii. Minimum and maximum prizes available.

**h)** SOWA's dedicated employee is Mary Do.

**i)** NZ Consulting Inc. will be the licensed service supplier.

**j)** Incept will be our licensed call center.

**k)** Raffle Ticket Process Document (**Attachment A**)



**SPECIAL OLYMPICS WA**

WSGC Ticket Sales

2021

	<b>Breakeven</b>	<b>Annuity \$300k/Lump Sum \$210k GP</b>	<b>\$4M Annuity or \$2.8M Lump sum GP</b>	<b>House GP</b>
Total # of Tickets	19,488	25,311	72,000	72,000
Average Price/ticket	\$ 130	\$ 130	\$ 130	\$ 130
<b>GROSS SALES</b>	<b>2,533,440</b>	<b>3,290,430</b>	<b>9,360,000</b>	<b>9,360,000</b>
<b>Expenses:</b>				
Advertising	717,086	717,086	717,086	717,086
Professional Fees	459,304	503,948	1,235,502	1,235,502
Postage	621,537	621,537	621,537	621,537
Personnel	84,002	84,002	84,002	84,002
Sales Expense	85,398	85,398	85,398	85,398
Prize Expense	499,545	499,545	499,545	499,545
Regulatory Expense	16,567	19,822	43,491	43,491
<b>TOTAL EXPENSE</b>	<b>2,483,440</b>	<b>2,531,339</b>	<b>3,286,562</b>	<b>3,286,562</b>
<b>NET INCOME BEFORE GP</b>	<b>50,000</b>	<b>759,091</b>	<b>6,073,438</b>	<b>6,073,438</b>
Grand Prize - Annuity	N/A	379,546	4,000,000	N/A
Grand Prize - Lump Sum	50,000	265,682	2,800,000	N/A
Net to SOWA - Lump Sum Pymt	(0)	493,409	3,273,438	N/A
Net to SOWA - Annuity	N/A	455,455	2,873,438	N/A
Grand Prize - House	N/A	N/A	N/A	6,000,000
Net to SOWA - House Option	N/A	N/A	N/A	73,438



# 2021 Session Recap: Law Enforcement Bills

August 12, 2021

Tommy Oakes, Professional Standards and Training Supervisor

# Agency Law Enforcement Staff

- We have approximately 60 commissioned law enforcement officers
- All agents go through the basic or equivalency law enforcement academy training.
- Accreditation- WSGC has been a fully accredited (through WASPC) LE Agency since 2014

# 2021 Session Recap

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- Law Enforcement Reform
- Approximately 20+ Bills filed
- 10 Bills signed into law that can or will affect WSGC
- Most went into effect July 25, 2021 unless otherwise noted

# House Bills that Passed

HB 1054 – Tactics

HB 1088 – Potential Impeachment Disclosures

HB 1089 – Audits of Independent Investigations

HB 1223 – Electronic Recordation of Custodial Interrogations (*effective 01-01-22*)

HB 1140 – Juvenile Access to Attorneys (*effective 01-01-22*)

HB 1267 – Office of Independent Investigations

HB 1310 – Use of Force

# Senate Bills that Passed

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SB 5051 – Decertification (*No impact on WSGC [yet]*)

SB 5066 – Duty to Intervene

SB 5259 – Law Enforcement Data Collection

# HB 1310, Use of Force

- Modifies authorization for use of physical force: must now have probable cause for an arrest, stop an escape, or protect against imminent bodily injury;
- Use of force requires the least amount of physical force necessary to overcome resistance under the circumstances;
- Law enforcement must exhaust available and appropriate de-escalation tactics prior to using any physical force;
- Requires the Attorney General to, by July 1, 2022, develop and publish a model policy on law enforcement use of force and de-escalation tactics consistent with the bill.

*Changes Deadly Force standard- Continued on next slide*

# HB 1310, Use of Force - Deadly Force Standard

A peace officer may use deadly force against another person only when necessary to protect against an imminent threat of serious physical injury or death to the officer or another person.

*"Imminent threat of serious physical injury or death"* means that, based on the totality of the circumstances, it is objectively reasonable to believe that a person has the present and apparent ability, opportunity, and intent to immediately cause death or serious bodily injury to the peace officer or another person.

*"Necessary"* means that, under the totality of the circumstances, a reasonably effective alternative to the use of deadly force does not exist, and that the amount of force used was a reasonable and proportional response to the threat posed to the officer and others.

The bill also requires agencies to issue less lethal alternatives to the officer for their use.



# Agency's Implementation of HB 1310

## **Policy**

- Updated Policy as of July 25, 2021, agents are required to carry OC.
- Added baton and OC into policy as a requirement.

## **Equipment**

- Purchasing batons for optional carry instead of OC

## **Training**

- Implementing a baton training program (approximately 8 hours per agent).
- After baton training, agents will have a choice of carrying a baton or OC
- Agents must carry one of the above options

# HB 1223, Recording of Custodial Interrogations

- Felony custodial interrogation of an adult or any interrogation of a juvenile must be electronically recorded.
- Must be audio and video if the custodial interrogation takes place at a jail, police or sheriff's station, back of patrol car, holding cell, or correctional or detention facility.
- Must at least be audio for every other situation.
- Sets requirements and standards for agency policies
- Takes effect on Jan. 1, 2022

# Agency's Implementation of HB 1223

## **Policy**

- Policy changes on interrogations and keep recordings.

## **Equipment**

- Purchasing voice recorders for all special agents.
- Evaluating the need for audio and video recording equipment in the agency's interview rooms.

## **Training**

- Additional training on interrogations and securing recordings (evidence).
- Using all resources available to them (such as police stations) to record.

# HB 1054, Tactics & Equipment

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- Prohibits the use of certain techniques, equipment, and K9s in certain situations
- Prohibits “no knock” warrants
  - No impact because we do not use them
- Requires uniforms to have name tags

# Agency's Implementation of HB 1054

## **Policy**

- Agents will be required to wear name tag and a badge on vest during direct law enforcement activities (such as search warrants or arrests).
- Changing that Chokeholds and Vascular Neck Restraints were previously considered deadly force applications. Policy is changed to reflect that it cannot be used in any circumstances.

## **Equipment**

- Purchasing name tags and cloth badges.
- Agents only wear their vests when doing directed law enforcement activities

## **Training**

- Train to the new policy standard

# SB 5051, Decertification

- Addresses CJTC's ability to certify law enforcement officers
- Establishes criteria for mandatory and discretionary de-certification
- Clarifies/Grants CJTC authority to:
  - suspend certification of a peace officer or corrections officer
  - require remedial training for a peace officer or corrections officer
  - to receive complaints from any person
  - to conduct investigations into allegations of improper conduct
  - to issue public recommendations regarding law enforcement agencies' policies or practices
- Expands requirements relating to pre-hire background checks for law enforcement and corrections officers
- Requires CJTC to maintain a public database on its actions against officers
- Prohibits law enforcement agencies from considering an applicant unless they authorize access to previous law enforcement personnel records
- Authorizes CJTC to have sole authority to provide basic law enforcement training

# Agency's Implementation of SB 5051

- Does not directly apply to limited law enforcement agencies.
- However, CJTC is requesting information from WSGC and other limited LEAs for a report to Legislature later this year
- CJTC will make recommendations to Legislature and monitoring situation to see if there is a determination to bring WSGC and other limited LEAs into the full certification process

# HB 1088, Potential Impeachment Disclosures

- “Brady” disclosure bill or Potential Impeachment Disclosure (PID)
- Requires all county prosecutors to implement a written protocol for disclosures by July 1, 2022
- These policies must address:
  - The types of conduct that must be disclosed
  - How Brady/PID disclosure information should be shared and maintained
  - What circumstances an officer may be removed from the Brady/PID list.

## **Policy and Training**

- WSGC updating polices to reflect new statutory language



# SB 5066, Duty to Intervene

- Requires any on duty identifiable general authority Washington law enforcement officer to intervene if another officer is using excessive force.
- Requires CJTC to develop a written model policy by December 1, 2021
- Requires all law enforcement agencies to adopt and implement a written duty to intervene policy by June 1, 2022
- Requires CJTC to incorporate duty to intervene training into the basic law enforcement academy by January 31, 2022

# Agency's Implementation of SB 5066

## **Policy**

- Policy changes to reflect the law. We currently had a policy but had to update it to include the new language. Requires CJTC to develop a written model policy by December 1, 2021

## **Equipment**

- No additional equipment needed

## **Training**

- Expanding the training we are already doing.

# HB 1140, Juvenile Access to Attorneys

- Requires that a law enforcement officer provide a juvenile (under the age of 18) with access to an attorney for consultation prior to a juvenile waiving any constitutional rights if the officer.
- Takes effect on January 1, 2022

## **Policy**

- Minor policy changes needed by WSGC because do not contact juveniles very often

## **Equipment**

- None needed

## **Training**

- Minor training on contacting a juvenile as a suspect (rare occurrence)

# HB 1267, Office of Independent Investigations

- Created the Office of Independent Investigations, a limited law enforcement agency.
- The Office of Independent Investigations is authorized to review and investigate incidents where deadly force is used.
- Authority begins on July 1, 2022

*No Changes to WSGC Policy or Training*

# HB 1089, Independent Investigation Audits

- State Auditor required to conduct a compliance audit for any deadly force investigation
- Audit is conducted with help from CJTC
- CJTC can request SAO to audit any law enforcement agency to ensure the agency is in compliance with all rules and procedures governing the training and certification of the agency's law enforcement officers

*No Changes to WSGC Policy or Training*

# SB 5259, Data Collection

- Requires the Attorney General to contract with a college or university to establish and administer a Washington law enforcement use of force reporting system
- Establishes requirements for use of force reporting
- Authorizes the Attorney General to include additional reporting requirements for this program
- Requires all Washington law enforcement agencies to report to the program

*Minor procedure changes needed by WSGC- How we collect information*

# Overall Impact to Agency

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## **Policy**

- 5 policies changed and more in the future before Jan 1.

## **Equipment**

- Approximately 15,000 for equipment

## **Training**

- \$4,000 for Instructor Training
- Approximately 12 hours per agent



# Questions?

Tommy Oakes, Professional Standards and  
Training Supervisor







## Rule Petition to Adopt

Rules for manufacturers selling pull-tabs to distributors.

August 2021 – Commission Review

July 2021 – Commission Review

May 2021 – Rule-Making Petition Received

### Tab 4: AUGUST 2021 Commission Meeting Agenda

Statutory Authority 9.46.070

#### Who Proposed the Rule Change?

Walter Antoncich, a licensed pull-tab distributor, from Lake Forest Park, Washington

#### Background

**BOLD = Changes made after July 2021 Commission Meeting.**

**This petition was heard at the July 2021 Commission Meeting. Commissioners continued final decision on this petition until the August 12, 2021 public meeting to afford Commissioners additional time to review this issue and also allow staff time to provide additional information on manufacturers and distributors in the pull-tab industry.**

Walter Antoncich, of Lake Forest Park, Washington, is proposing to adopt a rule to require all manufacturers to sell to all licensed distributors on an equal basis under a fixed set of rules, similar to what previously existed in WAC 230-12-330, Availability of gambling equipment and related products and services – Prices – Contracts – Discounts – Restrictions – Exceptions., which was repealed by the agency in 2005.

The petitioner feels this change is needed because the near total dominance of one manufacturer has created a situation where that manufacturer can essentially eliminate distributors at will. The petitioner feels that the lack of competition will ultimately have a tremendous ripple effect with significant loss of revenue to local jurisdictions and that smaller operations at both the distributor and operator level have been severely impacted and will continue to be beyond repair.

The petitioner feels the effect of this rule change would help ensure a competitive balance that would ensure a healthy industry benefiting all parties. The petitioner feels there would be very little additional work on behalf of the agency as they would only need to investigate if a complaint was made.

