



**WASHINGTON STATE GAMBLING
COMMISSION PUBLIC MEETING**

June 2021

Gambling Commission

Headquarters

Lacey, WA



STATE OF WASHINGTON

GAMBLING COMMISSION

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

Day One of the Gambling Commission Meeting Agenda

Thursday, June 10th, 2021

[Click here to join the meeting](#)

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

PUBLIC MEETING

9:30 am	Welcome and Call to Order <i>Bud Sizemore, Chair</i>
Tab 1	Suquamish Tribe Proposed Compact Amendment 5 (Action) <i>The Honorable Leonard Forsman, Chair Rion Ramirez, CEO of Port Madison Enterprises Tina Griffin, WSGC Interim Director Julie Lies, WSGC Tribal Liaison</i>
Tab 2	Sports Wagering Proposed Compact Amendment (Action) Lead Negotiating Tribe Presenters: <ul style="list-style-type: none"> • Tulalip Tribe of Washington: <i>The Honorable Teri Gobin, Chairwoman The Honorable Glen Gobin, Vice Chair</i> • Suquamish Tribe: <i>The Honorable Leonard Forsman, Chair and Rion Ramirez, CEO of Port Madison Enterprises</i> • Snoqualmie Indian Tribe: <i>Stanford Le, CEO and President Snoqualmie Casino</i> • Kalispel Tribe of Indians: <i>Kevin Zenishek, Executive Director of Casino Operations</i> Tribes Adopting Suquamish Tribe’s Compact Amendment Language: <ul style="list-style-type: none"> • Confederate Tribes of the Colville Reservation: <i>The Honorable Karen Condon, Colville Business Council Secretary</i> • Cowlitz Indian Tribe: <i>Kara Fox-LaRose, President and General Manager ilani Resort</i> • Jamestown S’Klallam Tribe: <i>The Honorable W. Ron Allen, Chairman</i> • Lummi Nation: <i>The Honorable Lawrence Solomon, Chairman</i> • Muckleshoot Indian Tribe: <i>The Honorable Jaison Elkins, Tribal Council Chair</i> • *Puyallup Tribe of Indians: <i>* Letter from The Honorable Bill Sterud, Chairman</i> • Shoalwater Bay Indian Tribe: <i>The Honorable Charlene Nelson, Chairwoman</i> • Spokane Tribe: <i>The Honorable Carol Evans, Chairwoman</i> • *Squaxin Island Tribe: <i>Letter from The Honorable Kris Peters, Chair</i> • Stillaguamish Tribe of Indians: <i>The Honorable Shawn Yanity, Chairman</i> • Swinomish Indian Tribal Community: <i>The Honorable Jeremy Wilbur, Vice Chair Swinomish Senate</i> <p>* Letters will be read at the end of the presentation.</p> <p style="text-align: right;"><i>Tina Griffin, WSGC Interim Director Julie Lies, WSGC Tribal Liaison Brian Considine, WSGC Legal and Legislative Manager</i></p>

Tab 3	Sports Wagering Rules (Action) <i>Brian Considine, Legal and Legislative Manager</i>
	Public Comment
	Adjourn Day One

*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***

GAMBLING COMMISSION

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

Day Two of the Gambling Commission Meeting Agenda

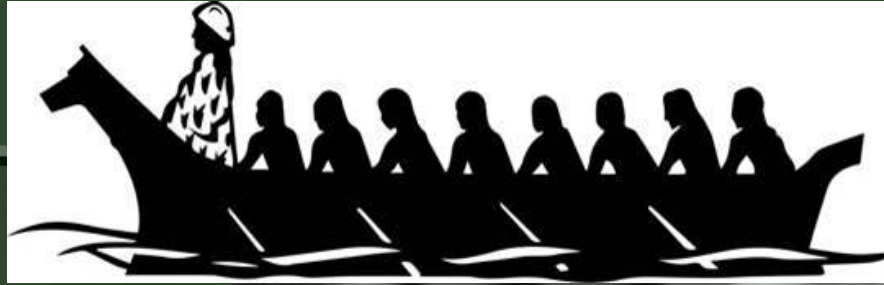
Friday, June 11th, 2021

[Click here to join the meeting](#)

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

PUBLIC MEETING	
9:30 am	Reconvene and Welcome
Tab 4	Call to Order <i>Bud Sizemore, Chair</i> *Consent Agenda (Action) <ul style="list-style-type: none"> • May 13, 2021 Commission Meeting • New Licenses and Class III Employees Licenses
Tab 5	*Petition for Review 2010 Toyota Tundra, Case No. 2018-00771 (Forfeiture) (Action) <div style="text-align: right;"><i>Chad Standifer, Assistant Attorney General</i> <i>Charles R. Steinberg, Attorney for Claimant</i></div>
Tab 6	*Defaults (Action) <ul style="list-style-type: none"> • Siergiey, Martin - CR 2021-00309 • Big Bottom Roadhouse – CR 2020-00878 • Holrody, Tony – CR 2021-00073 <div style="text-align: right;"><i>Adam Teal, WSGC Staff Attorney</i></div>
Tab 7	2022 Agency Request Legislation <div style="text-align: right;"><i>Brian Considine, WSGC Legal and Legislative Manager</i></div>
Tab 8	Director Hiring Update <div style="text-align: right;"><i>Lisa Benavidez, WSGC HR Director</i></div>
Tab 9	*Election of Officers (Action) <ul style="list-style-type: none"> • Chair • Vice Chair <div style="text-align: right;"><i>Tina Griffin, WSGC Interim Director</i></div>
	Public Comment
	Executive Session – Closed to the Public <i>Bud Sizemore, Chair</i> Discuss potential agency litigation with legal counsel, including tribal negotiations.
Public Comment can be provided: <ul style="list-style-type: none"> • Before and during the Commission meeting you may email Julie.Anderson@wsgc.wa.gov ; or • During the meeting you may use the Microsoft Office Teams Chat Box; • If you are attending the meeting by phone, we will offer you an opportunity to comment. 	
	Adjourn

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



Suquamish Tribe

Compact Fifth Amendment Hearing

June 10, 2021

The Honorable Leonard Forsman, Chair, Suquamish Tribe
Tina Griffin, WSGC Interim Director
Julie Lies, WSGC Tribal Liaison



Commissioners



Chair Bud Sizemore



Vice Chair Julia Patterson



Alicia Levy



Lauren King



Kristine Reeves

Appointed by the Governor, with consent of the Senate, for a six-year term

Ex Officio Members



Senator
Steve Conway
29th District



Senator
Jeff Holy
6th District



Representative
Shelley Kloba
1st District



Representative
Brandon Vick
18th District

1988: Indian Gaming Regulatory Act

“Class III gaming activities shall be lawful on Indian lands only if such activities are... located in a State that permits such gaming... and are conducted in conformance with a tribal-state compact...”

1988: Indian Gaming Regulatory Act

“The purpose of this chapter is... to protect such gaming as a means of generating tribal revenue.”

“The State must negotiate in good faith when a compact or amendment is requested by a tribe.”

Negotiation Topics

Casino-style gaming activities
Criminal and civil jurisdiction
Fees for state regulation
Remedies for breach of contract
Standards of operation



Our Mission

*“Protect the public by ensuring
that gambling is
legal and honest”*

Public Protection Interests



No criminal involvement

Gaming conducted fairly, honestly

Gaming limited to authorized activities

Minimize negative impacts on local law enforcement, emergency services

Fifth Amendment to Suquamish Tribe's Gaming Compact

Presented by

Leonard Forsman, Chair of the Suquamish Tribe

Rion Ramirez, CEO of Port Madison Enterprises

suq̓^wabš

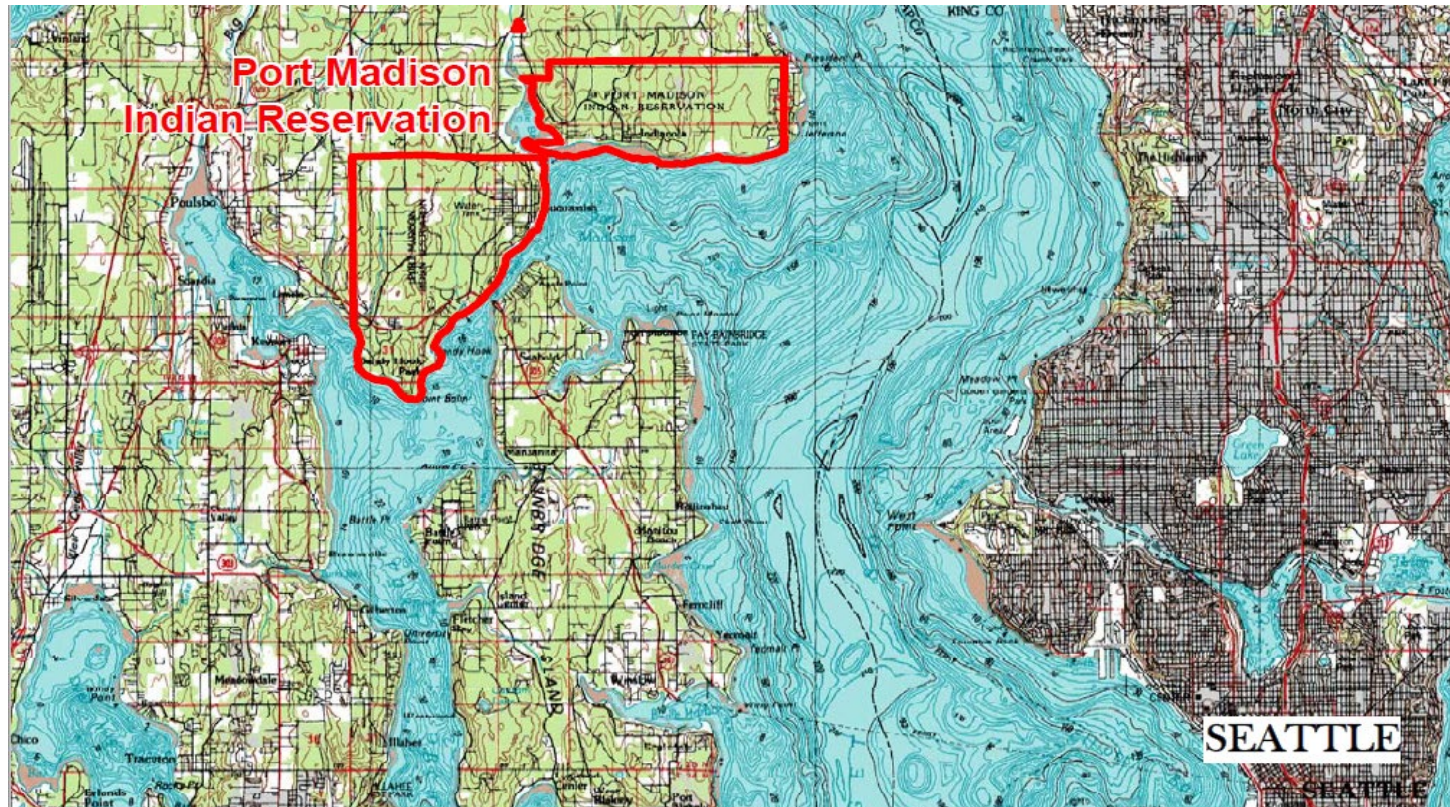
People of the Clear Salt Water

- The traditional language of the Suquamish People is Lushootseed
- Chief Seattle was signatory to the 1855 Treaty of Point Elliott on behalf of the Tribe
- The Suquamish had winter villages including those at Suquamish, Point Bolin, Poulsbo, Silverdale, Chico, Colby, Olalla, Point White, Lynwood Center, Eagle Harbor, Port Madison and Battle Point



Where Is the Port Madison Indian Reservation?

Port Madison Indian Reservation is in the Central Puget Sound Region of Washington State on the Kitsap Peninsula. Just a 30-minute ferry ride from Seattle. The reservation is approximately 7,657 acres.



Clearwater Casino Resort



Began as a tent in 1995, when business grew, the Tribe constructed a 78,000 square foot casino building in 2003 and added additional restaurants, convention space and hotel tower that opened in 2015.

Port Madison Enterprises

- With more than 1000 employees, pre-pandemic, in fields ranging from information technology to hospitality to construction, the Suquamish-owned company and its subsidiaries are now the second-largest private employer in the greater Kitsap area
- PME offers competitive compensation packages, including medical, dental, vision, and 401K contributions
- PME offered quarterly bonuses to employees to provide additional support during pandemic and the Tribe offered all employees and their families the opportunity to be vaccinated

Benefits of Indian Gaming

Governmental gaming means that gaming dollars fund key governmental functions, including:

- Protection of Tribal Treaty Rights, including co-management of natural resources
- Elders Programs
- Wellness Center
- Tribal Housing
- Marion Forsman Boushie Early Learning Center, Chief Kitsap Academy, Youth and Fitness Center and scholarships for higher education
- Suquamish Museum
- House of Awakened Culture
- Tribal police and Tribal Courts



Benefits of Indian Gaming

- Charitable & Community Contributions totaled over \$2,500,000 in the last five years alone.
- Our contributions include organizations like the Marvin Williams Recreational Center, Kitsap Regional Library, and Kitsap Community Foundation, including the Kitsap Strong Initiative.
- Pandemic relief to broader community, including vaccinations to Kitsap county teachers and elders
- Regional health center to open in 2021, open to all community members

Responsible Gaming

- Problem Gambling Task Force participation
- Evergreen Council on Problem Gambling contributions
- Suquamish Wellness Center
 - Holistic approach
 - Offers problem gambling services, including assessments, and individual, family, and group sessions
 - Free to all community members, including non-members of the Tribe

Fifth Amendment Overview

- Adding terms that already been approved for other tribes in Washington
- Updated wager limits
- Increase in problem gambling contribution
- Updates to community and charitable contributions
- Extension of credit
- Adding registration for gaming employees
- Adding option for pilot program for alternative calculation of annual regulatory fee

Thank You

Chair Leonard Forsman, Suquamish Tribe
Rion Ramirez, CEO of Port Madison Enterprises

Major Compact Changes

Updates wager limits

Adds responsible gambling program & problem gambling funding

Updates funding for community impact and charitable contributions

Allows for extension of credit to qualified customers

Adds registration for gaming employees

Adds a pilot program to find an annual regulatory fee alternative



Public Comments



Next Steps

Forward to governor for review & final execution

OR

Return to WSGC director for further negotiation



Sports Wagering

Compact Amendment Hearings

June 10, 2021

Tina Griffin, WSGC Interim Director

Julie Lies, WSGC Tribal Liaison

Brian Considine, WSGC Legal and Legislative Manager



Commissioners



Chair Bud Sizemore



Vice Chair Julia Patterson



Alicia Levy



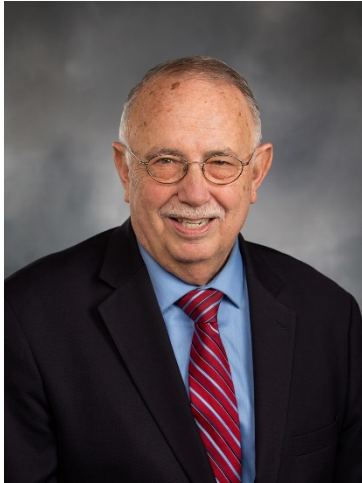
Lauren King



Kristine Reeves

Appointed by the Governor, with consent of the Senate, for a six-year term

Ex Officio Members



Senator
Steve Conway
29th District



Senator
Jeff Holy
6th District



Representative
Shelley Kloba
1st District



Representative
Brandon Vick
18th District

1988: Indian Gaming Regulatory Act

“Class III gaming activities shall be lawful on Indian lands only if such activities are... located in a State that permits such gaming... and are conducted in conformance with a tribal-state compact...”

1988: Indian Gaming Regulatory Act

“The purpose of this chapter is... to protect such gaming as a means of generating tribal revenue.”

“The State must negotiate in good faith when a compact or amendment is requested by a tribe.”

Negotiation Topics

Casino-style gaming activities
Criminal and civil jurisdiction
Fees for state regulation
Remedies for breach of contract
Standards of operation



Our Mission

*“Protect the public by ensuring
that gambling is
legal and honest”*

Public Protection Interests



No criminal involvement

Gaming conducted fairly, honestly

Gaming limited to authorized activities

Minimize negative impacts on local law enforcement, emergency services

Background

HB 2638 signed in March 2020:

Legislation authorized sports wagering only at Class III Tribal Gaming Facilities subject to a compact amendment

Areas to be negotiated:

Licensing and Commission Fees to pay for regulation

How sports wagering will be conducted, operated, and regulated (including mobile wagering)

Issues related to criminal enforcement, including money laundering, sport integrity, and information sharing between the Commission and the Tribe

Responsible and problem gambling



22 Tribes operate 29 Class III Casinos

Background

Wagering Authorized:

- Professional Sports
- Collegiate Sports except for in-state colleges
- Olympic/International Sports
- Esports
- Mobile/Internet on Tribal Casino Premises

Wagering Prohibited:

- High School or Youth Sports
- In-state Collegiate sports/events
- Minor League Sports
- Fantasy Sports
- Mobile/Internet Off Tribal Casino Premises

Additional Criminal Integrity Provisions:

- Money Laundering & Professional Gambling Updates
- Sport Integrity: Match-fixing & Contest Manipulation



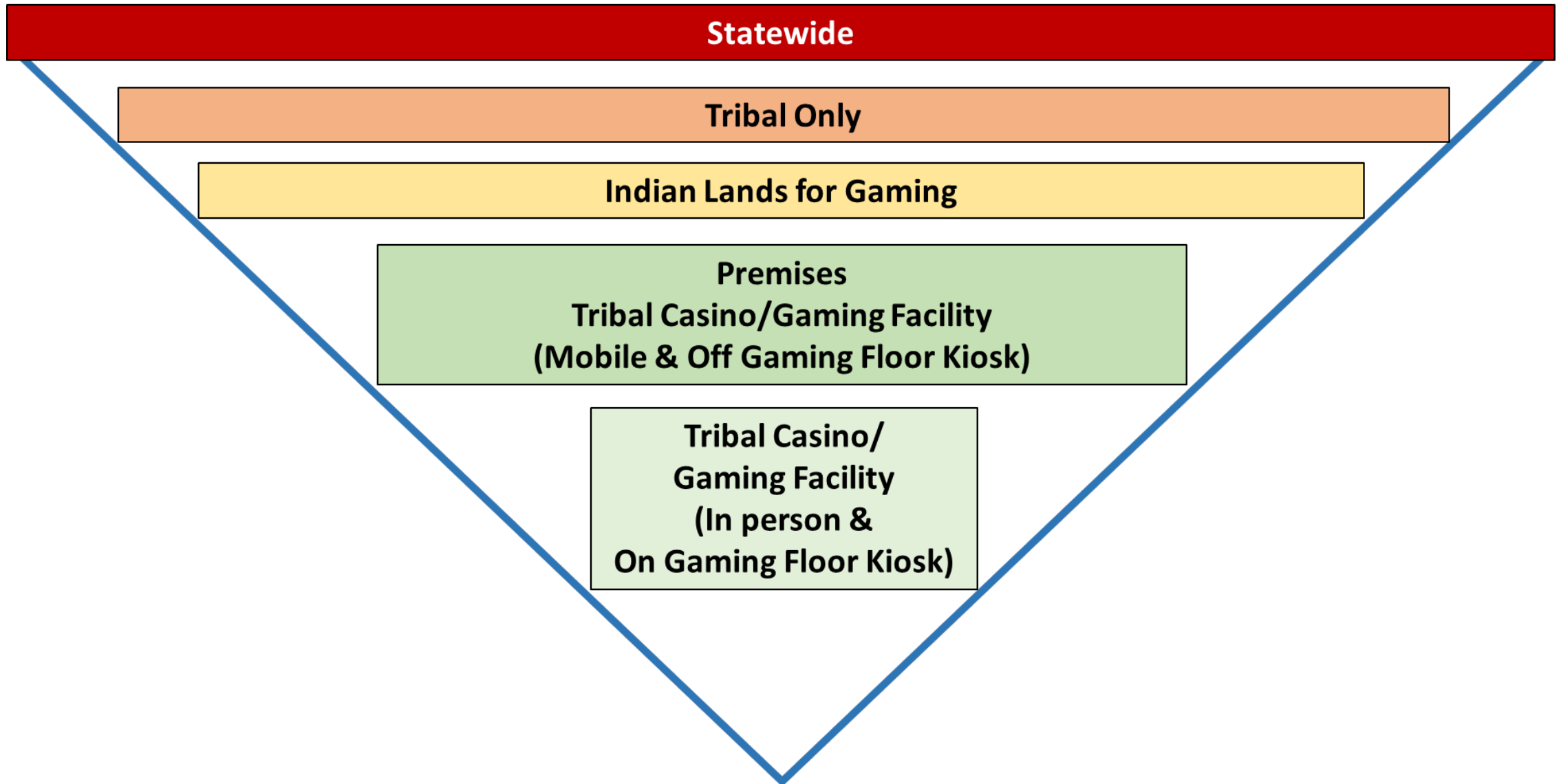
Appendix S: Summary of Provisions

RCW 9.46.0364	Appendix Provisions
1. Licensing	3 new vendor types for Sports Wagering: Major; Mid-Level; Ancillary Gaming Employees & non-Sports Wagering vendors follow Compact process
2. Fees *Certification Fees *Start-Up Fees (In Amendment)	Per WAC Pro rated share of all Tribes operating on 3/30/2023 <i>Suquamish, Kalispel, Snoqualmie added “unless all tribes agree to alternative distribution method in MOU”</i>

Appendix S: Summary of Provisions

RCW 9.46.0364	Appendix Provisions
3. Operation/Regulation	
Location	<p>Wagering to occur via:</p> <ul style="list-style-type: none">• Sportsbook within the Gaming Facility• Kiosks in Gaming Facility and on the Premises• Mobile within the Premises and Geofenced permitted boundary <p>Servers within the Gaming Facility</p> <p>Cloud Storage for back-up in WA only</p>

Appendix S: Premises



Appendix S: Summary of Provisions

RCW 9.46.0364	Appendix Provisions
3. Operation/Regulation	
Location	<p>“...physically present on the premises of that tribe’s gaming facility.” Premises is the Gaming Facility and adjacent or adjoining amenities (hotels, restaurants, conference or entertainment spaces, common areas, parking lots, garages, other improved areas) DOES NOT INCLUDE non-adjoining convenience stores or golf courses.</p> <p><u>Black’s Law</u> Premises 2. A house or building, along with its grounds (smoking is not allowed on these premises).</p> <p><u>Merriam-Webster</u> Premises 2: a tract of land with its component parts (as buildings) also : a building or part of a building usually with its appurtenances (as grounds or easements)</p>

Appendix S: Summary of Provisions

RCW 9.46.0364	Appendix Provisions
3. Operation/Regulation	
Player Accounts	<p>Required for mobile.</p> <p>In person identification /registration</p> <p>Protection of PII</p> <p>Use of ‘digital wallet’ for payment of wagers, but not connected to other gaming</p>
Authorized Wagers	<p>SGA maintains an Authorized Wagering Menu (AWM).</p> <p>Initial list from agreed upon jurisdiction</p> <p>TGA approves and send to SGA for review and add to the AWM.</p>

Appendix S: Summary of Provisions

RCW 9.46.0364	Appendix Provisions
3. Operation/Regulation	
Prohibited Wagers	<p>Collegiate Sports Events involving a collegiate institution located within WA</p> <p>Minor League Sports</p> <p>Events where the outcome has already been determined</p> <p><i>Tulalip: Sports events with underage participants unless regulated by a Sports Governing Body, like the Olympics.</i></p>

Prohibited Wagers – WA College Sporting Events



RUN YOUR OWN BRACKET POOL

Visit [CBSSports.com/Bracket](https://www.cbssports.com/Bracket)

See terms for details.



Appendix S: Summary of Provisions

RCW 9.46.0364	Appendix Provisions
3. Operation/Regulation	
Prohibited Participants	<p>Proxy or Agents;</p> <p>Athlete, player, coach, manager, referee or other official in a sports event that has access to non-public information; holds a position of authority over event participants; or whose participation may undermine the integrity of wagering on the event. (integrity)</p> <p><i>Tulalip: Prohibited from wagering if on the self-exclusion list.</i></p> <p><i>Others: Prohibition when on self exclusion list will be in Internal Controls or Responsible Gaming policy</i></p>
SW System	<p>Must meet GLI-33</p> <p>Tested by ITL, Approved by TGA</p> <p>Coordinated training on system w/TGA & SGA at agreed upon locations</p>

Appendix S: Summary of Provisions

RCW 9.46.0364	Appendix Provisions
3. Operation/Regulation	
House Rules	House rules posted for the patrons. House rule information can be part of Internal Controls. Approved by TGA, concurred with by SGA
Reserve Requirements	Must have ability to cover all outstanding Sports Wagering liabilities
Internal Controls	Details of provisions will be included in Tribe's ICs which will follow Compact approval process.