Attachments:

- Petition
- Email Correspondence
- WAC 230-12-330
- Stakeholder Feedback
- **Informal Opinion from the Assistant Attorney General (2014)**
- **Petitioner's Presentation (July 2021)**
- **Information Requested by Commissioners**

## History of Rule

The Gambling Commission first adopted a rule in 1973 to address credit, pricing, and sales between manufacturers and distributors: **WAC 230-12-200, Prohibited practices – Contracts – Gifts – Rebates, etc.** This rule was amended in 1977 to require that all services and gambling related equipment be available to all licensees without discrimination. In 1997, the rule was repealed and replaced with a number of rules addressing credit and pricing restrictions, including **WAC 230-12-330, Availability of gambling equipment and related products and services – Prices – Contracts – Discounts – Restrictions – Exceptions**, which required manufacturers and distributors to make their products and services available to all licensees without discrimination and prohibited discriminatory pricing.

### 2005 Repeal of Rules

WAC 230-12-330, and several other rules were repealed or amended to no longer require manufacturers and distributors to offer their products and services to all licensees without discrimination and remove credit and pricing restrictions between manufacturers and distributors following several public meetings regarding the Gambling Commission's role in market competition and an approved budget reduction for the 2005-07 biennium.

In 2005, the Commission considered, and eventually did, repeal WAC 230-12-330 because:

- 1) The Commission's role is to regulate gambling, and not to control market competition,
- 2) There are other legal remedies that could be pursued other than rely on Commission rules, such as anti-trust laws, and
- 3) Removing credit and pricing restrictions between manufacturers and distributors also supported budget reductions that were made at the time.

Numerous manufacturers and distributors opposed the repeal of rules requiring the sale of products to all licensees and credit and discriminatory pricing rules because of concerns over market instability, lack of control in the marketplace, and adverse impacts on small manufacturers and distributors. Small businesses stated they would not be able to compete with larger businesses and would be forced out of business.

Jerry Ackerman, Senior Assistant Attorney General made comments at the September 2005 public meeting that the Gambling Commission exists by statute to make sure that gambling is honest and legal. It does not exist to level playing fields or to control commercial competition. Mr. Ackerman suggested that if the Gambling Commission can no longer identify a regulatory purpose for these rules, then these rules no longer fit within the Gambling Commission's statutory authority. On the other hand, if they are deemed to be necessary and right for the effective regulation of gambling, then he believed they were within the Gambling Commission's authority.

### 2006/2007 Petitions to Reinstate Credit and Discriminatory Pricing Rules

In 2006 and 2007, the Gambling Commission received, and denied, petitions to reinstate the credit and discriminatory pricing rules. The Commission's reasoning for denial, in part, was:

- 1) Regulating business relationships between distributors and manufacturers is generally outside the Commission's mission, and
- 2) There are other legal remedies that the petitioner could pursue other than rely on Commission rules, such as anti-trust laws.

### 2009 Investigative Report

Staff reported to the agency's Commissioners on five complaints made between 2005 and 2008. Each was found to have a legitimate business reason for manufacturers not selling to distributors.

## 2011 Petition to Reinstate Credit and Discriminatory Pricing Rules

In 2011, the Gambling Commission received, and denied, a petition to reinstate a rule requiring manufacturers to make their products and services available to all distributors without discrimination. The Commissioners denied the petition because:

- 1) Regulating lawful business relationships between distributors and manufacturers is generally outside the Commission's mission,
- 2) There are other legal remedies that the petitioner could pursue other than rely on Commission rules, such as anti-trust laws,
- 3) Before repealing the credit rules in 2005, the Commissioners carefully considered all arguments for three months, and had given them due consideration, and
- 4) The Commission denied two previous petitions (2006 and 2007) to reinstate discriminatory practices.

### **Policy Considerations**

#### Consistency with Past Decisions

Commission staff believe that regulating lawful business practices between licensees continues to be outside the scope of the Gambling Commission's mission to keep gambling legal and honest. A different outcome with this petition would be a change of direction since 2005 and require the agency to determine how we would incorporate this into our mission.

#### Agency Resource Impact

Work on rules to implement the policy being requested by the petitioner would require the agency to devote a lot of resources to the development of rules. Additionally, adoption of a rule such as WAC 230-12-330 would add to the workload of the agency and its agents because we would need to regulate the sales, services, pricing schedule, and credit terms between licensees. This would require the agency to evaluate what additional FTEs are needed for this work and if current licensing fees can support any staffing changes that might be needed. Currently, it would likely require at least the equivalent of 0.5 FTE devoted to enforcement. However, staff would need to go through a full analysis should the petition be accepted.

#### Current Licensees

There are five licensed pull-tab/punchboard manufacturers and ten licensed pull-tab/punchboard distributors.

### **Information Requested by Commissioners**

**At the July 8, 2021 public meeting, Commissioners continued their final decision to their August 12, 2021 public meeting and asked Commission staff to provide additional information related to the pull-tab manufacturer and distributor market in our state.**

### **Staff Recommendation**

Under the requirements of the Administrative Procedure Act, the Commission must take action on a petition within 60 days of receiving it. Your options are:

- 1) Initiate rule-making proceedings by filing the rule as proposed for further discussion; or
- 2) Deny the petition in writing, a) stating the reasons for denial and specifically address the concerns stated in the petition, or b) where appropriate, indicate alternative means by which the agency will address the concerns raised in the petition.

Staff recommends 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.

**This recommendation is unchanged from the previous meeting. Staff does not believe the agency can reinstate rules as requested by the petitioner because there is insufficient evidence to contradict the legal direction given by the agency's assistant attorney general in 2014.**

## Laydon, Ashlie (GMB)

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**From:** dan.heisel@watech.wa.gov on behalf of WSGC Web <no.reply@wsgc.wa.gov>  
**Sent:** Monday, April 19, 2021 7:44 PM  
**To:** Rules Coordinator (GMB)  
**Subject:** Request a Rule Change Submission from wsgc.wa.gov

External Email

Submitted on Monday, April 19, 2021 - 7:44pm Submitted by anonymous user: 67.170.16.253 Submitted values are:

Petitioner's Name: Walter Antoncich  
Mailing Address: 18559 35th ave n.e.  
City: Lake Forest Park  
State: Wa  
Zip Code: 98155  
Phone: 2067959293  
Email: waltantoncich@comcast.net

Rule Petition Type: New Rule – I am requesting WSGC to adopt a new rule.

==New Rule – I am requesting WSGC to adopt a new rule.==

Subject or purpose of the rule: To require all manufacturers to sell to all licensed distributors on an equal basis with a fixed set of rules.

The rule is needed because: The near total dominance of one manufacturer has created a situation where they can essentially eliminate distributors at will . The lack of competition will ultimately have a tremendous ripple effect with significant lost revenue to cities and counties. Smaller operations on both the operator and distributor level have already been severely impacted and will continue to be harmed beyond repair.

The effect of this rule change will be: A competitive balance will help ensure a competitive balance which will ensure a healthy industry which will benefit all parties. There would be very little extra work for WSGC as they would only need to investigate when a complaint was issued

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.wsgc.wa.gov%2Fnode%2F18%2Fsubmission%2F2363&data=04%7C01%7Crules.coordinator%40wsgc.wa.gov%7C3d7e672fd5924393c02508d903a63351%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C637544834654236914%7CUnknown%7CTWFpbGZsb3d8eyJWljoIMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Iik1haWwiLCJXVCi6Mn0%3D%7C1000&odata=RpX5NgL%2B7acVAmnTdaTWxOsWmoHoyP8pnImTtxAc4r8%3D&reserved=0>

**From:** [Khanhasa, Donna \(GMB\)](#)  
**To:** [Tri-Focus Antoncich](#)  
**Cc:** [Deckert, Angela \(GMB\)](#)  
**Subject:** RE: Arrow International, Inc. decision to stop selling product to Tri-Focus Enterprises, Inc.  
**Date:** Monday, March 29, 2021 2:55:00 PM

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Dear Mr. and Mrs. Antoncich,

Thank you for your time today. Per our phone call, we have received similar complaints in the past. In regards to Arrow International, Inc. refusing to sell their products to Tri-Focus Enterprises, Inc., we have found there are no violations of current gambling rules and regulations (i.e. Title 230 WAC or RCW 9.46).

As we discussed, you can petition for a rule change on our website at:

<https://wsgc.wa.gov/commission/request-rule-change>.

You may be able to request contact information through a Public Records Request on our website at

<https://www.wsgc.wa.gov/about-us/public-records>.

If you feel Arrow International, Inc. has violated RCW 19.86, I would refer you to the Attorney General's office to file a complaint. Here is a link to their website: <https://www.atg.wa.gov/>.

Please contact me if you have any additional questions.

Best regards,

**Donna D. Khanhasa, CFE**

Special Agent | Licensing Unit  
Washington State Gambling Commission

P.O. Box 42400 | Olympia | WA | 98504

Cellphone: (360) 280-7018

Email: [Donna.Khanhasa@wsgc.wa.gov](mailto:Donna.Khanhasa@wsgc.wa.gov)

Web: [www.wsgc.wa.gov](http://www.wsgc.wa.gov)

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**From:** Tri-Focus Antoncich <[tri-focus@comcast.net](mailto:tri-focus@comcast.net)>  
**Sent:** Thursday, March 25, 2021 3:14 PM  
**To:** Khanhasa, Donna (GMB) <[donna.khanhasa@wsgc.wa.gov](mailto:donna.khanhasa@wsgc.wa.gov)>  
**Cc:** Deckert, Angela (GMB) <[angela.deckert@wsgc.wa.gov](mailto:angela.deckert@wsgc.wa.gov)>  
**Subject:** Arrow International, Inc. decision to stop selling product to Tri-Focus Enterprises, Inc.

External Email

Dear Ms. Khanhasa,

My name is Walt Antoncich and together with my wife, Wendy own and operate Tri-Focus, Enterprises, Inc.

By means of this email we would like to bring to your attention a situation which occurred last week and are looking to rectify. Let me begin by giving you a brief history of our company which is critical to the issue we're presenting.

We began Tri-Focus Enterprises, Inc., a licensed pull tab distributorship in 1988. At one point in time there were approximately 25+ distributors licensed by the state. Over the years we've seen distributors come and go with just a handful remaining today. As the oldest licensed distributor we've survived challenges that most other distributors have not had to deal with, not to mention dealing with overly aggressive distributors who have strong Arrow relationships. These are but a few of the issues:

#### Gambling Commission:

- Rule change allowing manufacturers to indiscriminately decide which licensees they would or would not sell to.
- Rule change allowing distributors to sell product at different prices from operator to operator.
- Rule change regarding restructuring of base license and tax fees with a top end cap which on a percentage basis benefits the larger distributors.

#### Arrow Policies:

- Determining minimum quantities purchased.
- Establishing 30-day payment policy for us and 60-plus days for selected other distributors and allowing them a high accounts receivable which in turn reflects the variety and number of games they're able to carry in their inventory.
- Not being allowed product that other distributors have access to (ie: Lucky Draw)Not being advised as a matter of course and having to ask about future runs and pre-orders.
- Denied opportunity to purchase loose deals meaning we could only purchase only 'by the case'.
- Limited to only one pick up per week.\*
- Minimum of 5 cases purchased per 'brand'.\*

\*These rules have relaxed in the past year but still leaves us knowing there are limits with which we can operate.

With this brief glimpse into our history, I'll get to the matter at hand.

On Wednesday morning, 3/17, I received a call from Bill Wickersham, our Arrow sales rep in the Lynnwood office informing us that while all current pre-orders would be honored, from that point forward they would no longer be selling us any more product in the entire line of Arrow games. (This would include Universal and Trade products which they had previously purchased.) Being blindsided with this news, I asked Bill for the reason this decision had been made and he had nothing to offer, that all he was told to do was to make the call. I asked him who he'd gotten the notice from and

all he could offer was that “it came down the chain”.

We then called Kathy Donnelly, an accounting manager at Arrow International to see if she knew why we had been cut off. Aside from previous accounting personnel, she's the only person we've had contact with at the corporate level. She told us she hadn't heard anything about it and would look into it and get back to us. By the way, we have an impeccable accounting record with all manufacturers so this couldn't have been the problem. She advised she'd get back to us the next day, Thursday to let us know what she could find. When she did call back it was to let us know that it was a “management decision” and nothing more could be done. While we weren't happy with her answer we weren't surprised by it either. When we asked for Dennis and John Gallagher's contact information, she advised as that as a corporate officer she wasn't in a position to give us that information.