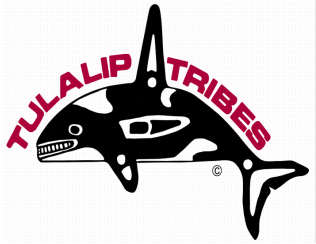
Appendix S: Summary of Provisions

RCW 9.46.0364	Appendix Provisions
4. Criminal Enforcement	
*AML	<p>Anonymous wagers up to \$2,000 (windows & on gaming floor kiosks)</p> <p>Player account required for off gaming floor kiosk</p> <p>Must follow federal AML requirements (also included in Internal Controls)</p>
*Integrity	Integrity Monitoring Provider required; notice to SGA on suspicious wagering
*Info Sharing	Compact provisions plus requirements in 9.46.0364

Appendix S: Summary of Provisions

RCW 9.46.0364	Appendix Provisions
5. Responsible/Problem Gambling	<p>Sports Wagering Net Win included in Problem Gambling Contribution</p> <p>Responsible Gaming- annual training & create policy</p> <p>Mobile or Player Accounts – offer self imposed limits</p> <p>Mobile and kiosks – display commitment to RG</p> <p>Consider participation in statewide Self-Exclusion</p> <p>Consider results of PGTF</p> <p><i>Kalispel: provided additional information on Camas Path and self-imposed limit information based on behavioral health providers.</i></p>

Lead Negotiating Tribes



Tulalip Tribes of Washington



Suquamish Tribe



Snoqualmie Indian Tribe



Kalispel Tribe of Indians

Joining Tribes



Confederated Tribes of the Colville Reservation



Cowlitz Indian Tribe



Jamestown S'Klallam Tribe



Lummi Nation



Muckleshoot Indian Tribe



Puyallup Tribe of Indians



Shoalwater Bay Indian Tribe



Spokane Tribe



Squaxin Island Tribe



Stillaguamish Tribe of Indians



Swinomish Indian Tribal Community

Sports Wagering Amendment

Tulalip Tribes

WSGB Hearing

June 10, 2021



- Tulalip negotiated and signed the first tribal-state gaming compact in 1992
- Tribal government gaming in Washington State has yielded substantial economic gains for Tribes and the State of Washington
- Tribal government gaming creates the opportunity to provide fundamental services to our communities, providing services and building infrastructure
- Tribal government gaming creates thousands of jobs for non-Indians throughout Washington state
 - Tribes are the 7th largest employer in the State, and each is often one of the top employers in their respective counties.
 - Non-Indians comprise 70% of the tribes' workforces
- Sports Wagering will create even more jobs for Washingtonians



- Tribes make tremendous investments to local governments, non-profits, and other organizations in WA state to support a variety of service programs
- Tulalip alone has contributed \$65 Million dollars to non-profits and organizations throughout the State of Washington
- Tulalip has contributed an additional \$45 Million dollars to outside non-profits and organizations.
- Sports Wagering will result in increased dollars for WA State



- No greater priority for Tribes than to protect the integrity of the game and ensure the welfare of the customers who play
- Sports Wagering will be regulated in a highly regulated manner to protect the integrity of the game and ensure the welfare of the customer, like current tribal gaming
 - Detailed internal controls developed to control all matters related to playing and the operation of the game of Sports Wagering
- It is a testament to the leadership of our tribal governments, our tribal members, and the work of our dedicated employees that the Indian gaming industry has remained protected and stable. This will remain true with sports wagering



How to place a sports wager

Sportsbook within the Gaming Facility

Sports Wagering Kiosk operated in Gaming Facility and the Premises

- Cannot accept more than \$2,000 per Wager without a Sports Wagering Account in Gaming Facility.
- Requires the use of a Sports Wagering Account to place wagers off the gaming floor within Premises

Mobile Betting within Premises and Within Geofenced Area

- Tribe must provide a layout map of geofenced area. State will review map against definition of Premises in the amendment. And approval.
- State will engage in a pre-operation inspection to ensure geofence technology is consistent with the approved layout map submitted by the tribe
- Player must first register and have created an electronic patron file inside the casino property at a Sportsbook to obtain a Sports Wagering Account to mobile wager on sports wagering platform.
- Take reasonable efforts to confirm that a player is not a Prohibited Sports Betting Participant or in a self-exclusion program or list.
- A Sports Wagering Account is limited to a single individual person and is non-transferable
- Mobile bets and all transactions tracked to mobile device through their Sports Wagering Account
- The transmission of gambling information over the Internet for any Sports Wagering conducted is authorized, provided that a wager may only be placed by a player who is physically present at a Tribe's Gaming Facility or on the Premises



- Tribal governing gaming revenues are generated here in Washington State, and stay here; helping to grow, build, and re-build our communities, both tribal and non-tribal.
- It is without doubt that Washington State and its citizens benefit tremendously from tribal gaming, and these benefits will only continue to grow as we generate additional revenues from sports wagering.



THANK YOU



Fourth Amendment to Suquamish Tribe's Gaming Compact

Presented by

Leonard Forsman, Chair of the Suquamish Tribe

Rion Ramirez, CEO of Port Madison Enterprises

Sports Wagering Amendment

- Suquamish one of the four tribes who actively negotiated sports wagering amendment
- Suquamish worked collaboratively with 8 other tribes during negotiations, receiving input from tribes with large and small casino properties, from diverse geographic regions, including both eastern and western Washington, and rural and urban areas
- To date, 12 tribes have signed on to Suquamish's form Appendix S

Sports Wagering Amendment

- It was important to Suquamish and its workgroup that the amendment not reinvent the wheel
 - Washington tribes have 25+ years of gaming experience, so our team built on tribes' proven track record of successful operation and regulation
 - Our team looked to other jurisdictions with authorized sports wagering for guidance
- Appendix S is consistent with industry standards and best practices, from an operation and regulatory perspective

Sports Wagering Amendment

- Compact amendment allows Washington tribes to offer sports wagering to Washingtonians without major gambling expansion
- Appendix S aligns with intent and directive of authorizing legislation:
 - Hits all of the “pillars”
 - Sports wagering will occur at tribal casinos
- Keeps it within Washington framework of governmental gaming and charitable gaming; not gambling for private profit

Thank You

Chair Leonard Forsman, Suquamish Tribe
Rion Ramirez, CEO of Port Madison Enterprises

Snoqualmie Tribe

Speaker:
Stanford Le
CEO and President
Snoqualmie Casino

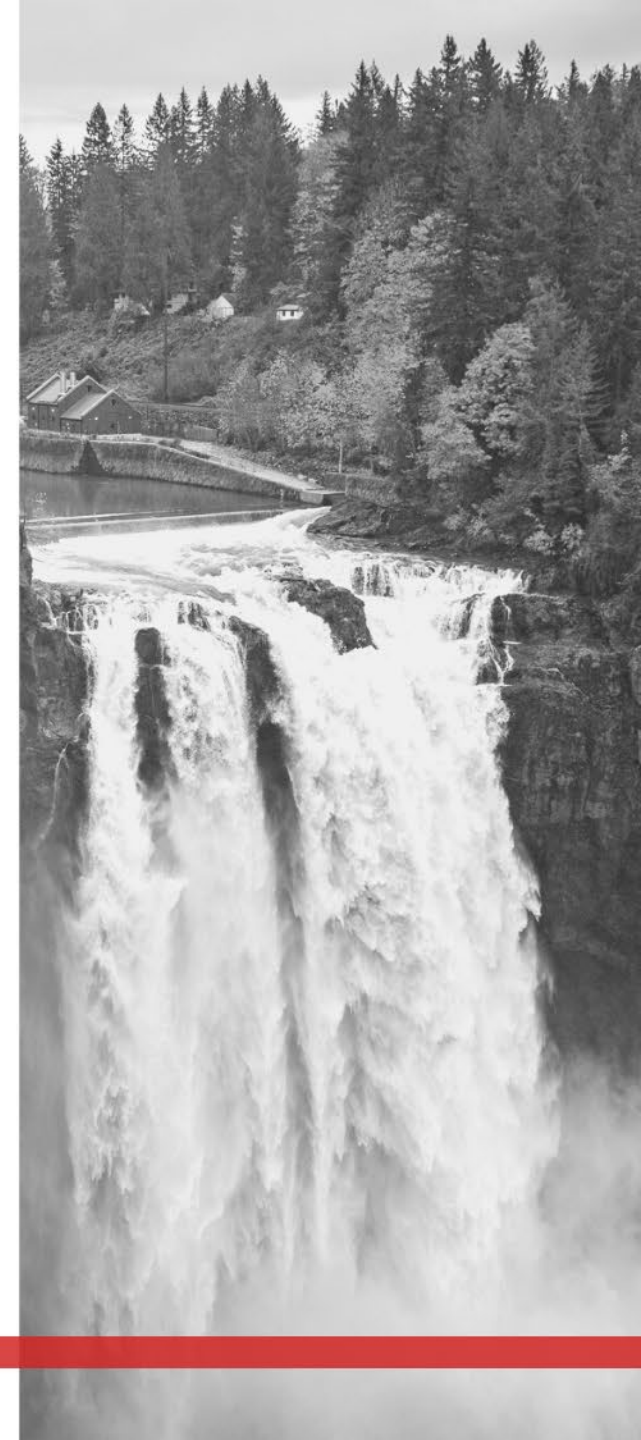


About the Snoqualmie Tribe

The Snoqualmie (sduk^walbix^w) are one of the many tribes constituting the Coast Salish of Washington's Puget Sound region. Snoqualmie Falls is the birthplace of the Snoqualmie people and central to their spiritual traditions. Since time immemorial, Snoqualmie people hunted deer, elk, and other game, fished for salmon, and gathered berries and plants for sustenance and medicine throughout the region.

The Snoqualmie Tribe is a signatory of the Point Elliott Treaty with the Washington territory in 1855. At that time, Snoqualmie was one of the largest tribes in the Puget Sound region totaling around 4,000.

Snoqualmie was one of the many tribes that lost federal recognition during the Termination Era in 1953, but after much battle, we regained federal recognition in October of 1999 by the Bureau of Indian Affairs. Today, the Snoqualmie Tribe has approximately 500 members and is governed by an elected Council and Tribal Constitution.



Snoqualmie Tribal Programs

Revenues from the Tribe's enterprises, especially the Snoqualmie Casino, fund many Tribal programs which serve Tribal Members and the larger community including:

- **Education** - scholarships for Pre K- 12th grade, trade school, and higher education (all expenses paid)
- **Housing** - assistance with rent/mortgage, major house repairs, downpayment assistance and refinancing
- **Natural Resources** - dozens of projects both on and off Tribally-owned land each year to restore native landscapes and support salmon habitat restoration
- **Elders Programs** - support for quality care services, additional support for living expenses
- **Cultural Resources** - Cultural and Archaeology and Historical Preservation programs ensure the Tribe is able to exercise and protect its cultural resources.
- **Childcare** - Tribal families have access to funding to secure quality childcare, regardless of income level





Kalispel Tribe of Indians

Kevin Zenishek, Executive Director of Casino
Operations



- The Kalispel Tribe was federally recognized in a 1914 Executive Order signed by President Woodrow Wilson. The Executive Order also established a 4,600-acre reservation, located adjacent to the Pend Oreille River in Northeastern Washington. The land is mostly floodplain and steep, rocky foothills.
- The ancestral lands of the Kalispel people were once over four million acres and included Western Montana, Northern Idaho, Eastern Washington, and British Columbia.
- Currently there are 470 enrolled members. 34% of the membership is under the age of 18. Tribal elders (age 55+) are the smallest demographic.



- Gaming revenues are used to fund essential government services
- Revenue from the Tribe's two casinos has raised the standard of living for all members. Significant investments have been made to increase accessibility to education, healthcare, housing, employment, and language revitalization.
- The Tribe achieved their goal of providing a holistic approach to health and well being when they opened the Camas Center for Community Wellness in 2008. The 77,000 sq ft facility includes a medical and dental clinic, an aquatic center, a gymnasium, and a state-of-the-art fitness facility, a teen recreation room, computer lab, and childcare for children ages 6 weeks to 6 years.



- Camas Path is responsible for the Tribe's education, health care, and well-being programs.
- Mental and behavioral health are essential components of the holistic approach to wellness.
- Access to mental and behavioral health services extends beyond Tribal members and is available to employees and members of the non-Native community
- In addition to their own healthcare facilities the Tribe also contributes to outside health and wellness organizations (YMCA, Evergreen Problem Gambling)



Confederated Tribes of the Colville Reservation

The Honorable Karen Condon, Colville Business
Council Secretary



COMMISSION HEARING

June 10, 2021



Cowlitz
Indian Tribe



ECONOMIC IMPACT & COMMUNITY PARTNER

- Commitment to large-scale investment in economic and job growth, environmental and long-term sustainability
- \$40M invested on interchange for future economic growth
- \$20M+ spent on local compact and ordinance fees to date
- \$15M water treatment facility
- \$4.5M investment for La Center interchange development
- \$10M in local vendor annual spend
- Active involvement in community development and support
- Drive interest and visitation to SW WA
- Millions in donations and sponsor support to local organizations



- Established April 2017
 - Ridgefield, WA
- Business Model Evolution
 - 3 expansions since opening
 - 4th expansion July 2021
 - Increasing gaming limits and extension of casino credit
 - Hotel expansion under way





REGULATORY

- Mutual mission as WSGC to protect the public by ensuring that gaming is legal and honest
- Cowlitz Tribal Gaming Agency comprised of extensive knowledge and regulatory experience in the gaming industry
- Robust and effective regulatory program focusing on enforcement, licensing, audit, and gaming operations
- Protect tribal gaming as a means of revenue for the Cowlitz Indian Tribe



Cowlitz
Tribal Gaming
Commission



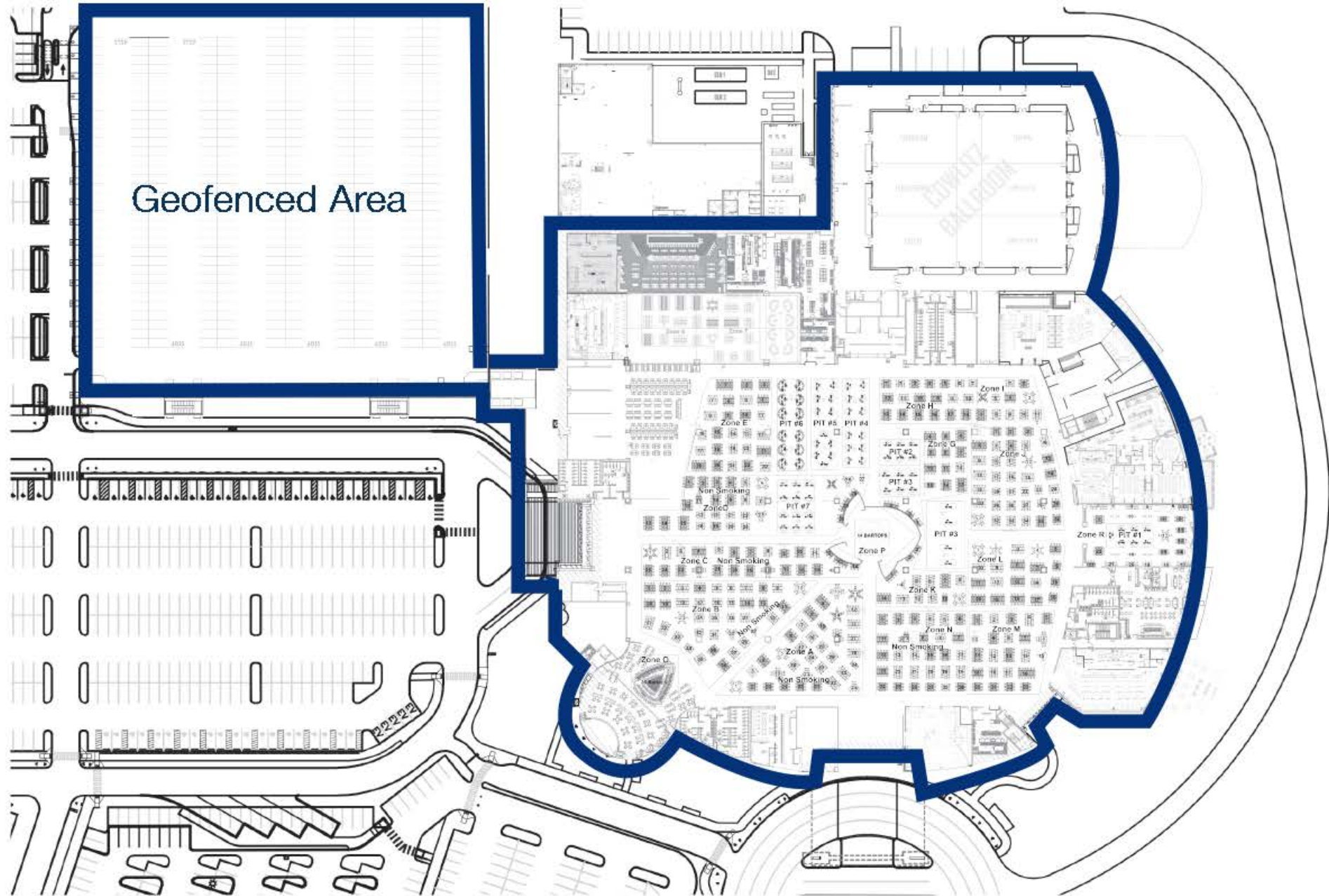
FOCUSED & COMMITTED TO RESPONSIBLE GAMING



- More than \$1M investment in programs and services
- Comprehensive training and certification for gaming operation
- Dedicated counseling services
- Relapse prevention measures
- Executive leadership board and committee participation on state and national level



SPORTS BETTING PREMISES



Geofences are virtual borders that are customizable digital fences around specific areas. This illustration represents existing infrastructure.



Thank You





Jamestown S'Klallam Tribe

The Honorable W Ron Allen, Chairman



Lummi Nation

The Honorable Lawrence Solomon, Chairman

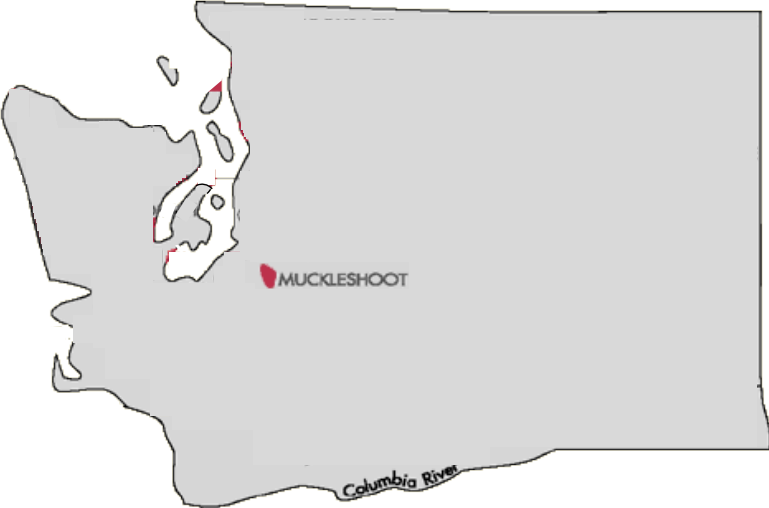


Muckleshoot Indian Tribe

Sports Wagering Compact Appendix

Jaison Elkins, Tribal Council Chair

Muckleshoot Indian Tribe



Muckleshoot Indian Tribe



Health & Wellness Center



Veteran Services



Tribal College



Public Works



Muckleshoot Indian Tribe



Child Development Center



Behavioral Health Building



Elder's Center



Family Resource Center



Muckleshoot Indian Tribe



Tribal School



Youth Center

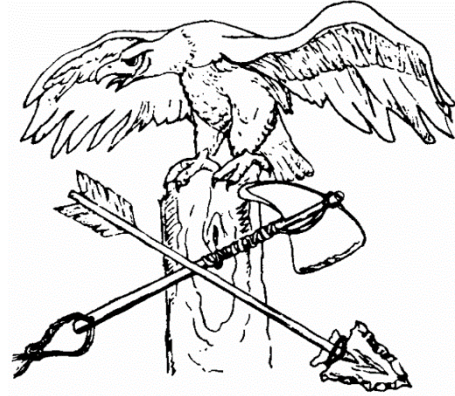


Utility Facility



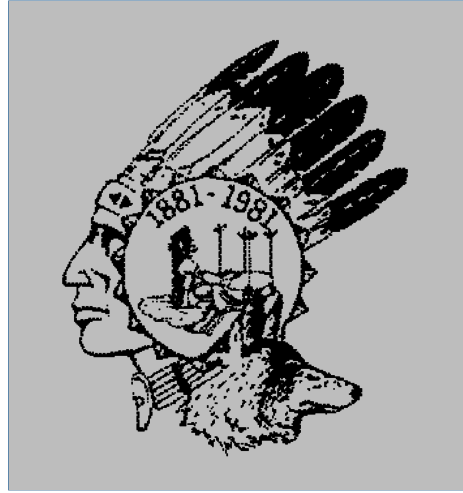
Muckleshoot Indian Tribe – Casino Rendering – Sports Wagering





Shoalwater Bay Tribe

The Honorable Charlene Nelson, Chairwoman



Spokane Tribe

The Honorable Carol Evans, Chairwoman



STILLAGUAMISH TRIBE OF INDIANS

“THE TRIBE’S SUCCESS IS THE
COMMUNITY’S SUCCESS.”

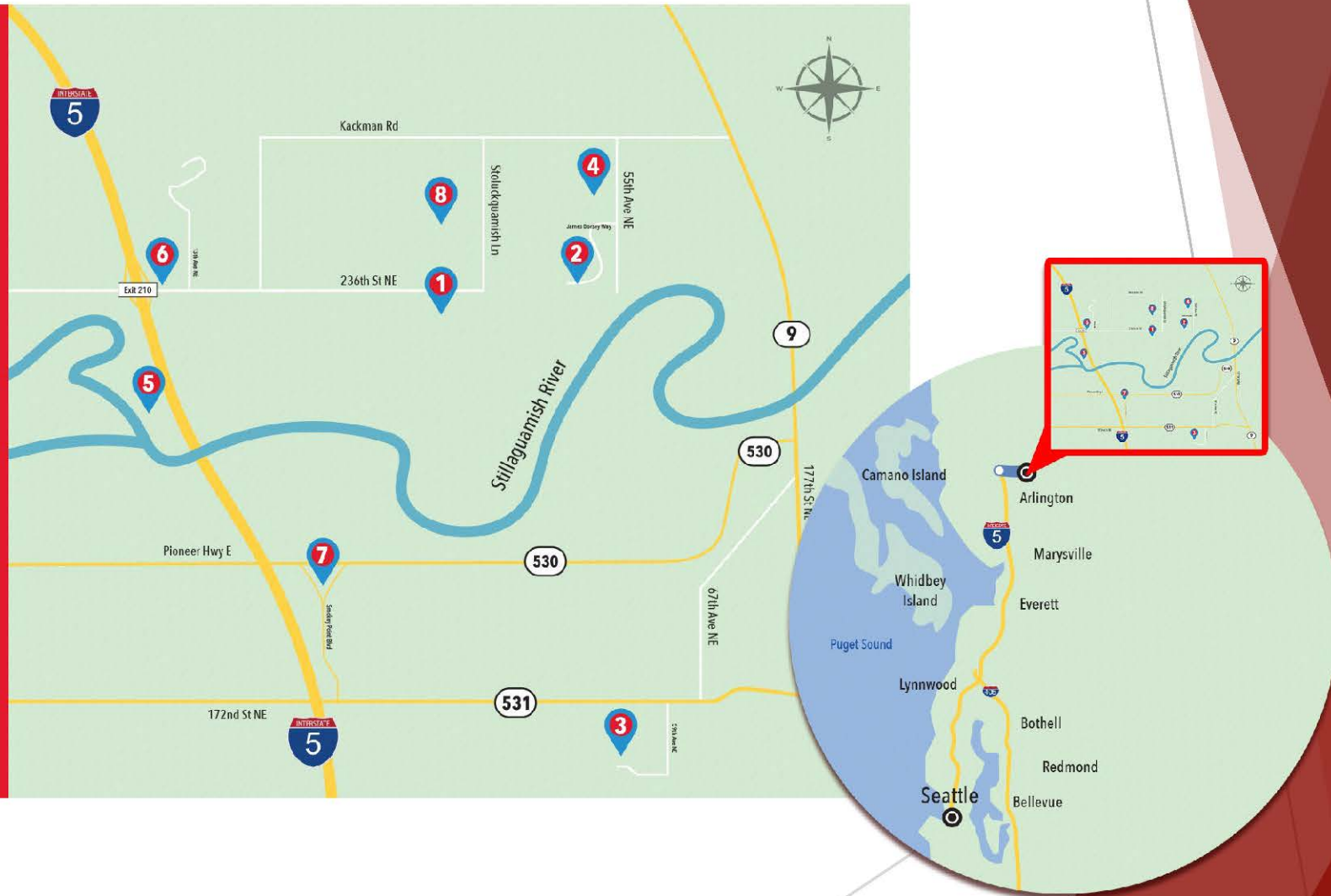
CHAIRMAN, SHAWN YANITY

TRIBAL HISTORY

- ▶ Stuləg^wábš Tribe uses name Stoluck-wa-mish or the English translation known as Stillaguamish
 - ▶ Refers to our people who lived along the Stillaguamish River and camped along its tributaries
- ▶ 1855 – Tribe resided on the Camano Island mouth and main branch of the Stillaguamish River, as well as the north and south forks
- ▶ 1855 – Treaty of Point Elliott
- ▶ October 27, 1976 – Tribe received federal recognition
 - ▶ 1974 – Boldt Decision affirmed, recognized treaty rights, made eligible for federal services
- ▶ 2014 – Tribe granted reservation from federal government
 - ▶ 64 acres in Snohomish County, WA near the Stillaguamish River