We then called the Gambling Commission and got a return call from Nicole in Spokane who directed us to Angela Deckert. We explained what had happened and Angela suggested emailing you, because to the best of her knowledge there were no WAC rules violations but that being knowledgeable in regards to licensing you'd have a different view of the situation.

We're looking for a number of things here. The first and most important goal is to have Arrow rescind their decision. With them owning 85-90% of the market in Washington their decision practically destroys our ability to stay in business. So, (1) we're hoping there's something in the WAC or RCW rules we can use to challenge their decision. (2) we'd like contact information for the Gallagher's and (3) if you're unable to find any violations or have no contact information for the Gallagher's, that perhaps you're able to direct us to any resource that could give us some legal direction.

We've been in business as a licensed pull tab distributor for 33 years and have built our company on being straightforward, honest and transparent and have survived all the curve balls thrown at us from all directions all these years and to have it come down to this, with no explanation or legitimate reason after all this time reeks of market domination. We've had an exceptional record with local WSGC agents and licensing staff at the Gambling Commission, manufacturer reps on the local level, one or two distributors and all of our customers – past and present.

We were told by Bill Wickersham that we could purchase Arrow/Trade and Universal products from Tabs Plus. Why give us this option and not sell directly to us? Terry is a fair man and understandably would mark up product as well he should, but now we're at a disadvantage by having to pay more and travel from north Seattle to Auburn 2-3 times a month.

Since we've been licensed by the State without any issue for 33 years and have purchased Arrow product (be it Arrow, Specialty, Bingo King, Trade and Universal under the Arrow umbrella) all this time, then we should have the same rights to compete on a level playing field. There is no legitimate reason for Arrow's course of action. Ten years ago a WAC rule pertaining to manufacturers selling to all licensed



distributors on an equitable basis was rescinded. The unintentional consequence of this was to allow Arrow to violate RCW 19.86.020. If we go out of business because of this then the state has unwittingly opened the door and allowed Arrow's monopoly on the market to happen, with just a few very large distributors remaining to divvy up and share the wealth of pull tab sales around the state.

We so appreciate your looking into this issue and hope you can help us resolve this unpleasant and unfair situation. We'll continue to provide you both with any correspondence we have with any involved parties. We look forward to hearing from you.

Sincerely

Walt Antoncich  
President  
Tri-Focus Enterprises, Inc.

(ii) The name of the licensed distributor and the name of any person directly or indirectly benefiting from a "promotional activity";

(iii) The value of any gift or service provided. The value shall be based on the cost to the manufacturer to provide such;

(iv) The date a "promotional activity" was provided;

(v) The place the "promotional activity" occurred, if applicable; and

(vi) The name of the owner, partner, officer, or other representative of the manufacturer who authorized the "promotional activity."

*Can a manufacturer or distributor loan equipment to a distributor or operator?*

(6) A manufacturer or distributor may loan gambling equipment to licensed distributors or operators subject to the following restrictions:

(a) Equipment loans may be made for the following reasons:

(i) To a distributor for displaying the manufacturer's products, limited to one such loan, per product, per calendar year;

(ii) To a licensed distributor or operator for training of employees, limited to one such loan, per calendar year; or

(iii) For use as a replacement by a licensed operator while awaiting delivery of a product that has been purchased, leased, or removed for repair;

(b) Equipment loans shall be limited to ninety days per loan.

(7) This section shall not apply to transactions conducted with tribal governments operating class III casinos under tribal/state compacts or with management companies operating such casinos on the behalf of tribal governments.

[Statutory Authority: RCW 9.46.070 (14) and (20), 97-20-026, § 230-12-320, filed 9/22/97, effective 1/1/98.]

**WAC 230-12-330 Availability of gambling equipment and related products and services—Prices—Contracts—Discounts—Restrictions—Exceptions.** Manufacturers and distributors shall make their products and services available to all licensees without discrimination. Except as authorized by this section, gambling equipment, devices, related paraphernalia or supplies, and services shall be offered to any licensee wishing to purchase such, for the same price and terms. The following restrictions, procedures, and exceptions apply to prices and terms related to sales of gambling-related products or services:

**Pricing shall be consistent - exceptions.**

(1) **Discriminatory prices are prohibited.** Prices are considered discriminatory when identical or similar items or services are offered to different persons for a different price or under different terms or conditions: Provided, That prices set under the following criteria shall not be considered discriminatory:

(a) **Prices that are established in advance** and available for review by the commission and customers prior to accepting a sales order utilizing such. For purposes of this section, prices are deemed to be established and available when they

(2005 Ed.)

have been mailed or transmitted by facsimile to the commission at least forty-eight hours prior to completing sales transactions or accepting orders for products or services;

(b) **Separate and different price schedules** established by manufacturers or distributors for transactions conducted with licensees at different marketing levels when such prices are progressively lower at each marketing level above the operator level;

(c) **Prices that are based upon the delivery location** of an item or service. If the price of an item or service is based upon "free on board" (FOB) terms at a specific location, such price may be varied based upon delivery at a different location, if such is justified by objective evidence. The burden of proof regarding such price differentiation is borne by the seller. Such prices are subject to all other requirements of this section; and

(d) **Short-term price reductions or "sales"** by manufacturers or distributors are authorized when every licensee is afforded an opportunity to participate. For purposes of this section licensees will be deemed to have been afforded an opportunity to participate when:

(i) All prices and terms are clearly posted at all sales outlets for the benefit of operators and provided to all customers serviced by mobile sales representatives;

(ii) Manufacturers provide full details of the sale to all licensed distributors, including prices and terms, at least forty-eight hours prior to accepting orders for products or services being offered at a sale price. Such notice shall be by mail or telephone facsimile; and

(iii) Any limitations or conditions of the sale are clearly stated in advertisements or notices for such sale.

**Contracts restricting sales not allowed.**

(2) Except as set forth in WAC 230-12-230, licensees shall not enter into contracts that directly or indirectly restrict the distribution or use of gambling equipment, devices, paraphernalia, supplies, or services: Provided, That holders of proprietary rights to products or services that have been gained through patents, copyrights, trademarks, or other similar rights bestowed by state or federal law or by courts shall be allowed to enter into license agreements with manufacturers that restrict the ability to manufacture or distribute products or services if all other requirements of this section are met. The following transactions are prohibited:

(a) An operator or distributor shall not agree to deal in, purchase, sell, lease, or operate any particular brand or brands of gambling device or equipment to the exclusion of any other brand of gambling device or equipment;

(b) A manufacturer or distributor, or licensed representative or employee thereof, shall not sell or offer to sell, lease, or loan any gambling-related product, service, or merchandise if such is contingent upon the purchase or order of another product, service, or merchandise; and

(c) Except as set forth in this subsection, no person shall enter into any agreement, express or implied, that prohibits a person from selling or providing any gambling-related product or service within a particular geographic area: Provided, That -

(i) Licensed manufacturers, distributors, and service suppliers may enter into such agreements with its licensed representative; and

(ii) An operator may enter into an agreement with a licensed service supplier that is supplying only management or consulting services when such agreement only restricts the service supplier from supplying the same or similar services to other operators within a specified geographic area.

#### Discounts.

(3) Manufacturers and distributors may offer discounts of base prices that are authorized by this section when such discounts are nondiscriminatory. For purposes of this title, discounts will be deemed to be nondiscriminatory when:

(a) Offered to all licensees on the same terms;

(b) The scheme upon which the discount is based is in writing and submitted to the commission at least forty-eight hours prior to being offered;

(c) The discount applies to:

(i) A single sales transaction; or

(ii) Multiple sales transactions, which are made over a period of time not to exceed one week. For purposes of this section, one week shall be defined as seven consecutive days; and

(d) The level of a discount is based only upon any of the following criteria:

(i) The amount of product sold or the dollar value of the sale;

(ii) Whether the purchaser makes full payment in cash at time of sale;

(iii) Whether the purchaser makes final payment for a transaction within a predetermined time period for sales made under "trade account" terms; and

(iv) Any other structure or terms, subject to preapproval by the director. The manufacturer shall pay for the approval process and any additional requirements necessary to assure compliance with this section.

#### Limiting sales to specific market levels.

(4) A licensed manufacturer or distributor may elect to limit sales of products and services to licensees at any marketing level. For purposes of this section, marketing levels are defined as manufacturer, distributor, and operator. If a manufacturer or distributor elects to make sales to any licensee at a marketing level, sales must be made to all licensees at the same level. Provided, That if the distributor is in violation of WAC 230-12-340, the manufacturer shall not be required to make sales to that distributor: Provided further, That transactions between a manufacturer and distributor, when both are owned and operated by the same persons, are considered internal to that business. For purposes of this section, internal transactions are not considered sales at a different marketing level. All other restrictions of this section apply to such sales. For example:

(a) A licensed manufacturer may elect to sell or provide products and services only to distributors; or

(b) A licensed distributor may elect to sell or provide products and services only to operators.

#### Minimum purchasing requirements not allowed - exceptions.

(5) Manufacturers or distributors shall not set minimum purchase requirements for any product or service, except as authorized below:

(a) Minimum purchase requirements are not allowed for purchases made under prepaid or cash on delivery (COD) terms: Provided, That manufacturers may establish and charge a reasonable fee for services to handle an order for products or services below a specified level, if such policy is in writing and provided to distributors prior to accepting orders;

(b) Minimum purchase restrictions may be set for transactions between manufacturers and distributors that are conducted using trade account terms, as authorized by WAC 230-12-340;

(c) Discounts may be set based upon a minimum purchase amount as authorized by subsection (3) of this section; and

(d) Minimum purchase restrictions may be placed on products being offered for a bargain or "sale" price if a bargain or "sale" price is established for any and all levels of purchases under such terms.

#### Sales of nongambling products and services.

(6) A manufacturer or distributor shall not grant licensees, nor shall such licensees accept, more favorable prices, credit terms, or other arrangements than those extended to nonlicensed persons purchasing identical or similar nongambling goods or services. The price of nongambling goods or services sold to licensees shall be in conformity with the open market price in the locality where sold. The terms of such sales shall not exceed those normally granted in accordance with the customary business practice of the particular trade in the locality where such sales are made.

#### Transactions with tribal casinos.

(7) This section shall not apply to transactions conducted with tribal governments operating class III casinos under tribal/state compacts or with management companies operating such casinos on the behalf of tribal governments.

[Statutory Authority: RCW 9.46.070. 02-10-003 (Order 411), § 230-12-330, filed 4/18/02, effective 7/1/02. Statutory Authority: RCW 9.46.070(11), 98-08-011, § 230-12-330, filed 3/18/98, effective 7/1/98. Statutory Authority: RCW 9.46.070 (14) and (20), 97-20-026, § 230-12-330, filed 9/22/97, effective 1/1/98.]

**WAC 230-12-335 Control of gambling equipment—Sales and purchases by and to licensees only—Authorized transfers of gambling equipment.** It shall be the responsibility of all licensees to ensure that gambling equipment is closely controlled and possessed only by authorized persons. Gambling equipment possessed by unauthorized persons is subject to seizure and forfeiture. It shall be the responsibility of all licensees to report all unauthorized possession of such equipment to the commission. The following restrictions and exceptions apply to the transfer of gambling equipment:



## Arrow International, Inc.

*Helping you accomplish great things!*

June 28, 2021

Ms. Ashlie Laydon  
Rules Coordinator  
Washington State Gambling Commission  
P.O. Box 42400  
Olympia, WA. 98504-2400

**RE: Petition for Proposed Rule Requiring Manufacturers to Sell to All Distributors on Equal Basis**

Dear Ms. Laydon:

I am writing on behalf of Arrow International, Inc. (“Arrow”), a manufacturer of bingo and pull-tab supplies with production facilities in Lynnwood, Washington. Arrow has been licensed as a bingo and pull-tab manufacturer in Washington for over 30 years and has been operating a manufacturing facility there since 1996. Arrow is strongly opposed to the Petition for a rule change filed by Walter Antoncich on April 19, 2021 and respectfully urges the Commission to decline to move forward with a rule.

The type of rule requested in the petition is not new. Petitions for nearly identical rules have been filed with the Commission on multiple occasions; 2006, 2007 and again in 2014. Each time, the Commission has rejected the petition because, among other reasons, restrictions on pricing are “outside the Commission’s mission.”<sup>1</sup> Nothing has changed since 2014 that would make restrictions on pricing between a manufacturer and distributor a part of the Commission’s mission. In fact, bingo and pull-tab receipts have declined to the point that they now comprise only about 2.5% of the total gaming market in the state. Imposing sales and pricing restrictions on such a small slice of the overall gambling pie would be hard to justify as a central Commission function.

But more importantly, the current proposal suffers from the same flaws as previous attempts at controlling the market relationship between distributors and manufacturers. You may recall that prior to 2005, there was a rule in effect that required manufacturers to sell their products to all distributors at similar prices and terms. Unlike the current proposal, the rule contained a number of important exceptions, including an

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<sup>1</sup> Excerpt from January 2007 Commission meeting minutes.



allowance for short-term price reductions (sales), minimum purchasing requirements, payment methods, delivery locations and marketing levels. Importantly, there was a corollary rule that limited credit sales between manufacturers and distributors to sixty (60) day terms. The credit limitation was an integral component of the entire regulatory scheme as it allowed a manufacturer to report a delinquent distributor to the Commission and discontinue sales to any distributor that failed to cure the delinquency within a specified period of time.

When the previous pricing and credit rules were repealed, the Commission conducted a series of public hearings and engaged in a meaningful dialog with the industry and the public. As part of those discussions, then Executive Director Rick Day said:

“...the basic question raised in this process hasn’t been answered: whether the rules that are subject for amendment and repeal fit in with what the Commission is responsible to do within its mission and statutory foundation. Staff reached the conclusion it did not and subsequently proposed the rules package identifying the rules that could be eliminated.”<sup>2</sup>

During that same meeting, Assistant Attorney General Ackerman stated that “if the Commission can no longer identify a regulatory purpose for these rules, then these rules no longer fit within the Commission’s statutory authority.”<sup>3</sup> Chair Ellis, then stated:

“...he didn’t think the enforcing of the credit or the pricing rules was crucial to the Commission’s performance. He advised that he has not been able to identify any way in which they directly or indirectly further the Commission’s important business of keeping organized crime out of gambling and protecting the public from fraudulent gambling practices; therefore, these cuts were easier than most.”<sup>4</sup>

Commissioner Ellis elaborated further indicating that he “believed the underlying policy considerations were paramount: that it is difficult to justify the different types of restrictions on a firm’s ability to set their own prices and make their own decisions as to credit.” He said he did not believe that a “real showing had been made to continue that kind of restrictive business environment.”<sup>5</sup>

After repeal of the sales, pricing and credit rule in 2005, similar proposals to the current one came before the commission on three more occasions: 2006, 2007 and again in 2014. In each instance, the proposals were rejected by the Commission based on the same rationale as used in 2005—“restrictions on pricing are outside the Commission’s mission.”<sup>6</sup>

<sup>2</sup> Excerpt from September 2005 Commission meeting minutes.

<sup>3</sup> Id.

<sup>4</sup> Id.

<sup>5</sup> Id.

<sup>6</sup> Excerpt from January 2007 Commission meeting.



The petition currently under consideration does not include a proposed rule, but from the petition, it is possible to assume that the petitioner is seeking a restrictive rule comparable to that proposed in the past: manufacturers must sell product to all distributors at the same price and on the same terms. Presumably, there would be no exceptions for credit worthiness, minimum purchasing requirements, delinquency, or any of the other exceptions that existed prior to 2005. Most importantly, there is no indication that the rule would contain a credit restriction prohibiting credit beyond 30 or 60 days or allow a manufacturer to cease sales upon a distributor's failure to timely pay. The lack of these exceptions makes the proposal entirely unworkable.<sup>7</sup>

The current petition for a rule change arose after Arrow made the difficult decision to discontinue sales of its products to Mr. Antoncich. Mr. Antoncich is a very small distributor, who purchases very small quantities of product from Arrow.<sup>8</sup> Like other small distributors across the country, Mr. Antoncich cannot meet Arrow's minimum purchasing requirements; requirements that have needed to change as a result of the coronavirus pandemic.

Last March, like all of the other manufacturers, Arrow's facility was shuttered. During the past year, inventory has been completely depleted, and production has suffered from a shortage of labor and materials. Arrow, like the other manufacturers, is working at maximum capacity, but cannot meet the current demand for product. Orders are now extended out for over six-months, and game variety has been limited. At this time, Arrow has been required to concentrate on large production runs to fulfill the needs of its largest customers. Small distributors, like Mr. Antoncich, simply cannot meet the purchasing requirements necessary.

Supply chain issues are not isolated to the pull-tab industry. Many producers, wholesalers and retail outlets cannot get products. Because of these supply chain shortages, the local hardware store, for example, cannot access the same products available to the big box outlets like Home Depot or Costco. Pull-tab Manufacturers, like Arrow, must have the flexibility to make sales decisions that benefit its overall customer base, which may include focusing its limited supply of product on those customers who can purchase in large quantities. Mr. Antoncich will not be without the ability to get Arrow product. He currently buys from other distributors who can meet our minimum purchasing requirements. In fact, by doing so, he has access to a much greater variety of product in a much shorter period of time.

We do not know if the current circumstances will be the "new normal." However, we know that in order to survive in a post-pandemic economy, Arrow needs the

<sup>7</sup> In 2007, Assistant Director Mark Harris said with respect to a nearly identical proposal that it will "add a new regulatory requirement that would require the commission to indefinitely revoke the manufacturer's license if they don't comply" triggering a time and resource intensive administrative hearing. See excerpt from January 2007 Commission meeting minutes.

<sup>8</sup> Less than \$30,000 year to date.



flexibility to make business decisions that support its overall business and benefit its broad customer base. A rule, like that proposed by Mr. Antoncich, will restrict sales and undermine our ability to get the maximum amount of product into the market in the most efficient and cost-effective manner. We ask that you reject the petition for a rule change and allow Arrow and the other Washington-licensed manufacturers to continue to operate without pricing and sales restrictions as has been the case for the past sixteen (16) years.

If possible, I intend to participate in the Commission meeting remotely on July 8, 2021 and will be available to answer any questions you may have. In the meantime, feel free to contact me with any immediate questions or concerns.

Sincerely,

  
Mary B. Magnuson  
*Vice President of Government Affairs*





Bob Ferguson  
**ATTORNEY GENERAL OF WASHINGTON**

1125 Washington Street SE • PO Box 40100 • Olympia WA 98504-0100

December 2, 2014

The Honorable Chris Stearns  
Chair, Washington State Gambling Commission  
PO Box 42400  
Olympia, WA 98504-2400

Dear Chair Stearns:

By letter previously acknowledged, your predecessor, Mr. Mike Amos, requested an opinion on the following questions, which I paraphrase for clarity:

1. **Does the Gambling Commission have authority to adopt an administrative rule requiring licensed manufacturers of gambling products to sell their products to all licensed distributors?**
2. **Can the Gambling Commission adopt an administrative rule requiring licensed manufactures of specific types of gambling products to sell its products to all licensed distributors?**

**BRIEF ANSWER**

The Gambling Commission has implied statutory authority to impose restrictions on licensed manufacturers and licensed distributors of gambling equipment and products if those restrictions are found to be essential to achieving the declared legislative purpose of the Gambling Act. However, based on the information you have provided, I see no evidence of a regulatory need for a blanket requirement that all licensed manufacturers must sell products to all licensed distributors. If there were evidence of a need for these rules related to the Commission's statutory authority, e.g., "to keep the criminal element out of gambling" (RCW 9.46.010) or achieve another of the Commission's statutory purposes, the result would likely be different. But absent such evidence, a rule would likely be found to be invalid if challenged. A court, applying the standards set out in the Administrative Procedure Act, RCW 34.05.570(2)(c), would likely find that such a blanket requirement—applying to all licensed manufactures of all gambling products—goes beyond the implied authority of the Commission to regulate gambling, or is arbitrary and capricious absent a showing that a rule is needed to accomplish the responsibilities of the Commission.

Limiting the rule to specific manufacturers of products, for example pull tab and bingo paper manufacturers, might improve the chances of a court upholding the administrative rule if



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there was a specific factual basis demonstrating the regulatory need for such a rule. However, based on the available facts, it seems equally likely that a court would conclude that a more targeted rule is invalid.

## BACKGROUND

The Gambling Commission in the past has imposed “price and terms” restrictions on licensed manufactures and distributors of gambling equipment and products. *See, e.g.*, former WAC 230-12-330 (Supp. 1998) (Rule 330). Former Rule 330 provided in relevant part that “[m]anufacturers and distributors shall make their products and services available to all licensees without discrimination” and that, subject to certain exceptions, manufacturers of gambling equipment or related products must offer those products for sale to any licensed distributor “for the same price and terms.”

The Commission repealed former Rule 330 in 2005. The decision to repeal former Rule 330 was primarily a policy decision made after considering stakeholder testimony. *See* Excerpt from June 2005 Commission Meeting Minutes.<sup>1</sup>

Since former Rule 330 was repealed, the Commission has received and addressed several petitions from the public asking the Commission to adopt administrative rules reinstating price and terms restrictions on manufacturers of gambling related products. The Commission denied petitions filed in 2006, 2007, and 2011. The most recent petition was filed in January 2014 and asks the Commission to adopt a rule requiring licensed manufacturers of bingo and pull-tab products to make those products available to all distributors on an equal basis. The Commission has initiated a rule-making proceeding in response to that 2014 petition. Your predecessor asked these questions to help the Commission determine the scope of its authority to require licensed manufacturers of gambling products to sell to all licensed distributors, and whether that requirement can be limited to specific types of manufacturers of gambling products such as pull-tab and bingo paper.

## ANALYSIS

### **1. Does the Gambling Commission have authority to adopt an administrative rule requiring licensed manufacturers of gambling products to sell their products to all licensed distributors?**

The Gambling Commission, as an administrative agency, possesses only those powers expressly granted to it by the legislature or necessarily implied from statutory grants of

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<sup>1</sup> This excerpt is available online as part of the Proposed Rules Changes on the Commission’s July 2014 Meeting webpage. <http://www.wsgc.wa.gov/agenda/july.aspx> (follow “Proposed Rule Changes” to open large .pdf document, then GoTo page 140 titled “Excerpt from June 2005 Commission Meeting Minutes”).

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authority. *Washington Pub. Ports Ass'n v. Dep't of Revenue*, 148 Wn.2d 637, 646, 62 P.3d 462 (2003); *Human Rights Comm'n v. Cheney Sch. Dist. 30*, 97 Wn.2d 118, 127, 641 P.2d 163 (1982). "Administrative agencies do not have the power to promulgate rules that would amend or change legislative enactment." *Washington Pub. Ports Ass'n*, 148 Wn.2d at 646. However, an agency may promulgate rules to "fill in the gaps" where necessary to effectuate the general statutory scheme. *Hama Hama Co. v. Shorelines Hearings Bd.*, 85 Wn.2d 441, 448, 536 P.2d 157 (1975); AGO 1978 No. 21. If an enabling statute does not authorize a particular agency rule, either expressly or by necessary implication, "that [rule] must be declared invalid." *Kabbae v. Dep't of Soc. & Health Servs.*, 144 Wn. App. 432, 440, 192 P.3d 903 (2008).