TRIBAL MAP

- 1. Administration Building**
3322 236th St NE, Arlington, WA 98223
- 2. Stillaguamish Health Clinic**
24205 James Dorsey Way Suite A, Arlington, WA 98223
- 3. q'wəłūt Healing Center**
5700 172nd St NE, Suite B, Arlington, WA 98223
- 4. Stillaguamish Tribe Community Center**
24410 55th Ave NE, Arlington, WA 98223
- 5. Natural Resources Building**
22712 6th Ave NE, Arlington, WA 98223
- 6. River Rock Tobacco & Fuel**
23704 13th Ave NE, Arlington, WA 98223
- 7. River Rock Tobacco & Fuel**
21125 Smokey Point Blvd, Arlington, WA 98223
- 8. Angel Of The Winds Casino Resort**
3438 Stoluckquamish Lane, Arlington, WA 98223



SPORTS BETTING

- ▶ Looking forward to additional amenity of Sports betting
- ▶ Ability to pull sports betting activity from illegal market
- ▶ Responsibly provide safe and regulated activity onsite
- ▶ Small revenue stream anticipated, but all adds to benefit Tribe and local community
- ▶ WA Tribes have provided a safe and well regulated industry for over 30 years

STILLAGUAMISH TRIBE



- ▶ Tribe employs a total of 950 employees
- ▶ 95% team members reside within 25 miles of reservation.
- ▶ Local impact well beyond 25 mile radius

COMMUNITY INVESTMENT



- ▶ **Housing Department**
 - ▶ In 2016 the Tribe, with its Tribal citizens, went through a series of hands-on interactive workshops to envision a new Stillaguamish Village. Based on the workshops, a final master site plan was developed. This project was fully Tribal funded without the use of grants.
 - ▶ **Canoe House-Carving Shed** – This building provides a space to engage in our canoe and carving practices. The Tribe’s carvers host classes such as tool making, canoe building, totem pole carvings, carving art. The canoe family gathers here for training and social events, as well as stores their canoes in this location.
 - ▶ **Holistic Healing Center** – This building hosts the Tribe’s health practitioners, such as family practice doctors, mental health counselors, and massage therapists. This building also has a community room, which is open for community-based gatherings, such as weaving, cooking, and language classes.
 - ▶ **Elders Campus** – The Elders Campus is comprised of six units: the elders longhouse, four elders cottages, and the elders park. These units are all ADA compliant, highly energy efficient, and come with a whole house generator to assist during power outages. The Tribe subsidizes elders’ rent through Tribal hard dollars.
 - ▶ **Single Family Homes** – There are currently five single family homes that sit along a neighborhood park. Families that live in these units pay no more than 20% of their adjusted income on rent. The Tribe subsidizes rent through Tribal hard dollars.
 - ▶ **Playground Park** – The playground includes elements that have been designed with a nice touch of nature play, including a log jam concept inspired by the traditional stick game that includes large slahal sticks made from logs. Our Tribal carvers built a beautiful dugout canoe as a play element. The park includes a public restroom.

STILLAGUAMISH HEALTH CLINIC



- ▶ Open to Stillaguamish Tribal members and their families, other enrolled Native Americans, and Tribal employees
- ▶ Massage Therapy Clinic
 - ▶ Restores clients' health and wellbeing through massage therapy and bodywork
- ▶ Drive-through COVID-19 vaccinations
 - ▶ Began in December 2020
 - ▶ Offered vaccinations to neighboring Tribes and the surrounding community

Q^wəLÚT HEALING CENTER



- ▶ Assists the community to improve individual functioning and elevate the quality of life for all
- ▶ Behavioral Health Programs
 - ▶ Offers Substance Use Disorder (SUD) treatment and mental health services
- ▶ Island Crossing Counseling Services
 - ▶ Assists the community to achieve a lifestyle of sobriety and health

COMMUNITY CENTER



- ▶ Located in the middle of the Tribal Housing Community
- ▶ Houses the Tribe's Elders Department and Daycare
- ▶ Education Department
 - ▶ Goal is to make getting an education as accessible as possible
- ▶ Open and available to Stillaguamish citizens
- ▶ Cultural events, funerals, Summer Youth Program

NATURAL RESOURCES BUILDING



- ▶ Created in 1974 due to the Boldt Decision
- ▶ Manages, protects, and conserves the natural resources that are required to sustain healthy populations of fish, shellfish, and wildlife within the Stillaguamish Tribe's usual and accustomed areas (Stillaguamish watershed)

LOCAL COMMUNITY IMPACT

“The Tribe’s success is the community’s success.”



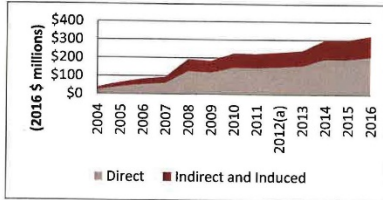
- ▶ Tribal donations from September 2019 to September 2020 totaled over \$2.3 million
 - ▶ \$315,000 to Stanwood Camano Food Bank
 - ▶ \$300,000 to the Arlington Food Bank
 - ▶ \$180,000 to Darrington Fire
 - ▶ \$25,000 to Everett PD
 - ▶ \$20,000 to Lakewood School District
 - ▶ \$20,000 to Providence Hospice
 - ▶ \$20,000 to Stanwood High School Girl’s Soccer
 - ▶ And much more
- ▶ Donates to five fire districts within the Tribe’s watershed
 - ▶ District 17, Arlington Heights, North County, Oso, and Darrington
- ▶ Donations over the past five years totaled \$5.2 million



STILLAGUAMISH TRIBE OF INDIANS

SUMMARY OF 2016 REGIONAL ECONOMIC CONTRIBUTIONS

SO MUCH MORE THAN A CASINO!



Total Annual Direct, Indirect and Induced Output, 2004 – 2016
Source: Eldred & Associates, and Burke Consulting



Located in Arlington, Washington

For more information contact:

Shawn Yanity, Chairman
or
Eric White, Vice Chairman

(360) 652-7361

syanity@Stillaguamish.com

ewhite@Stillaguamish.com

Since 2006, the Stillaguamish Tribe has donated more than \$9.46 million to municipalities and community groups within Snohomish County.



The Stillaguamish Lands are Located about 30 Miles North of Seattle, WA



Tribal Zis a Ba Habitat Restoration Project near Stanwood, WA

- Stillaguamish Tribe 2016 Economic Contribution Highlights**
- Output \$310.9 million into local economy
 - Created 1,600 jobs
 - Restored 100 acres of critical salmonid habitat
 - Managed 2 salmon hatcheries
 - Treated more than 800 patients a day for opioid addiction
 - Launched a \$60 million Casino expansion for Angel of the Winds
 - Started a \$13 million county road improvement project for 236th Street
 - Donated more than \$10 million dollars to surrounding agencies, fire and police departments, and non-profit groups from 2004 – 2016
 - Continued its 23% average annual rate of growth
 - Continued as Boys & Girls Clubs of Snohomish County's major sponsor
 - Sponsored National Hunting and Fishing Day for 750 local youth
 - Opened larges Tesla electrical charging station north of Seattle
 - Started an 80-acre elder housing

SUMMARY OF 2016 REGIONAL ECONOMIC CONTRIBUTIONS

SO MUCH MORE THAN A CASINO!

Stillaguamish Tribe's \$9.4 Million in Donations

Have Included:

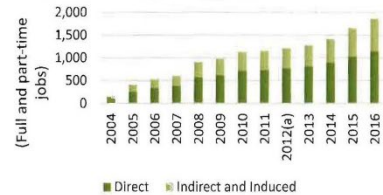
- **City of Arlington: \$1,143,000**
 - 2009, 2012 - Fire Department: \$103,500
 - 2009 – 2016: Thermal imaging camera for Fire Dept, Public Works, Park Play Ground, and Police: \$121,837
 - 2008 – Arlington Fire Department: \$12,000: Water Rescue Program
 - 2008 – Arlington Police Department: \$4,000: Patrol Car Cameras
 - 2009 - \$100,000: Pavement Grinding in front of the hospital
- **Arlington School District and Parks: \$620,000**
 - Performing Arts Center: \$50,000
 - Holler Park Playground: \$20,000
 - Rotary Duck Dash: \$50,000
 - Holler Park Splash Pad: \$500,000
- **Key Life Safety Donations: \$748,000**
 - 2009 - 2016 – Snohomish County Sheriff: \$233,000
 - 2016 – Snohomish County Public Works: \$50,000
 - 2009 - 2014 – Snohomish County Fire: \$365,000
 - 2014 – City of Marysville Crimes Task Force: \$100,000
- **The Oso Slide: \$820,000**
 - \$150,000 to Darrington
 - \$150,000 to Oso Fire District
 - \$150,000 to Hospital
 - \$300,000 in required match for Federal Funds
 - \$40,000 to replenish the Oso Community Events fund
 - \$30,000 to the Oso Community Center
- **Boys & Girls Clubs of Snohomish County: \$2.1 million**



New Arlington Boys & Girls Club gym made possible because of the Tribe's generous donation



North County Fire District's new LIFEPAK, made possible because of the Tribe's generous donation



Total Annual Direct, Indirect, Induced Output, 2004 – 2016

Source: Eldred & Associates, and Burke Consulting



Total Tribal Economic Output, 2016

Source: Eldred & Associates, and Burke Consulting

THANK YOU



STILLAGUAMISH
TRIBE OF INDIANS

An aerial photograph of a regatta on a wide river. In the foreground, a long canoe with many rowers is moving towards the right. Behind it, another smaller canoe is visible. The river is bordered by green grassy banks. In the background, there are several traditional wooden buildings with gabled roofs, likely a festival or regatta grounds, with people gathered around. The water reflects the sunlight, creating a shimmering effect.

WA State Gambling Commission Hearing

June 10, 2021

Swinomish Indian Tribal Community

People of the Salmon

Swinomish is committed to improving the lives and wellbeing of our Tribal members through social and cultural programs, education, economic development, and resource protection.

An aerial photograph of a river winding through a landscape. In the upper right, a building with a dark roof is visible on a grassy bank. A boat is on the river in the middle ground. The background shows more of the river and surrounding land.

Swinomish invests in:

in our *children*, who are the future;

in the *natural resources*, which sustain all that we do;

and in successful *economic development*, which allows us to fulfill the hopes and dreams of our Tribal citizens.