Judicial review of an agency rule is governed by the state Administrative Procedure Act. Agency rules are presumed valid; therefore, the burden of demonstrating the invalidity of an agency rule is on the party challenging the rule. RCW 34.05.570(1)(a). An administrative rule is invalid if it (1) violates constitutional provisions, (2) exceeds the express or necessarily implied statutory authority of the agency, (3) was adopted without complying with the statutory rule-making procedures, or (4) is arbitrary and capricious. RCW 34.05.570(2)(c). A rule is arbitrary and capricious "if it is willful and unreasoning and taken without regard to the attending facts and circumstances." *Washington Indep. Tel. Ass'n v. Utils. & Transp. Comm'n*, 148 Wn.2d 887, 905, 64 P.3d 606 (2003). To answer your questions, my primary focus is on the second and fourth requirements, statutory authority and the arbitrary and capricious standards.

The starting point for analyzing the Gambling Commission's rule-making authority is the statute creating and empowering the Commission. The Commission is authorized by statute to implement and enforce the gambling laws of this state. The Commission has express authority to issue and revoke various types of licenses, including licenses permitting the manufacture of gambling devices for use within this state. RCW 9.46.070(4). The Commission also has the express authority to "regulate and establish the type and scope of and manner of conducting the gambling activities authorized by this chapter" and to "perform all other matters and things necessary to carry out the purposes and provisions of this chapter." RCW 9.46.070(11), (22). To further its ability to enforce the state's gambling laws, the Commission may "adopt such rules and regulations as are deemed necessary to carry out the purposes and provisions" of RCW 9.46. RCW 9.46.070(14).

The Gambling Act does not expressly authorize the Commission to require licensed manufacturers to sell to all licensed distributors on an equal basis. Nor is there any express prohibition against such a requirement. Consequently, the analysis shifts to whether the proposed regulation is within the Commission's necessarily implied statutory authority.

An administrative rule is within the implied statutory authority of an agency if it promotes "those powers that are essential to the declared purpose of the legislation" and is "not

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simply convenient, but indispensable to carrying out the legislative purpose.” *In re Impoundment of Chevrolet Truck*, 148 Wn.2d 145, 156 n.10, 60 P.3d 53 (2002) (internal quotation marks omitted).

RCW 9.46.010 sets forth the legislative declaration of policy with respect to gambling. That policy “is to limit the nature and scope of gambling activities” by “strictly regulating and controlling such activities.” *Edmonds Shopping Ctr. Assocs. v. City of Edmonds*, 117 Wn. App. 344, 353, 71 P.3d 233 (2003). More specifically, the declared purposes of the Gambling Act include “to keep the criminal element out of gambling,” “to promote the social welfare of the people by limiting the nature and scope of gambling activities and by strict regulation and control,” and to “avoid restricting participation by individuals in activities and social pastimes . . . [that] are more for amusement rather than for profit[.]” RCW 9.46.010. The legislature has specifically declared that “[a]ll factors incident to the activities authorized in [RCW 9.46] shall be closely controlled, and the provisions of this chapter shall be liberally construed to achieve such end.” RCW 9.46.010.

As noted above, the Commission has implied statutory authority to adopt administrative rules that are “indispensable to carrying out” the purposes of the Gambling Act. However, in the absence of compelling facts and circumstances, I see no reason why a blanket requirement that all licensed manufactures must sell to all licensed distributors on an equal basis would be necessary to effectuate the general statutory scheme or to promote the legislative purpose of the Gambling Act. Of course, if the Commission became aware of evidence that such a rule was necessary to achieve some legislative purpose recognized in the Gambling Act, this result might change. But the letter submitted by Mr. Amos offers no such evidence.

Similarly, in the absence of any factual showing that a rule regulating market participants is necessary, it is likely that a court would conclude that the proposed rule is arbitrary and capricious. My conclusions, however, are narrow and limited by the absence of any factual record that would support the need for such a rule. Unlike the Commission—an agency with authority to make rules—the Attorney General’s Office does not possess expertise in regulation of gambling and does not gather the type of factual information that might, hypothetically, demonstrate that there is a need for an industry-wide regulation described by your question. Accordingly, my opinion is limited to the basic facts provided in your predecessor’s letter.

**2. Can the Gambling Commission adopt an administrative rule requiring licensed manufactures of specific types of gambling products to sell its products to all licensed distributors?**

The follow-up question asks whether the Gambling Commission has the authority to adopt targeted rules requiring manufacturers of specific types of products such as pull tab and bingo paper to sell to all licensed distributors. Again, this question depends on the existence of facts that demonstrate to the Commission, with its expertise over gambling, that such a rule is

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necessary to accomplishing the purposes of the Gambling Act. In my opinion, the Commission might have a better chance of defending a challenge to an administrative rule that applies narrowly and is designed to remedy a specific and identified problem. *See Puget Sound Harvesters Ass'n v. Dep't of Fish & Wildlife*, 157 Wn. App. 935, 950-51, 239 P.3d 1140 (2010). On the other hand, a narrower rule might reveal facts showing that the rule is even less necessary to the purposes of the Gambling Act. The best answer to your question is that the limited facts and circumstances described in your letter are likely insufficient to establish a rational connection between the Commission's express statutory authority under RCW 9.46.070 and a targeted regulation requiring the even-handed sale of specific types of gambling products. Put another way, on the available facts, it is unlikely that a court would conclude that such a rule is necessary to effectuate the Commission's express statutory authority to regulate gambling.

I hope the foregoing information will prove useful. This is an informal opinion and will not be published as an official Attorney General Opinion.

Sincerely,



CHARLES ZALESKY

*Assistant Attorney General*

360-586-0756

wros

# Petitioner's Presentation (July 2021)

## 1. Brief History

Since 1988 we have built our reputation on our relationships with members of the Commission, manufacturers, distributors, operators and our community in general.

## 2. How we got here:

- March 17 phone call from Bill Wickersham of the Arrow Lynnwood office.
- Call to Kathy Donnelly, Account Manager of the Arrow Cleveland office.
- Call to Nicole in the WSGC Spokane office.
- Referred to Angela Deckert then to Donna Khanhasa of the WSGC in the Olympia office.
- March 29 response was that we expected “no violation of current gambling rules and regulations”
- Contacted AG’s office and in reasonable time got response that was not unexpected. AG office takes action on cases that harm the greatest number of people in the state and suggested we might want to contact an attorney (no win for us).
- So here we are.

## 3. History of Rule and Rule change

- Initial enacted in 1973
- Amended in 1977
- Repealed and replaced in 1997

- Repealed in 2005. This was driven by a manufacturer or possibly by more than one and a large distributor

#### 4. Follow document.

##### 1. Repeal of WAC 230-12-330

- When rule was rescinded there was full competition. Arrow and Trade in particular were in competition.
- Regular discounts across the board
- End of year sales
- New product monthly or more often
- Since then Arrow purchased Specialty; Trade purchased Bingo King.
- Arrow then purchased Trade and shortly thereafter purchased Universal Mfg.

So then Arrow owned 5 of the largest manufacturers doing business in Washington.

##### 2. Reasons repealed because

2005

1. To regulate gambling and not control market competition
2. Other legal remedies could be pursued such as anti-trust laws

3. Removing restrictions supported budget reductions.

TFE Response

1. There is no competition
2. There are other legal remedies that can be pursued rather than WSGC such as anti-trust laws.
  - We know what legal advice will cost and a win could actually turn into a loss. Will talk anti-trust later.
3. Removing credit and pricing restrictions supported budget reductions.
  - Really should not be germane to making WAC rule considerations.

2006-2007 Petition to reinstate denied

1. Regulating business relationships is generally outside mission.
2. Other legal remedies such as anti-trust laws

TFE Response

1. Regulating business decisions outside commission's mission.

The commission is involved in business decisions i.e.

  1. verticality
  2. licensing

3. partner buy-out.
2. There are other legal remedies that can be pursued rather than WSGC such as anti-trust laws.
  - We know what legal advice will cost and a win could actually turn into a loss. Will refer to anti-trust laws later.

2011 - Petition to reinstate denied

1. Regulating lawful business relationships is outside mission statement.
2. Other legal remedies such as anti-trust
3. Before repealing credit rules in 2005(?) the Commission considered all arguments for 3 months.
4. Denied two previous petitions.

TFE Response

1. We are questioning the word lawful
2. Other legal remedies (repetitive)
3. Discussed for 3 months before making decision (irrelevant)
4. Commissioned denied 2 previous petitions (again - irrelevant)

2014

1. Commission accepted a petition and initiated rule making



to require bingo and pull tab manufacturers to make product available to all distributors.

2. Despite the fact that the Commission initially accepted this petition, they chose to follow the AG's opinion using RCW9.46.010 as justification. However, it clearly states *that 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----- by strict regulation and control.*

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#### TFE Response

To reiterate 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 ----- MOST IMPORTANTLY BY STRICT REGULATION AND CONTROL.

#### 5. Commission's Opinion on Current Petition

##### Policy Considerations

- outside scope of mission
- a different outcome with this petition would be a change of

direction from 2005. 2005 was a change of direction since 1973.

### Impact

- to implement the petition would have to devote a lot of resources to develop rules.
- would add to workload because would need to regulate sales, services, pricing schedule and credit terms

### TFE Response

- The 2005 WAC rule can easily be used as a template for rule making
- Would be insignificant to workload because there are only 3 manufacturers currently doing business in the state and WSGC would need only to act upon complaint

## **6. Our history with Arrow**

Arrow currently controls about 85-90% of the pull tab market.

At this point Arrow is the dominant manufacturer of product with little or no competition as lesser manufacturers left the state with the exception of Bonanza Press and Paramount doing a small amount in the market.

In the last many years business decisions that Arrow has made have negatively affected TFE and has given an advantage to the large distributors.

Over time, Arrow has imposed restrictive conditions such as

- denying us certain product (i.e. Trade's Lucky Draw merchandise game).

- limiting us to one will call per week.
- certain purchasing restrictions & conditions (requiring a minimum of 5 cases per brand)
- putting us on a 30 day payment plan when other distributors had 60 days or more.
- discounts to other distributors - not us
- not having opportunity to acquire loose deals
- not receiving a flash drive like other distributors with our purchases to make entry into system quick and efficient.

Individually these may not seem like much but together show a pattern of attempting to discourage us. We dealt with all of this and every time it has made us stronger.

As a side note, none of the mentioned conditions and restrictions were ever put into writing. Arrow has been well known as to never putting anything in writing. We've asked on several occasions, including this past March when they cut us off for written confirmation but were told at the local level what the new policy is. Period.

**7. Ms. Magnusson's letter (the only letter opposing this petition)**

1. Claims we are trying to place price restrictions on product
  - A. Price them as you wish - just equitably

2. Claims no exclusions were included with proposal
  - A. Including specifics in our proposal at this early stage of our appeal would have been presumptuous on my part. I envision a collaborative effort between WSGC, manufacturers and distributors to create a well balanced and agreeable set of sales and credit conditions. I would hope that all parties would be in favor of developing a plan to promote the health of all parties involved and our community in general.
3. Quote from Rick Day (2005 Chairman) that essentially removed rules because they didn't fit with the mission statement.
  - A. I'd like to address this towards the end of my presentation as it seems to be a recurring theme.
4. Quote - Assistant AG Ackerman didn't feel enforcing rules was crucial to the Commission performance.
  - A. Things have changed dramatically since 2005. There is no longer competition.
5. Quote Commissioner Ellis in 2007 - A real showing had not been made to continue that kind of business environment.
  - A. Business decisions have been and continually are being made by the WSGC

6. Ms. Magnusson states that presumably there would be no exceptions for credit worthiness, delinquency, minimum purchasing requirements, etc.
  - A. Repetitive of previous comment. Refer to #2.
7. Her comment that TFE “is a very small distributor” footnote less than \$30K year-to-date in purchases and cannot meet minimum purchasing requirement.
  - A. I would consider us small - not very small. \$30K Y-T-D is a blatant misrepresentation of the truth. Since we were cut off on March 17, \$30K is actually our purchases for 2-1/2 months - not 6 as you would offer the reader. And the amount purchased was Arrow’s problem - not ours. Arrow was extremely low on product during these 2-1/2 months due to the Covid pandemic. During this period, I only received approximately 50% of what was ordered. Based on your letter you state our purchases totaled \$30K in a 6 month period. That would amount to our purchasing \$60K within a year. In 2018 our purchases totaled \$160K and in 2019 \$172K. She also stated that we could not meet minimum purchasing requirements. We have never heard of a minimum purchasing requirement prior to this letter. I would appreciate Ms. Magnusson explaining what the minimum purchasing requirement is for each Washington State distributor.