Swinomish gives back to the community

Charitable Giving

- Big Brother Big Sisters
- Camano Senior Services
- Senior Services of Island County
- Diaper Bank of Skagit County
- Skagit Domestic Violence and Sexual Assault Services
- Helping Hands Food Bank
- La Conner Sunrise Food Bank
- Potlatch Fund
- Sunshine Physically Handicapped Foundation

Community Giving

- Anacortes Fire Dept
- Anacortes Police Dept
- Skagit 911



didgʷálič Wellness Center

Offering services to the whole community:

- OUTPATIENT TREATMENT SERVICES
- PRIMARY MEDICAL CARE
- MENTAL HEALTH COUNSELING
- MEDICATION-ASSISTED THERAPIES
- SHUTTLE TRANSPORTATION
- CASE MANAGEMENT & REFERRALS
- SOCIAL WORK SERVICES
- GROUP & FAMILY THERAPY
- ON-SITE PUBLIC BENEFITS ENROLLMENT
- ON-SITE CHILDCARE
- ON-SITE SECURITY
- DENTAL CARE



Questions & Answers

Tribal Letters



Puyallup Tribe of Indians



Squaxin Island Tribe



Public Comments

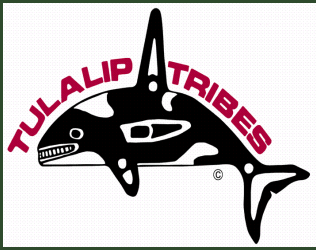


Next Steps - Vote

Forward to governor for review & final execution

OR

Return to WSGC director for further negotiation



Tulalip Tribes of Washington

Tribal-State Gaming Compact Amendment 10 For Sports Wagering



Suquamish Tribe

Tribal-State Gaming Compact Amendment 4 For Sports Wagering



Snoqualmie Indian Tribe

Tribal-State Gaming Compact Amendment 5 For Sports Wagering



Kalispel Tribe of Indians

Tribal-State Gaming Compact Amendment 4 For Sports Wagering



Confederated Tribes of the Colville Reservation

Tribal-State Gaming Compact Amendment 3 For Sports Wagering



Cowlitz Indian Tribe

Tribal-State Gaming Compact Amendment 3 For Sports Wagering



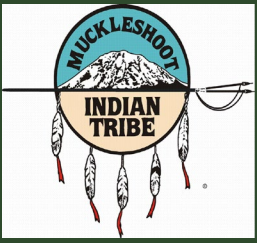
Jamestown S'Klallam Tribe

Tribal-State Gaming Compact Amendment 7 For Sports Wagering



Lummi Nation

Tribal-State Gaming Compact Amendment 5 For Sports Wagering



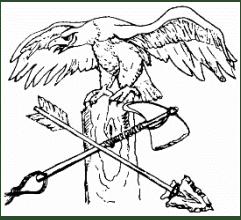
Muckleshoot Indian Tribe

Tribal-State Gaming Compact Amendment 6 For Sports Wagering



Puyallup Tribe of Indians

Tribal-State Gaming Compact Amendment 6 For Sports Wagering



Shoalwater Bay Indian Tribe

Tribal-State Gaming Compact Amendment 3 For Sports Wagering



Spokane Tribe

Tribal-State Gaming Compact Amendment 3 For Sports Wagering



Squaxin Island Tribe

Tribal-State Gaming Compact Amendment 6 For Sports Wagering



Stillaguamish Tribe of Indians

Tribal-State Gaming Compact Amendment 4 For Sports Wagering

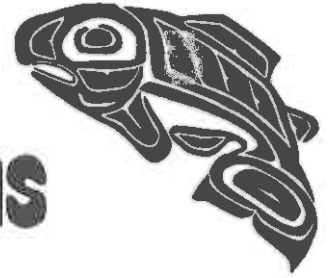


Swinomish Indian Tribal Community

Tribal-State Gaming Compact Amendment 7 For Sports Wagering



Puyallup Tribe of Indians



June 1, 2021

Chairman Bud Sizemore
Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504

RE: PTOI's Request for Approval of Appendix S

Dear Chairman Sizemore, Commissioners, and Ex Officials:

I am the Chairman of the Puyallup Tribe of Indians ("Puyallup"), signatories to the Medicine Creek Treaty. We are delighted to have reached tentative agreement with the State of Washington for amending our Gaming Compact to include Appendix S, Sports Wagering. The amendment will be a new and well-regulated amenity for our customers at the Emerald Queen Casinos. In recognition of the Commission's time for this Hearing and in deference to our sister Tribes' presentations, please accept this letter as Puyallup's submission for the record in lieu of a formal appearance.

Sports betting is growing at a phenomenal rate across the United States and around the world. Washington's deliberate and cautious entry into the field not only protects the citizens of the State and provides a relief valve for betting in the illicit market, but also continues Washington's policy of limited gaming with strong oversight. Puyallup is honored to be among the first in the State to provide Sports Wagering in an integrity first environment with shared Tribal and State Regulatory oversight. Our governments will continue to work closely together under Appendix S and the Compact to resolve any arising issues as Sports Wagering comes on line.

Puyallup will keep Sports Wagering to the confines of Appendix S, as well as with the internal regulations and controls Puyallup adopts and promulgates. Wagering will occur within the premises of our two Class III gaming facilities, unusual bets tracked and scrutinized, vendors appropriately vetted and licensed, problem gambling and self-exclusion addressed, and those under age 21 excluded. In short, the 25 years of regulatory and operational experience Puyallup possesses bode well for a clean, honest venue for players to enjoy and participate.

Proceeds from the program, like with our other gaming, enhance the health, education and welfare of Puyallup members, go to our local non-tribal community for impacts—including problem gambling—and charitable causes, and provide additional employment for tribal and non-tribal citizens. Secondary benefits include additional revenues for vendors and surrounding businesses,

and their accompanying taxes to the State. This relationship has kept gaming limited, served the parties well in the past, and will benefit us all into the future.

Thank you for your time and attention of our comments and testimony in support of the Commission approving Puyallup's Sports Wagering Compact Amendment. We look forward to a healthy Sports Wagering operation and our continued strong relationship.

Sincerely,



Bill Sterud, Chairman
Puyallup Tribe of Indians



SQUAXIN ISLAND TRIBE

May 24, 2021

Via Email

Commissioner Bud Sizemore, Chair
Commissioner Julia Patterson, Vice-Chair
Commissioner Alicia Levy
Commissioner Lauren King
Commissioner Kristine Reeves
Director Tina Griffin
Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504

*Re: June 10, 2021 Commission Meeting
Approval of Sports Wagering Amendments to Gaming Compacts*

Dear Commissioners and Director:

Thank you for taking this important next step for tribal gaming in Washington State. Due to prior commitments, I am unable to be present for this important meeting. Please accept my apologies and allow this letter to serve in place of my remarks.

The Tribe is in the early stages of planning for sports wagering. With many decisions to be made and many steps along the way, the work between the State and Squaxin is likely just beginning. As we confront new issues and new questions together, we hope the Commission will adopt a reasonable and flexible attitude to solving problems. We invite you to reach out, visit the facility as wagering begins, and take the opportunity to experience the Squaxin community.

The Tribe expects this new form of gaming will allow the Tribe's enterprise to bring a new experience to its guests and a new style of entertainment to the property. The Tribe also recognizes that new styles of gaming will bring new questions of public policy and compliance to the property and the Tribe stands ready to meet these new challenges.

Again, please accept our thanks. We also thank and acknowledge the many tribes who took the lead in negotiations, and in particular thank the Kalispel and Suquamish tribes for their efforts to share information and coordinate discussion among the tribes.

Sincerely,

Kristopher K. Peters
[Kristopher K. Peters \(May 24, 2021 10:37 PDT\)](#)

Kris Peters, Chair
Squaxin Island Tribe

Cc: Julie Lies, Tribal Liaison



Sports Wagering Rule-Making
 Chapter 230-03 WAC; Chapter 230-05 WAC; and Chapter 230-06 WAC
 Amendments
 Chapter 230-19 WAC New Rules

June 2021 – Discussion & Possible Filing
July 2020 – Initiated Rule-Making

Tab 3: JUNE 2021 Commission Meeting Agenda.	Statutory Authority RCW 9.46.070, RCW 9.46.130, RCW 9.46.210, RCW 9.46.240, and any uncodified provisions in 2020 c 127 (HB 2638)
Who Proposed the Rule Change?	
Washington State Gambling Commission Staff	
Background	
<p>Bold = Changes made after July 2020 Commission Meeting.</p> <p>On March 25, 2020, Governor Jay Inslee signed <u>House Bill 2638</u> that authorizes sports wagering for Class III tribal facilities under terms negotiated in tribal-state compacts. It also added or amended several criminal, regulatory, and licensing statutes in the Gambling Act and gives the Gambling Commission authority to adopt or amend any rules needed for the regulation of sports wagering.</p> <p>At the July 2020 meeting, Commissioners initiated rule-making to adopt new rules and amend current rules to implement the new sports wagering law, including creating a new state regulatory structure to cover all aspects of sports wagering consistent with any new tribal-state wagering compact amendments.</p> <p>In April and May 2021, the Commission reached a tentative sports wagering compact amendment agreement with fifteen Tribes. Of the fifteen Tribes, there are four different, but similar, sports wagering compact amendments that address the agency’s five sports wagering pillars: (1) Licensing and Regulation; (2) Agency Funding; (3) Money Laundering and Criminal Enforcement; (4) Sport and Gambling Integrity; and (5) Responsible and Problem Gambling.</p>	
Proposed Sports Wagering Rules	
<p>The proposed sports wagering rules create a licensing and regulatory system consistent with the Gambling Act and recently negotiated tribal-state sports wagering compact amendments.</p> <p>These rules look to amend and/or add current rules in chapter 230-03 WAC, Permitting and Licensing Rules; chapter 230-05 WAC, Fees; and chapter 230-06 WAC, Rules for All Licensees. It also looks to add a new chapter of sports wagering rules to our rules in chapter 230-19 WAC.</p> <p>The proposed rules do not yet incorporate any accepted edits from stakeholder and tribal comments at this time due to time constraints in getting this information to you in time for our public meeting. Staff continue to revise and refine the rule language, including incorporating some stakeholder and tribal suggested edits, as we continue to refine these rules. Staff also continues to analyze how best to implement this new gambling activity from our state regulatory perspective and any changes will be noted for Commissioners at our public meeting(s).</p>	

Attachments:

- **Repealer of WAC 230-03-408**
- **Repealer of WAC 230-05-101**
- **WAC 230-03-035**
- **WAC 230-03-040**
- **WAC 230-03-045**
- **WAC 230-03-060**
- **WAC 230-03-065**
- **WAC 230-03-070**
- **WAC 230-03-075**
- **WAC 230-03-195**
- **WAC 230-03-196**
- **WAC 230-03-200**
- **WAC 230-03-229 (NEW)**
- **WAC 230-03-231 (NEW)**
- **WAC 230-03-233 (NEW)**
- **WAC 230-03-234 (NEW)**
- **WAC 230-03-311 (NEW)**
- **WAC 230-03-312 (NEW)**
- **WAC 230-03-313 (NEW)**
- **WAC 230-03-320**
- **WAC 230-03-330**
- **WAC 230-03-335**
- **WAC 230-05-110**
- **WAC 230-05-112**
- **WAC 230-05-120**
- **WAC 230-05-124**
- **WAC 230-05-125**
- **WAC 230-05-126**
- **WAC 230-05-170**
- **WAC 230-05-175**
- **WAC 230-06-030**
- **WAC 230-06-050**
- **WAC 230-06-054**
- **WAC 230-06-082**
- **WAC 230-06-084 (NEW)**
- **WAC 230-06-110**
- **WAC 230-06-116 (NEW)**
- **WAC 230-06-120**
- **WAC 230-19-005 (NEW)**
- **WAC 230-19-010 (NEW)**
- **WAC 230-19-015 (NEW)**
- **WAC 230-19-020 (NEW)**

- **WAC 230-19-025 (NEW)**
- **WAC 230-19-030 (NEW)**
- **WAC 230-19-035 (NEW)**
- **WAC 230-19-040 (NEW)**
- **WAC 230-19-045 (NEW)**
- **WAC 230-19-050 (NEW)**
- **WAC 230-19-055 (NEW)**
- **WAC 230-19-060 (NEW)**

Stakeholder Outreach and Feedback

Proposed sports wagering rules were distributed to stakeholders and Tribal leaders and representatives on May 27, 2021. A deadline of June 7, 2021 was given for comments and suggested edits to be reviewed by staff for our June 10, 2021 public meeting. All comments received by June 7, 2021 have been distributed to Commissioners for review and consideration. As of close of business on June 7, 2021, feedback from the following stakeholders was received:

- **BetMGM**
- **Cowlitz Tribal Gaming Authority**
- **DraftKings Inc.**
- **FanDuel**
- **Rush Street Interactive**
- **Sightline Payments**
- **Sportradar**
- **Suquamish Tribe**

Commission staff continue to encourage feedback on these rules and will continue to receive and review any feedback until the Commissioners pass final sports wagering rules.

Staff Recommendation

Staff recommends filing draft language for further discussion at a Special Commission Meeting to be held on Wednesday, July 28, 2021.

REPEALER

The following section of the Washington Administrative Code is repealed:

WAC 230-03-408 Applying for sports wagering
prelicensing investigation.

REPEALER

The following section of the Washington Administrative Code is repealed:

WAC 230-05-101 Implementation of new permit and
 license fees.

AMENDATORY SECTION (Amending WSR 18-05-026, filed 2/9/18, effective 5/1/18)

WAC 230-03-035 Applying for a license. (1) You must fully complete the license application form we provide in order to be considered for a license. You must submit it with the appropriate fees on-line in the manner we require, or return it, along with the appropriate fees, to our headquarters office.

(2) If your application is incomplete, you must provide us with the required items within thirty days of notification or we may administratively close the application.

(3) Applicants for a new organization license or permit will submit the base license fee for each authorized activity they are applying for with their application.

(4) Applicants for a new individual license will submit the new application fee they are applying for with their application.

AMENDATORY SECTION (Amending WSR 07-21-116, filed 10/22/07, effective 1/1/08)

WAC 230-03-040 Signing the application. The applicant signs the application under oath and under penalty of perjury under the laws of the state of Washington. This oath affirms that the information on the application and any accompanying materials is accurate and complete.

(1) The person signing the application must be:

(a) The highest ranking officer, or their designee, of a charitable, nonprofit, or profit-seeking corporation, or limited liability company seeking licensure; or

(b) The owner of a sole proprietorship seeking licensure; or

(c) All partners of a partnership or general partner of a limited partnership seeking licensure.

(2) The person seeking an individual license and a designated officer of the organization for which the person will work must both sign the application.

AMENDATORY SECTION (Amending WSR 13-09-048, filed 4/15/13, effective 5/16/13)

WAC 230-03-045 Defining substantial interest holder. (1) "Substantial interest holder" means a person who has actual or potential influence over the management or operation of any organization, association, or other business entity.

(2) Evidence of substantial interest may include, but is not limited to:

(a) Directly or indirectly owning, operating, managing, or controlling an entity or any part of an entity; or

(b) Directly or indirectly profiting from an entity or assuming liability for debts or expenditures of the entity; or

(c) Being an officer or director or managing member of an entity;
or

(d) Owning ten percent or more of any class of stock in a privately or closely held corporation; or

(e) Owning five percent or more of any class of stock in a publicly traded corporation; or

(f) Owning ten percent or more of the membership shares/units in a privately or closely held limited liability company; or

(g) Owning five percent or more of the membership shares/units in a publicly traded limited liability company; or

(h) Providing ten percent or more of cash, goods, or services for the start up of operations or the continuing operation of the business during any calendar year or fiscal year. To calculate ten percent of cash, goods, or services, take the operational expenses of the business over the past calendar or fiscal year, less depreciation and amortization expenses, and multiply that number by ten percent; or

(i) Receiving, directly or indirectly, a salary, commission, royalties, or other form of compensation based on the gambling receipts.

(3) Spouses of officers of charitable or nonprofit organizations and spouses of officers or board members of publicly traded entities or subsidiaries of publicly traded entities are not considered substantial interest holders, unless there is evidence to the contrary. If so, then an investigation will be conducted to determine if they qualify as a substantial interest holder.

(4) Spouses of officers, owners, or shareholders owning ten percent or more of the organizations' shares of a sports wagering organization are not considered substantial interest holders, unless there is evidence to the contrary. If so, then an investigation will be conducted to determine if they qualify as a substantial interest holder.

AMENDATORY SECTION (Amending WSR 18-05-026, filed 2/9/18, effective 5/1/18)

WAC 230-03-060 Fingerprinting. (1) The following persons must submit fingerprints and undergo a national criminal history background check:

(a) Substantial interest holders of commercial businesses and charitable or nonprofit organizations who live or have lived out of the state in the last ten years; and

(b) Card room employees, commercial and nonprofit gambling managers, and manufacturer, distributor, service supplier, call centers for enhanced raffles, ~~((and))~~ linked bingo prize provider, and sports wagering vendor representatives; and

(c) Any other substantial interest holder when we have information they may not be qualified for licensure or to participate in a gambling activity.

(2) Recreational gaming activity and agricultural fair permit holders do not need to submit fingerprints.

AMENDATORY SECTION (Amending WSR 13-09-048, filed 4/15/13, effective 5/16/13)

WAC 230-03-065 Spouses must also be qualified. (1) Applicants' spouses must also meet the qualifications to hold a gambling license when married persons who maintain a marital community apply for or hold a license to operate gambling activities. This includes, but is not limited to, owners and substantial interest holders of commercial gambling establishments.

(2) If you are a licensed employee of a gambling operation, officer of a charitable or nonprofit organization, or an officer or a board member of a publicly traded entity or subsidiary of a publicly traded entity, your spouse does not need to meet the licensing qualifications, unless they are deemed to be a substantial interest holder.

(3) Spouses of owners and substantial interest holders of a sports wagering organization are not considered substantial interest holders, unless there is evidence to the contrary.

AMENDATORY SECTION (Amending WSR 06-07-157, filed 3/22/06, effective 1/1/08)

WAC 230-03-070 Training required for licensing. (1) You must complete a training course we establish if you:

(a) Signed the licensing application; or

(b) Are a manager; or

(c) Are responsible for conducting gambling activities or completing records.

(2) You must complete training within thirty days of the effective date of your license.

(3) We do not require manufacturers ((~~or~~)), manufacturers' representatives, or major sports wagering vendors to complete training. However, all licensees are expected to know and follow all rules upon receiving your license.

AMENDATORY SECTION (Amending WSR 06-07-157, filed 3/22/06, effective 1/1/08)

WAC 230-03-075 Withdrawing your application. (1) You may withdraw your license application for any reason by sending written or electronic mail notice to us. We must receive your written request at our headquarters office before we issue or deny the license.

(2) Withdrawing an application will not affect any future application for a license.

AMENDATORY SECTION (Amending WSR 06-07-157, filed 3/22/06, effective 1/1/08)

WAC 230-03-195 Additional information required from manufacturer ((and)), distributor, and sports wagering vendor license applicants. If you are applying for a manufacturer ((or)), distributor, or sports wagering vendor license, you must attach the following to your application form or submit the following in a manner we require:

(1) A list of all businesses or corporations which you, or officers, directors, or substantial interest holders of your business, either directly or indirectly, own or control as a substantial interest holder; and

(2) A list of all businesses or corporations licensed to conduct gambling activities or to supply gambling-related equipment, supplies, or services in which you, officers, directors, or substantial interest holders of your business have any interest; and

(3) A list of all jurisdictions in which you or any of the officers, directors, or substantial interest holders of your business have had a gambling-related license at any level during the previous ten years; and

(4) A statement about whether you, or officers, directors, or substantial interest holders have ever been part of a business that had a gambling-related license denied, revoked, or suspended by any jurisdiction for a period longer than thirty days.

NEW SECTION

WAC 230-03-196 Additional information required for sports wagering vendors. Sports wagering vendor applicants must provide contracts and agreements, or proposed contracts or agreements, with any third parties that are part of their sports wagering offerings for review for compliance with chapter 9.46 RCW and Title 230 WAC. Contracts or agreements to be provided for review will relate to the applicant's or third-party vendor's sports wagering equipment, goods, services, and information.

AMENDATORY SECTION (Amending WSR 06-07-157, filed 3/22/06, effective 1/1/08)

WAC 230-03-200 Defining "gambling equipment." "Gambling equipment" means any device, gambling-related software, expendable supply, or any other paraphernalia used as a part of gambling or to make gambling possible. "Gambling equipment" includes, but is not limited to:

(1) Amusement games;

(2) Punch boards and pull-tabs;

(3) Devices for dispensing pull-tabs;

(4) Electronic devices for conducting, facilitating, or accounting for the results of gambling activities((r)) including, but not limited to:

(a) Components of a tribal lottery system;

- (b) Components of a sports wagering system;
- (c) Electronic devices for reading and displaying outcomes of gambling activities; and
- ~~((e))~~ (d) Accounting systems that are a part of, or directly connected to, a gambling system including, but not limited to:
 - (i) Bet totalizers; or
 - (ii) Progressive jackpot meters; or
 - (iii) Keno systems;
- (5) Bingo equipment;
- (6) Devices and supplies used to conduct card games, fund-raising events, recreational gaming activities, or Class III gaming activities, as defined in the Indian Gaming Regulatory Act at U.S.C. 25 chapter 29 § 2703 and in tribal-state compacts including, but not limited to:
 - (a) Gambling chips;
 - (b) Cards;
 - (c) Dice;
 - (d) Card shuffling devices;
 - (e) Graphical game layouts for table games;
 - (f) Ace finders or no-peek devices;
 - (g) Roulette wheels;
 - (h) Keno equipment; ~~((and))~~
 - (i) Tables manufactured exclusively for gambling purposes; and
 - (j) Sports wagering systems.

LICENSING SPORTS WAGERING VENDORS

NEW SECTION

WAC 230-03-229 Applying for a major sports wagering vendor license. You must apply for a major sports wagering vendor license if you provide integral sports wagering goods or services in our state. This includes:

- (1) Managing a Tribe's or Tribes' sports wagering operations;
- (2) Being a Tribe's or Tribes' primary consultant who provides substantial sports wagering related services;
- (3) Being a manufacturer or distributor of a sports wagering system(s);
- (4) Providing bookmaking services; or
- (5) Providing sports wagering risk management services.

NEW SECTION

WAC 230-03-231 Applying for a mid-level sports wagering vendor license. You must apply for a mid-level sports wagering vendor li-

cense if you provide services or equipment related to data, security, and integrity that include, but are not limited to:

- (1) Integrity monitoring;
- (2) Data to be used by a Tribe(s) or sports wagering vendor, including data to set odds;
- (3) The compilation, furnishing, or storage of data for use in sports wagering;
- (4) Initial or annual wagering system security testing or assessment;
- (5) Geofence and geolocation compliance and monitoring; and
- (6) Sports wagering account management, including Software-as-a-Service (SaaS) products.

NEW SECTION

WAC 230-03-233 Applying for an ancillary sports wagering vendor license. You must apply for an ancillary sports wagering vendor license if you provide necessary sports wagering support services that include, but are not limited to:

- (1) Mobile payment processing for use in mobile sports wagering;
- (2) Know your customer or identity verification for use in mobile sports wagering; and
- (3) Marketing or promotional affiliates for a sports wagering vendor or tribal sports wagering operator where the contractual financial arrangement is based on a percentage of an operator's sports wagering revenue.

NEW SECTION

WAC 230-03-234 Sports wagering vendor applicants and associated entities in their corporate structure. You must apply for a sports wagering vendor license if you enter into contracts or agreements to provide sports wagering gaming goods or services to operators or other sports wagering vendors for sports wagering goods or services in our state. Any associated organizations linked to the sports wagering applicant in their corporate structure, who provides sports wagering goods or services to the applicant, must comply with our rules. The applicant will have the ultimate responsibility for any goods or services provided by another legal entity associated to the applicant. This only includes organizations in the applicant's corporate ownership structure.

NEW SECTION

WAC 230-03-311 Applying for a major sports wagering vendor representative license. You must apply for a major sports wagering representative license if you, as an individual, sell, market, promote, represent, service, or otherwise work in any sports wagering activi-

ties under employment or contract to a major sports wagering vendor in our state or you supervise those who do.

NEW SECTION

WAC 230-03-312 Applying for a mid-level sports wagering vendor representative license. You must apply for a mid-level sports wagering representative license if you, as an individual, sell, market, promote, represent, service, or otherwise work in any sports wagering activities under employment or contract to a mid-level sports wagering vendor in our state or you supervise those who do.

NEW SECTION

WAC 230-03-313 Applying for an ancillary sports wagering vendor representative license. You must apply for an ancillary sports wagering representative license if you, as an individual, sell, market, promote, represent, service, or otherwise work in any sports wagering activities under employment or contract to an ancillary sports wagering vendor in our state or you supervise those who do.

AMENDATORY SECTION (Amending WSR 13-19-056, filed 9/16/13, effective 10/17/13)

WAC 230-03-320 Substantial interest holders not required to be licensed as representatives. (1) If you are a substantial interest holder in a business licensed to operate a manufacturer, distributor, gambling service supplier, call centers for enhanced raffles, or linked bingo prize provider or a spouse of the same, you do not have to have an additional license to perform representative duties connected with that licensed business.

(2) If you are a substantial interest holder in a business licensed as a sports wagering vendor or a spouse of the same, you do not need to have an additional sports wagering vendor representative license to perform representative duties connected with that licensed business.

AMENDATORY SECTION (Amending WSR 18-05-026, filed 2/9/18, effective 5/1/18)

WAC 230-03-330 Representing one or more licensed businesses.
(1) If you are a licensed distributor representative, gambling service supplier representative, or a linked bingo prize provider representative or applying for one of these representative licenses, you must

represent only one licensed distributor, gambling service supplier, or linked bingo prize provider at a time.

(2) If you are a licensed manufacturer representative, you may represent more than one licensed manufacturer.