8. I can still get product.
  - A. Yes, driving 90 miles round trip 2-3x a month and paying 5% or more over base cost. With an already small profit margin it cuts deeply into our time and profit. Prior to being cut off it was a 15 mile drive to get games at base cost. Her statement “in fact by doing so he has access to a much greater variety of product in a much shorter period of time”. For you to presume that we might be better off buying from other distributors dismisses the fact that we’ve been successful buying directly from Arrow for 33 years. Her assertion doesn’t include the 5% over base cost, mileage and time involved - never mind the discount larger distributors get.
9. Petition will restrict sales and undermine ability to get maximum amount of product into the market in the most efficient manner.
  - A. What’s the difference between buying from Arrow or buying from distributors? We’re still getting your games into the hands of the operator.

**8. WSGC Mission Statement**

“To protect the public by ensuring that gambling is legal and honest”

Definition of public: The people as a whole; the aggregate of the citizens of a state. We are the public. Operators are the public

“gambling is legal”: check all the boxes below

“and honest”:  
Clearly Arrow has been less than honest and forthcoming with us. Can’t speak to any other actions than what has been presented today.

## 9. Now my final thoughts

### Two elements of restraint of trade:

- Forcing someone to change their business so it isn’t as competitive
- Negatively affecting someone’s ability to conduct business freely

### One of the most common anti-trust violations:

- Corporate mergers or acquisitions that have the potential to reduce competition.

### A term called “willful interference of a business relationship”

- A valid relationship existed
- It was willfully violated
- It was not authorized in any way
- There have been as well continue to be financial damages

### RCW19.86.020

- Unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful.

All boxes seem to have been checked.

If the rule is not put back into place, the genie is out of the bottle. Arrow will now be given tacit approval to operate without any restriction or accountability as everything can be determined as a “business decision”.

Small operators and distributors will struggle and many will go out of business. Revenue to cities and counties will be reduced and revenue to the State will be lost.

This truly is a grey area that needs collaboration between the WSGC, the legislature, the Attorney General’s office and those in the public sphere to bring final resolve and begin encouraging and enhancing the only true form of small gambling in this state. Approval of this petition would be the necessary first step.



## Commission Follow Up on Punchboard/Pull-tab (PB/PT) Distributors & Manufacturers

### Financial Summary:

The quarterly reports for five manufacturers and ten distributors were reviewed for the last ten years. Below are the figures and observations:

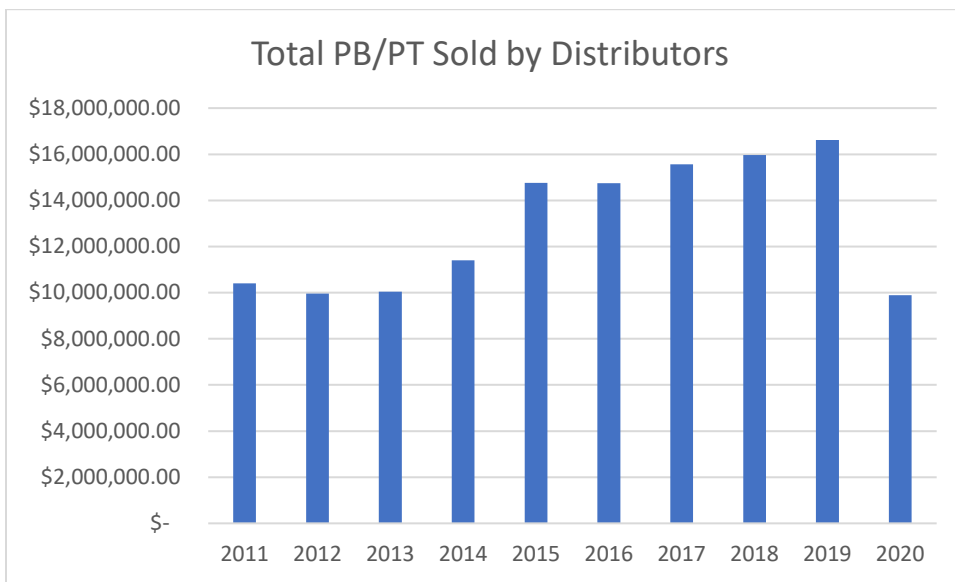
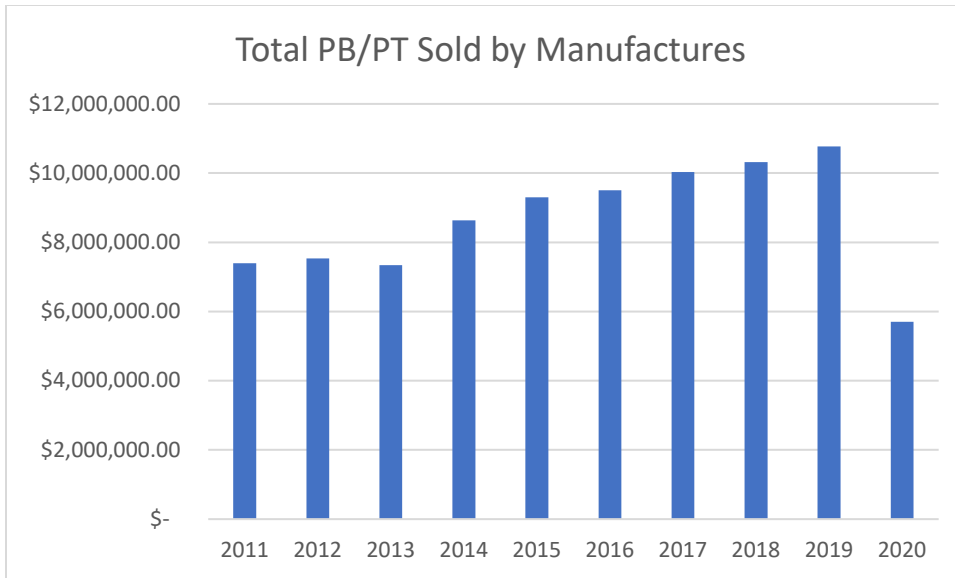
Manufacturers					Distributors				
Year	PB/PT Sales to:		Total PB/PT Sold	% Change	Year	PB/PT Sales to:		Total PB/PT Sold	% Change
	Distributors	Operators				Operators	Distributors		
2011	\$ 7,392,621.00	\$ -	\$ 7,392,621.00		2011	\$ 10,070,380.00	\$ 339,180.00	\$ 10,409,560.00	
2012	\$ 7,535,706.00	\$ -	\$ 7,535,706.00	2%	2012	\$ 9,569,522.00	\$ 384,179.00	\$ 9,953,701.00	-4%
2013	\$ 7,336,332.00	\$ -	\$ 7,336,332.00	-3%	2013	\$ 9,695,477.00	\$ 348,833.00	\$ 10,044,310.00	1%
2014	\$ 8,632,954.00	\$ -	\$ 8,632,954.00	18%	2014	\$ 10,957,807.00	\$ 438,786.00	\$ 11,396,593.00	13%
2015	\$ 9,304,952.00	\$ -	\$ 9,304,952.00	8%	2015	\$ 13,901,349.00	\$ 854,803.00	\$ 14,756,152.00	29%
2016	\$ 9,501,056.00	\$ -	\$ 9,501,056.00	2%	2016	\$ 13,901,054.00	\$ 839,172.00	\$ 14,740,226.00	0%
2017	\$ 10,028,471.00	\$ -	\$ 10,028,471.00	6%	2017	\$ 14,608,746.00	\$ 958,435.00	\$ 15,567,181.00	6%
2018	\$ 10,314,699.00	\$ -	\$ 10,314,699.00	3%	2018	\$ 14,971,851.00	\$ 989,274.00	\$ 15,961,125.00	3%
2019	\$ 10,774,577.00	\$ -	\$ 10,774,577.00	4%	2019	\$ 15,611,529.00	\$ 1,002,069.00	\$ 16,613,598.00	4%
2020	\$ 5,702,907.00	\$ -	\$ 5,702,907.00	-47%	2020	\$ 9,332,452.00	\$ 559,907.00	\$ 9,892,359.00	-40%
2021	\$ 2,393,370.00	\$ -	\$ 2,393,370.00		2021	\$ 4,187,989.00	\$ 223,645.00	\$ 4,411,634.00	

### Manufacturers:

- The manufacturers sell directly to the PB/PT distributors and do not sell directly to the operators.
- Pull-tab sales have been on an increasing trend until COVID hit in 2020.
- The majority of PB/PT sales in Washington are from three licensed manufacturers.

### Distributors:

- The distributors primarily sell directly to the licensed pull-tab operators; however, some distributors do sell to other licensed distributors.
- Pull-tab sales have been on an increasing trend until COVID hit in 2020.
- Pull-tab sales to other licensed distributors have increased annually as well. In 2015, pull-tab sales from distributor to distributor approximately doubled and has continued to be on an upward trend.
- One distributor sells significantly more pull-tab games to other licensed distributors when compared to other distributors.



**Distributors:**

Ten licensed distributors were contacted for this follow up. Below, is the summary of the feedback received from PB/PT licensed distributors:

**What is the demand currently from distributors for pull tabs?**

Current demand from PB/PT licensees is high. Estimated at 80% of 2019.

**Can you meet the demand? If not, why?**

Majority of distributors not meeting demand for the following reasons:

- Sell-through rate is high, and manufacturing is unable to keep pace.
- Types of games are limited.
- No standing inventory, orders are placed 4-6 weeks in advance.
- Manufacturers are focused on out-of-state markets; only one manufacturer producing for Washington market.

### **What changes are there in the marketplace right now, post-COVID?**

Distributors mentioned the following changes in the marketplace:

- Raw material and staffing shortages at the manufacturer and operator level.
- Price increases from manufacturer.
- Product availability is an issue.
- New \$2-\$5 games gaining popularity.
- Operators want to get back to normal and operate same game types as pre-COVID.

### **Are your sales increasing/decreasing? Back to pre-pandemic numbers?**

Overall sales appear to be getting back to pre-pandemic numbers. Price of games has increased, sales appear to be higher, but as a percentage, sales profit is the same or lower.

### **What are your projections for the industry?**

Distributor's projections for the industry included the following:

- Continue creative sales, i.e., selling out of date game themes from older inventory and keeping customers supplied with whatever is available.
- If production can keep up, then sales will be back to pre-pandemic levels.
- Hopeful manufacturer workers will return once stimulus expires.
- Associated taxes (local tax, sales tax, license fees) can't be sustained.
- Industry will probably stay where it's at for the next six months to a year but without an overhaul of taxes and/or fee structure, may shrink considerably in the next five to ten years.

### **What are the distributors saying regarding sales?**

Distributors are hearing the following feedback from operators:

- Game prices are too high.
- Operators are frustrated about product availability and are buying from multiple distributors to get the product they desire.
- Overall sales are returning to pre-pandemic levels.
- Local jurisdiction gambling tax is unreasonable. Tax is paid on gross sales- every dollar sold costs the operator five percent in most jurisdictions, even when games are operated at a loss.

## **What are some of the challenges you see in the market right now and in immediate future?**

Distributors mentioned the following challenges:

- Multiple price increases from the manufacturer.
- Limited product availability due to:
  - Materials shortage.
  - Shortage of workers.
  - Not all licensed manufacturers are selling product in Washington. Jar ticket games are not consistently being produced for Washington.
- No standing inventory, orders are delayed.
- Distributors are housing more inventory than the manufacturer (potential cash flow issues).
- Local jurisdiction gambling tax structure in addition to the collection of a sales tax.
- Licensing fee structure.

### **Distributor purchases and sales:**

- Approximately half of licensed distributors sell product to other distributors and have also done the following during the pandemic:
  - Share runs, cases of pull-tabs produced, when ordering
  - Exchange or supply product not available from the manufacturer to other distributors to meet customer demand
- Five licensed distributors buy product directly from Arrow International
- A sixth licensed distributor can purchase Event Pull-Tab Series at a 50-case minimum

### Manufacturers:

All five of the Washington State licensed PB/PT manufacturers were contacted. One of the manufacturers only sells punchboards while another only sells pull-tab dispensing devices in Washington State. Below, is the summary of the feedback received from PB/PT licensed manufacturers:

### **What is the demand currently from distributors for pull tabs?**

- Majority of supply in storage is sold.
- Definitely/very high.
- Overwhelming.

### **Can you meet the demand? If not, why?**

- No. Demand far exceeds production.
- No. Not taking new orders.
- Shortage of labor.
- Difficult to receive raw materials from suppliers--paper, glue, ink, corrugated, etc.

### **What changes are there in the marketplace right now, post-COVID?**

- No inventory left and warehouses are empty.
- Making to order, cannot keep up.
- Distributors/Licensees will take any product they can get (i.e., Used to run 20 product lines, now doing only 4 - takes time to change for different product run).
- Electronic Pull-tabs - Due to lack of paper pull-tabs, many jurisdictions have rushed electronic pull-tabs into law (i.e., Ohio).

### **Are your sales increasing/decreasing? Back to pre-pandemic numbers?**

- Increasing across the board.
- However, they cannot meet demand--could sell far more if they could make it.
- Passing pre-pandemic numbers until inventory/production is maxed out.

### **What are your projections for the industry?**

- Demand exceeding production through end of this year.
- Electronic pull-tabs making a bigger presence in other jurisdictions.
- Expects paper pull-tab sales to plateau when stimulus money runs out.
- Expects gambling industry to fall if hyperinflation becomes a reality.
- Cannot predict--fear to make capital investments in equipment to expand production.
- Paper pull-tab sales will plateau, but electronic will continue to grow.

### **What are the distributors saying regarding sales?**

- July has been historically low; however, in 2021, July is as strong as any other month.
- Some distributors may not survive the recovery.
- Distributors want variety of product but will take anything they can get.
- Distributors want to stockpile games; however, manufacturers are asking them to resist.

### **What are some of the challenges you see in the market right now and in immediate future?**

- Allocating distribution based on market history and prioritizing profitable markets (nationwide). The types of pull-tabs in Washington have a very low margin and makes Washington a lower priority when production is maxed.
- Many factories are 30-40 years old and cost more to operate.
- Cannot rebuild inventory because demand exceeds production.
- Hyperinflation/stagnated economy is expected to kill the pull-tab recovery.
- Expects demand to taper by next summer--go down or stabilize.
- Raw materials unavailable--order nine trucks of paper for month, get two.
- Delivery times getting longer as distribution chain suffers same fate as supply chain (labor).
- If demand recedes, they must concentrate on service.
- Could take a year or two to rebuild inventory.

- Small number of manufacturers--any increase in production/distribution by the big player only hurts the little players.
- Shortage of labor (i.e., 110 employees were laid off and only 60 returned).



## Rule Petition to Amend

WAC 230-15-050- Minimum cash on hand requirements.

August 2021 – Commission Review  
May 2021 – Rule-Making Petition Received

### Tab 5: AUGUST 2021 Commission Meeting Agenda.

Statutory Authority 9.46.070

#### Who Proposed the Rule Change?

Ann Huysmans, Galaxy Gaming, Inc. from Las Vegas, Nevada

#### Background

Ann Huysmans, of Galaxy Gaming Inc., Las Vegas, Nevada, 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.

The petitioner feels the effect of this rule change would reduce the risk of burglaries, theft, misappropriation of funds associated with having large sums of cash on the premises. The petitioner feels that this rule change would allow for increased accountability and tracking of funds as financial institutions are heavily regulated and maintain numerous records for various regulators, both at the federal and state level.

Attachments:

- Petition
- WAC 230-15-050

#### Policy Considerations

Staff recognizes the petitioner's safety concerns for card rooms and for players leaving card rooms with large sums of money on their persons.

Staff has policy concerns with the petitioner's approach in the original petition because the rule change would not apply to the petitioner, but card room licensees and the request does not appropriately address how card room licensees would maintain reserve funds and pay out prizes.

Staff has discussed their concerns with the petitioner and believes the agency can draft new rules to address how licensees will maintain funds and pay out prizes should this petition be accepted. However, it would be good to hear from card room licensees to determine if they believe this rule change is needed.

#### Staff Recommendation

Under the requirements of the Administrative Procedure Act, the Commission must take action on a petition within 60 days of receiving it. Your options are:

- 1) Initiate rule-making proceedings by filing the rule as proposed for further discussion; or
- 2) Deny the petition in writing, a) stating the reasons for denial and specifically address the concerns stated in the petition, or b) where appropriate, indicate alternative means by which the agency will address the concerns raised in the petition.

Staff recommends that any rule-making address how funds are maintained and prizes paid out if the petition is accepted.

## Laydon, Ashlie (GMB)

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**From:** dan.heisel@watech.wa.gov on behalf of WSGC Web <no.reply@wsgc.wa.gov>  
**Sent:** Thursday, May 20, 2021 3:42 PM  
**To:** Rules Coordinator (GMB)  
**Subject:** Request a Rule Change Submission from wsgc.wa.gov

External Email

Submitted on Thursday, May 20, 2021 - 3:42pm Submitted by anonymous user: 24.120.171.202 Submitted values are:

Petitioner's Name: Galaxy Gaming, Inc.

Mailing Address: 6480 Cameron Street, Suite 305

City: Las Vegas

State: Nevada

Zip Code: 89118

Phone: 7029393254

Email: ahuysmans@galaxygaming.com

Rule Petition Type: Amend Rule – I am requesting WSGC to change an existing rule.

==Amend Rule – I am requesting WSGC to change an existing rule.==

List rule number (WAC) if known: 230-15-050

I am requesting the following change:

Requesting to change Rule 230-15-050 (2) to be in line with Rule 230-15-455 (2)(a)(i).

Specifically, so the operator who is running a house-banked jackpot is allowed to keep the required jackpot money in a separate off-site bank account rather than on the premises.

This change is needed because: Operators have expressed security concerns associated with the large jackpot sums being kept on the card room premises.

The effect of this rule change will be:

Reduced risk of burglaries, theft, misappropriation of funds associated with having large cash sums on the premises.

Increased accountability and tracking of funds as the financial institutions are heavily regulated and maintain numerous records for various regulators both at the federal and state level.

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.wsgc.wa.gov%2Fnode%2F18%2Fsubmission%2F2454&data=04%7C01%7Crules.coordinator%40wsgc.wa.gov%7C439394f12dc54401612908d91be08387%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C637571473367379260%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjEhaWwiLCJXVCi6Mn0%3D%7C1000&sddata=TAB6YZGSzYL7nJhkRHj9kSEHpA11RkpQ%2F9YekHzEk%2FU%3D&reserved=0>



**WAC 230-15-050 Minimum cash on hand requirements.** (1) Card game licensees must have sufficient cash on hand to redeem all chips issued for play and pay out all prizes.

(2) Within three hours of opening for the business day, at a time included in the internal controls, house-banked card game licensees must have at least the following minimum amount of cash on premises in their cage, safe, and vault combined:

(a) One thousand dollars for each house-banked table on the gambling floor; plus

(b) The amount of the largest single prize available excluding jackpot prizes when WAC rules require a deposit into a separate bank account (for example, player-supported jackpots and progressive jackpots).

For example: If a house-banked card room has fifteen house-banked tables and a largest single prize of twenty-three thousand dollars, before opening, the cage must have at least thirty-eight thousand dollars on hand:  $15 \text{ tables} \times \$1,000 = \$15,000 + \text{largest single prize of } \$23,000 = \$38,000$ .

(3) Except for the restrictions on player-supported jackpot pay outs in WAC 230-15-405 and progressive jackpot pay outs in WAC 230-15-690, licensees may pay prizes by check if sufficient funds are available on deposit.

(4) Failure to keep funds to cash in chips, pay prizes, or redeem gambling related checks is prima facie evidence of fraud. Meeting the minimum cage cash amount does not relieve the licensee from the requirement to have sufficient funds available to redeem all chips and pay out all prizes.

[Statutory Authority: RCW 9.46.070. WSR 09-03-024 (Order 640), § 230-15-050, filed 1/9/09, effective 2/9/09; WSR 07-23-081 (Order 620), § 230-15-050, filed 11/20/07, effective 1/1/08; WSR 07-09-033 (Order 608), § 230-15-050, filed 4/10/07, effective 1/1/08.]



**STATE OF WASHINGTON  
GAMBLING COMMISSION**

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

August 12, 2021

**TO:** COMMISSIONERS:  
Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Alicia Levy  
Kristine Reeves

**FROM:** Adam Teal, Staff Attorney  
Legal and Records Division

**SUBJECT: Shyanna Lockridge, CR 2021-00213  
Final Order – August 12, 2021 Commission Meeting**

Shyanna Lockridge has a gambling license authorizing Public Card Room Employee activity; her license is not currently linked to an employer. Her license expires on September 16, 2021.

On December 10, 2020, while working at the Silver Dollar Casino, Licensee Shyanna Lockridge called cage asking about a \$100 bill left behind by a customer. When the cage worker told Lockridge that the cage didn't have the \$100 bill, Lockridge told the cage worker that she may have either given it back to the customer or deposited it into the cage as part of a "cash in" transaction. The following day, a surveillance observer recognized a customer cashing out as the same person that had left the \$100 bill the previous day. When asked whether Lockridge had given him the \$100, the customer said "no." Lockridge never filed a "paid in" slip with the cage at any point either. A review of the video surveillance showed Lockridge approaching the cage with the \$100 bill, clipping it to a clipboard, and then using some coats to disguise her actions, taking the \$100 bill into her possession.

Acting Director Griffin issued Lockridge a Notice of Administrative Charges on May 6, 2021, by regular and certified mail to her last known address on file. Pursuant to WAC 230-17-010, a response was required to be received by the Commission by May 31, 2021. To date, the Commission has received no communication from Lockridge.

Shyanna Lockridge's failure to respond to the charges or timely request a hearing is a waiver of Lockridge's right to a hearing in Case No. CR 2021-00213. You may take final action against her gambling license. Lockridge, while working as a Card Room Employee, wrongfully obtained or exerted unauthorized control over the property of another, thus pursuing economic gain in an occupational manner. In doing so, Lockridge is in violation of RCW 9A.56.050 and 9.46.075(1), (8) and (10) and WAC 230-03-085(1), (3) and 9(a). Based on her conduct, Lockridge cannot show by clear and convincing evidence that she is qualified to keep her gambling license. Therefore, staff recommends that the Commission sign the proposed final order and revoke Shyanna Lockridge's Public Card Room Employee license, Number 68-35471.

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**STATE OF WASHINGTON  
GAMBLING COMMISSION**

7 In the Matter of:

NO. CR 2021-00213

8 SHYANNA L LOCKRIDGE,  
9 License No. 68-35471,

FINAL ORDER OF THE  
GAMBLING COMMISSION

10  
11 Licensee.

12 This matter having come before the Washington State Gambling Commission  
13 (Commission) on August 12, 2021, the Commission makes the following Findings of Fact,  
14 Conclusions of Law, and issues its Final Order:

15 **I. FINDINGS OF FACT**

16 1. The Washington State Gambling Commission issued Shyanna Lockridge License  
17 No. 68-35471 authorizing Public Card Room Employee activity; Lockridge's license is not  
18 currently linked to a House-Banked Card Room.

19 2. This license, which expires on September 16, 2021, was issued subject to  
20 Lockridge's compliance with state gambling laws and Commission rules.

21 3. Lockridge has been licensed since 2019.

22 4. On December 11, 2020, a WSGC Special Agent received an email from Silver  
23 Dollar Casino's Director of Accounting about a potential theft by one of Silver Dollar's Card  
24 Room Employees. According to the email, licensee Shyanna Lockridge had taken a \$100 bill  
25 that was left behind by an unknown customer.  
26

1           5.       On December 14, 2020, the Agent responded to the email and requested all  
2 relevant information regarding the incident, specifically any Incident Reports and video  
3 surveillance related to the theft. Silver Dollar responded by providing two separate incident  
4 reports written by cage cashier Kahenawe Kalahiki Brede, one written on December 10, 2020  
5 and the next written the following day.

6           6.       According to Kalahiki Brede’s December 10, 2020 Report, on that day Lockridge  
7 had called Kalahiki Brede, who was in the cage, to ask about a \$100 bill. Lockridge told Kalahiki  
8 Brede that she may have left the bill on the cage access log sheet. When Kalahiki Brede told  
9 Lockridge that she had not found the bill, Lockridge said that she may have done a “paid in”<sup>1</sup>  
10 for it, or given it back to the customer that had lost it.

11          7.       Along with the Report, Kalahiki Brede provided the entire “Paid In/Paid Out”  
12 Summary for December 10, 2020. No “paid in” of \$100 bill was recorded on the Summary for  
13 that day.

14          8.       On the December 11, 2020 Incident Report, Kalahiki Brede stated that while she  
15 was cashing out an Asian male, she called surveillance to verify the cash out transaction. During  
16 that call, the surveillance observer asked Kalahiki Brede whether or not there was a “paid in”  
17 logged for \$100 the previous day.

18          9.       The surveillance observer, Kelly Sam, recognized the cashing out customer to be  
19 the same male that had lost the \$100 bill the previous day. Kalahiki Brede reported that no \$100  
20 bill had been “paid in” the previous day. When Kalahiki Brede asked the customer whether  
21 Lockridge had returned the \$100 bill to the customer the previous day, the customer said that  
22 she had not.

23  
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25                   <sup>1</sup> To ensure proper accounting for a Card Room cashier’s cage, Card Room Employees are required to  
26 account for and reconcile any cash going into or out of the cage during their shift. A “Paid In” is a required  
record to be completed by the cage cashier to account for miscellaneous cash brought into the cage during their  
shift. This “Paid In” record is used to reconcile the cage inventory and bring the cage balance to the proper  
imprest amount at shift or closing.

1           10.     According to the Incident Report filed by Sam, Lockridge had informed  
2 surveillance that she went to look for the owner of the bill, but could not find him. Sam advised  
3 Lockridge to process a “paid in” for the cash; if/when the customer returned to claim the bill,  
4 Lockridge could then process a “paid out”. Sam would produce a picture of the guest to the cage  
5 to verify that it was him.

6           11.     On December 15, 2020, the Agent received an email with a Separate Notice  
7 attached, outlining that Lockridge had been terminated from her employment at Silver Dollar for  
8 a “Violation of Co. Policies/Procedures”.

9           12.     Lockridge was given the opportunity to provide a written statement on the  
10 Separate Notice. On it, she wrote, “I seen the hundred dollar sitting there tried going to tent then,  
11 called surveillance left it under the sign in sheet and forgot to return to it. I DID NOT touch it  
12 after that.”

13           13.     On December 18, 2020, the Agent went to Silver Dollar Casino to review the  
14 video surveillance footage for the incident as well as the surveillance observer’s notes. Upon  
15 review of the video footage, the Agent was able to confirm that:

16           a.     The customer cashed out and left the \$100 bill on the counter.

17           b.     Lockridge eventually pushed the bill off the counter. She then exited the cage  
18 and picked up the bill.

19           c.     Lockridge returned to the cage and placed the \$100 bill on the clipboard. She  
20 then picked up the bill along with some paperwork, and went to the gaming area.

21           d.     Lockridge returned to the cage and placed the bill underneath some paperwork  
22 on the clipboard. She then places what appeared to be her two coats over the clipboard.

23           e.     Lockridge then is observed moving her hands underneath the coats where the  
24 clipboard and the \$100 bill is located. Lockridge eventually leaves the premises for the  
25 remainder of the day.





1 **NOTICE**

2 Reconsideration: RCW 34.05.470 and WAC 230-17-140 provide that a party may file a  
3 petition for reconsideration of a final order. A petition for reconsideration must be received no  
4 later than thirteen (13) days after the date this final order is mailed. Any motion for  
5 reconsideration must state the specific grounds supporting the party's request for  
6 reconsideration.

7 Stay of Final Order: Filing for reconsideration does not stay the effectiveness of this  
8 Order. WAC 230-17-145 provides that a party may petition the Commission for a stay of a final  
9 order. Any petition for a stay should be received by the Commission within thirteen (13) days  
10 after the date this final order is mailed.

11 Judicial Review: RCW 34.05.542 provides that a party may appeal this final order by  
12 filing a petition for judicial review within thirty (30) days after service of this order. A petition  
13 for judicial review must be filed with the appropriate superior court and served upon both the  
14 Commission and the Office of the Attorney General.

15 Service: This Order was served on you three days after it was deposited in the United  
16 States Postal Service regular mail, excluding the date of mailing. WAC 230-17-035.

17 Any motions or petitions for judicial review should be served on or mailed to:

18 Washington State Gambling Commission  
19 Legal and Records Division  
20 4565 7<sup>th</sup> Avenue S.E., Lacey, WA  
21 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



1 **CERTIFICATE OF SERVICE**

2 I certify that on the date below I served a copy of the foregoing document on all parties  
3 and/or their counsel by United States Postal Service regular mail to the following:

4 SHYANNA LOCKRIDGE  
5 32200 MILITARY ROAD S  
6 FEDERAL WAY WA 98001

7 EXECUTED this \_\_\_\_ day of August, 2021, at Lacey, Washington.

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11 Ashlie Laydon  
12 Rules Coordinator  
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STATE OF WASHINGTON  
GAMBLING COMMISSION

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

August 12, 2021

**TO:** COMMISSIONERS:  
Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Alicia Levy  
Kristine Reeves

**FROM:** Adam Teal, Staff Attorney  
Legal and Records Division

**SUBJECT: Lyna Thou, CR 2020-01588**  
**Final Order – August 12, 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, 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.  
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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 12<sup>th</sup> 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 7<sup>th</sup> 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”**

August 12, 2020

<b>TO:</b>	<b>COMMISSIONERS</b> Bud Sizemore, Chair Julia Patterson, Vice-Chair Alicia Levy Kristin Reeves	<b>EX OFFICIO MEMBERS</b> Senator Steve Conway Senator Jeff Holy Representative Shelley Kloba Representative Brandon Vick
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**FROM:** Tina Griffin, Interim Director

**SUBJECT: 2022 Agency Request Legislation**

At our July public meeting, we decided to move forward with one priority for agency request legislation: Senior low stakes bingo at senior housing and community centers.

Our deadline to submit our budget package and agency request legislation to the Governor’s Office is Monday, September 13, 2021.

I have included the proposed draft bill you approved last year. I recommend filing the same bill for the 2022 session.

We are currently reaching out to stakeholders on this bill to be sure nothing has changed since last year. Staff will have a final decision package for you at the August 27, 2021 public meeting.

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BILL REQUEST - CODE REVISER'S OFFICE

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BILL REQ. #: Z-0011.1/21

ATTY/TYPIST: JO:eab

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.

AN ACT Relating to amending types of nonprofit organizations qualified to engage in certain bingo gambling activities and changes to the number of occurrences for unlicensed bingo activities; and amending RCW 9.46.0209 and 9.46.0321.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

**Sec. 1.** RCW 9.46.0209 and 2020 c 150 s 1 are each amended to read as follows:

(1) (a) "Bona fide charitable or nonprofit organization," as used in this chapter, means:

(i) Any organization duly existing under the provisions of chapter 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized under the provisions of chapter((§)) 15.76 or 36.37 RCW, or any nonprofit corporation duly existing under the provisions of chapter 19.09 or 24.03 RCW for charitable, benevolent, eleemosynary, educational, civic, patriotic, political, religious, scientific, social, fraternal, athletic, or agricultural purposes only, or any nonprofit organization, whether incorporated or otherwise, when found by the commission to be organized and operating for one or

more of the aforesaid purposes only, all of which in the opinion of the commission have been organized and are operated primarily for purposes other than the operation of gambling activities authorized under this chapter; or

(ii) Any corporation which has been incorporated under Title 36 U.S.C. and whose principal purposes are to furnish volunteer aid to members of the armed forces of the United States and also to carry on a system of national and international relief and to apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other national calamities and to devise and carry on measures for preventing the same.

(b) An organization defined under (a) of this subsection must:

(i) Have been organized and continuously operating for at least twelve calendar months immediately preceding making application for any license to operate a gambling activity, or the operation of any gambling activity authorized by this chapter for which no license is required; and

(ii) Demonstrate to the commission that it has made significant progress toward the accomplishment of the purposes of the organization during the twelve consecutive month period preceding the date of application for a license or license renewal. The fact that contributions to an organization do not qualify for charitable contribution deduction purposes or that the organization is not otherwise exempt from payment of federal income taxes pursuant to the internal revenue code of 1954, as amended, shall constitute prima facie evidence that the organization is not a bona fide charitable or nonprofit organization for the purposes of this section.

(c) 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

bona fide charitable or nonprofit organization for the purposes of this chapter.

(2) For the purposes of RCW 9.46.0315 and 9.46.110, a bona fide nonprofit organization can be licensed by the commission and includes:

(a) A credit union organized and operating under state or federal law. All revenue less prizes and expenses received from raffles conducted by credit unions must be devoted to purposes authorized under this section for charitable and nonprofit organizations; and

(b) A group of executive branch state employees that:

(i) Has requested and received revocable approval from the agency's chief executive official, or such official's designee, to conduct one or more raffles in compliance with this section;

(ii) Conducts a raffle solely to raise funds for either the state combined fund drive, created under RCW 41.04.033; an entity approved to receive funds from the state combined fund drive; or a charitable or benevolent entity, including but not limited to a person or family in need, as determined by a majority vote of the approved group of employees. No person or other entity may receive compensation in any form from the group for services rendered in support of this purpose;

(iii) Promptly provides such information about the group's receipts, expenditures, and other activities as the agency's chief executive official or designee may periodically require, and otherwise complies with this section and RCW 9.46.0315; and

(iv) Limits the participation in the raffle such that raffle tickets are sold only to, and winners are determined only from, the employees of the agency.

(3) For the purposes of RCW 9.46.0277, a bona fide nonprofit organization also includes a county, city, or town, provided that all revenue less prizes and expenses from raffles conducted by the county, city, or town must be used for community activities or tourism promotion activities.

(4) For the purposes of bingo operated under RCW 9.46.0321, a bona fide nonprofit organization also includes a county, city, or town community center or a nonprofit senior housing organization.

**Sec. 2.** RCW 9.46.0321 and 1987 c 4 s 28 are each amended to read as follows:

Bona fide charitable or bona fide nonprofit organizations organized primarily for purposes other than the conduct of such activities are hereby authorized to conduct bingo, raffles, and amusement games, without obtaining a license to do so from the commission but only when:

(1) Such activities are held in accordance with all other requirements of this chapter, other applicable laws, and rules of the commission;

(2) Said activities are, alone or in any combination, conducted no more than (~~twice~~) twelve times each calendar year and over a period of no more than twelve consecutive days each time, notwithstanding the limitations of RCW 9.46.0205: PROVIDED, That a raffle conducted under this subsection may be conducted for a period longer than twelve days;

(3) Only bona fide members of that organization, who are not paid for such services, participate in the management or operation of the activities;

(4) Gross revenues to the organization from all the activities together do not exceed five thousand dollars during any calendar year;

(5) All revenue therefrom, after deducting the cost of prizes and other expenses of the activity, is devoted solely to the purposes for which the organization qualifies as a bona fide charitable or nonprofit organization;

(6) The organization gives notice at least five days in advance of the conduct of any of the activities to the local police agency of the jurisdiction within which the activities are to be conducted

of the organization's intent to conduct the activities, the location of the activities, and the date or dates they will be conducted; and

(7) The organization conducting the activities maintains records for a period of one year from the date of the event which accurately show at a minimum the gross revenue from each activity, details of the expenses of conducting the activities, and details of the uses to which the gross revenue therefrom is put.

--- **END** ---