(3) Sports wagering vendor representatives may represent more than one licensed sports wagering vendor so long as their representation would not create a conflict that would undermine the integrity of sports wagering or a sporting event.

(4) If the owner you represent owns more than one licensed business, you may represent the owner in all those licensed businesses, including licensed manufacturers.

~~((4))~~ (5) You must submit an application and pay a fee before beginning work at a new or additional employer.

AMENDATORY SECTION (Amending WSR 13-19-056, filed 9/16/13, effective 10/17/13)

WAC 230-03-335 Representatives must not work before receiving a license. If you are applying for a license as a representative for a manufacturer, distributor, gambling services supplier, call centers for enhanced raffles, a sports wagering vendor, or linked bingo prize provider, you must not work until you receive a license from us.

NEW SECTION

The following sections of the Washington Administrative Code are decodified and recodified as follows:

Old WAC Number	New WAC Number
230-03-230	230-03-226
230-03-232	230-03-227

AMENDATORY SECTION (Amending WSR 18-05-026, filed 2/9/18, effective 5/1/18)

WAC 230-05-110 Defining "gross gambling receipts rate." "Gross gambling receipts rate" is the rate listed in this chapter that licensees use to calculate their quarterly license fees, if applicable. This also is the rate used for quarterly license reports.

AMENDATORY SECTION (Amending WSR 20-08-095, filed 3/30/20, effective 4/30/20)

WAC 230-05-112 Defining "gross gambling receipts." (1) "Gross gambling receipts" means the amount due to any operator of an authorized activity as described in subsection (5) of this section.

(2) The amounts must be stated in U.S. currency.

(3) The value must be before any deductions for prizes or other expenses, such as over/short.

(4) "Gross gambling receipts" does not include fees from players to enter player-supported jackpots. However, any portion of wagers deducted for any purpose other than increasing current prizes or repayment of amounts used to seed prizes are "gross gambling receipts."

(5) Gross gambling receipts for authorized activities:

Activity:	Gross gambling receipts include amounts due to any operator for:
(a) Punch board and pull-tab	Purchasing chances to play.
(b) Raffles and enhanced raffles	Purchasing chances to enter.
(c) Bingo	Fees or purchase of cards to participate.
(d) Amusement games	Amounts paid to play amusement games.
(e) Card games	<ul style="list-style-type: none">• "Net win" from house-banked card games;• Tournament entry fees;• Administrative fees from player-supported jackpots;• Fees to participate in nonhouse-banked card games.

Activity:	Gross gambling receipts include amounts due to any operator for:
(f) Manufacturers and distributors	<p>(i) Fees from sales, rentals, leases, royalties, and service fees collected for the following gambling equipment in Washington to include, but not limited to:</p> <ul style="list-style-type: none"> • Bingo paper or bingo cards; • Punch boards and pull-tabs; • Devices for dispensing pull-tabs; • Electronic devices for conducting, facilitating or accounting for the results of gambling activities; • Cards; • Dice; • Gambling chips; • Cash exchange terminals; • Progressive meters; • Gambling software; • License agreements; • Card shuffling devices; • Graphical game layouts for table games; • Ace finders or no-peek devices; • Roulette wheels; • Keno equipment; • Tables manufactured exclusively for gambling purposes; • Bet totalizers; • Electronic devices for reading or displaying outcomes of gambling activities; • Tribal lottery systems and components thereof. <p>(ii) Fees from the service, repair and modification of gambling equipment in Washington to include, but not limited to:</p> <ul style="list-style-type: none"> • Charges for labor and parts for repairing gambling equipment; • Service fees related to gambling operations; • Training or set-up fees; • Maintenance contract fees related to gambling equipment and operations.

Activity:	Gross gambling receipts include amounts due to any operator for:
(g) Gambling service suppliers	<p>Fees from gambling-related services provided in or to be used in Washington to include, but not limited to:</p> <ul style="list-style-type: none"> • Consulting, advisory or management services related to gambling; • Interest from financing the purchase or lease of gambling equipment, infrastructure or facilities or equipment that supports gambling operations; • Acting as a lending agent, loan services or placement agent; • Assembly of components for gambling equipment to be used under a contract with a licensed manufacturer; • Ongoing financial arrangements for gambling related software with a licensed manufacturer; • Installing, integrating, maintaining, or servicing digital surveillance systems that allow direct access to the operating system; • Training individuals to conduct authorized gambling activities; • Performing testing and certification of tribal lottery systems in meeting requirements specified in the tribal-state compacts; • Providing nonmanagement related recordkeeping or storage services for punch board and pull-tab operators; • Ownership of proprietary games or equipment.
(h) Punch board/pull-tab service businesses	<p>Providing nonmanagement related recordkeeping or storage services for punch board and pull-tab operators.</p>
(i) Fund-raising event distributors	<p>Fees from contracts to organize and conduct recreational gaming activities.</p>
(j) Fund-raising events and agricultural fairs	<p>Fees received from the operation of bingo, amusement games, raffles, lotteries, contests of chance, and/or net win from table games operated at a fund-raising event.</p>
<u>(k) Major sports wagering vendor</u>	<p><u>Fees or revenues received from providing sports wagering goods and services, including management, consulting, sales, rentals, leases, and royalties, for any sports wagering activities in Washington.</u></p>

Activity:	Gross gambling receipts include amounts due to any operator for:
<u>(l) Mid-level sports wagering vendor</u>	<u>Fees or revenues received from providing sports wagering goods and services, including sales, rentals, leases, and royalties, for any sports wagering activities in Washington.</u>
<u>(m) Ancillary sports wagering vendor</u>	<u>Fees or revenues from providing sports wagering goods and services, including sales, rentals, leases, and royalties, for any sports wagering activities in Washington.</u>

AMENDATORY SECTION (Amending WSR 18-05-026, filed 2/9/18, effective 5/1/18)

WAC 230-05-120 Paying annual license fee. (1) All licensed organizations will pay annual license fees (~~(in up to five payments)~~). The annual license fee will be up to five payments and includes:

(a) A base license fee paid with your:

(i) Initial application for a new license or permit; or

(ii) License renewal or annual permit application; and

(b) Quarterly license fees, if applicable, based on the gross gambling receipts reported on your quarterly license report.

(2) Licensed organizations starting a new activity will begin paying quarterly license fees, if applicable, on that activity upon completion of the first quarter, whether a partial or full quarter, after your license or annual permit was issued.

(3) Individual licensees will pay an annual license fee with their initial application or license renewal application.

AMENDATORY SECTION (Amending WSR 20-12-046, filed 5/28/20, effective 6/28/20)

WAC 230-05-124 Quarterly license reports and quarterly license fees. (~~All~~) Licensed organizations must submit quarterly license reports (and). Licensed organizations must also submit quarterly license fees to us, if applicable, for each licensed gambling activity beginning with the first quarter of their license year. The quarterly license fee is due with the quarterly license report.

The quarterly license reports must be in the format we require and must:

(1)

Cover the period:	Be received by us no later than:
January 1 through March 31	April 30
April 1 through June 30	July 31
July 1 through September 30	October 31

Cover the period:	Be received by us no later than:
October 1 through December 31	January 31

(2) Be received online at our administrative office or postmarked no later than the dates indicated in the table in subsection (1) of this section; and

(3) Be submitted even if there is no quarterly license fee payable to us; and

(4) Be accurate; and

(5) Be completed by the highest ranking executive officer or a designee. If someone other than the licensee or an employee prepares the report, the preparer must include his or her name and business telephone number on the report; and

(6) Be submitted for any period of time the license was valid, even if there was no gambling activity or the gambling license was not renewed.

AMENDATORY SECTION (Amending WSR 18-11-055, filed 5/10/18, effective 6/10/18)

WAC 230-05-125 Report gross gambling receipts on the quarterly license report. (1) You must report your gross gambling receipts for each of your licensed gambling activities during the previous quarter on your quarterly license report.

(2) You must submit a quarterly license report even if you:

(a) Only need to pay your base license fee;

(b) Have paid the maximum annual license fee for your license year;

~~((b))~~ (c) You do not owe a quarterly license fee for the quarter;

~~((e))~~ (d) Have no gross gambling receipts to report;

~~((d))~~ (e) Close your business;

~~((e))~~ (f) Surrender your license;

~~((f))~~ (g) Do not renew your license; or

~~((g))~~ (h) Your license is revoked or suspended.

AMENDATORY SECTION (Amending WSR 18-05-026, filed 2/9/18, effective 5/1/18)

WAC 230-05-126 Online filing and payments required with waivers available upon request for good cause. (1) All licensees must submit the following online, where applicable:

(a) Renewal application and base license fees; and

(b) Quarterly license fees; and

(c) Quarterly license reports.

(2) We may waive these requirements if a licensed organization can show good cause. The reasons for good cause include:

(a) You do not have access to the internet using your own computer or similar equipment; or

(b) You do not have a bank account; or

- (c) Your bank is unable to send electronic fund transactions; or
- (d) Some other circumstance or condition exists that, in our judgment, prevents you from submitting online.
- (3) We may waive these requirements if a licensed individual can show good cause. The reasons for good cause include:
 - (a) You do not have access to the internet using your own computer or similar equipment; or
 - (b) You do not have a bank account or credit card; or
 - (c) Your bank is unable to send electronic fund transactions; or
 - (d) Some other circumstance or condition exists that, in our judgment, prevents you from submitting online.
- (4) You must request a waiver when applying for a new license or permit.
- (5) A waiver will cover all fees and reports required under subsection (1) of this section.

AMENDATORY SECTION (Amending WSR 18-11-055, filed 5/10/18, effective 6/10/18)

WAC 230-05-170 Fees for other businesses. All other business organizations must pay the following fees:

- (1) Annual licenses or permits:

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Agricultural fair bingo (annual permit)	\$200	-	-
Call centers for enhanced raffles	\$4,800	-	-
Commercial amusement games	\$500 plus \$65 per approved location	1.130%	\$11,000
Distributor	\$700	1.430%	\$7,000
Fund-raising event distributor	\$280	1.430%	\$1,000
Linked bingo prize providers	\$1,500	.046%	\$20,000
Manufacturer	\$1,500	1.430%	\$25,000
Manufacturer's special sales permit	\$250	-	-
Punch board/pull-tab service business permit	\$250	-	-
Gambling service supplier	\$300	1.430%	\$7,000
<u>Major sports wagering vendor</u>	<u>\$85,000</u>	=	=
<u>Mid-level sports wagering vendor</u>	<u>\$10,000</u>	=	=
<u>Ancillary sports wagering vendor</u>	<u>\$5,000</u>	=	=

- (2) Events or permits:

License or Permit Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Recreational gaming activity	\$65	-	-
Special property bingo	\$30	-	-

(3) Change fees:

Change of:	Fee
Name	\$100
Location	\$100
Business classification (same owners)	\$100
Corporate stock/limited liability company shares/units	\$100
License transfers	\$100

(4) Other fees:

Transaction	Fee
Add a new amusement game location	\$65
Defective punch board/pull-tab cost recovery fees	Up to \$100
Duplicate license	\$50
Pre- and post-licensing investigations	Cost reimbursement
Review, inspection, and/or evaluation of gambling equipment, supplies, services, games, schemes, or group 12 amusement games	Deposit and cost reimbursement

AMENDATORY SECTION (Amending WSR 18-08-053, filed 3/30/18, effective 5/1/18)

WAC 230-05-175 Individual license fees. Individuals must pay the following fees:

(1) Annual license and additional employer fees:

License Type	New Application Fee	Annual Renewal Fee	Additional or Change of Employer Fee
Call center for enhanced raffle representative	\$275	\$170	-
Card room employee license - Nonhouse-banked (Class A)	\$200	\$95	\$65
Card room employee license - Class F and house-banked (Class B)	\$275 (in-state) \$340 (out-of-state)	\$170	\$65
Charitable or nonprofit gambling manager	\$200	\$95	\$95
Commercial gambling manager	\$200	\$95	\$95
Distributor representative	\$275	\$170	\$65
Linked bingo prize provider representative	\$275	\$170	\$65
Manufacturer representative	\$275	\$170	\$65

License Type	New Application Fee	Annual Renewal Fee	Additional or Change of Employer Fee
Gambling service supplier representative	\$275	\$170	\$65
<u>Major sports wagering vendor representative</u>	<u>\$275</u>	<u>\$170</u>	<u>\$65</u>
<u>Mid-level sports wagering vendor representative</u>	<u>\$275</u>	<u>\$170</u>	<u>\$65</u>
<u>Ancillary sports wagering vendor representative</u>	<u>\$275</u>	<u>\$170</u>	<u>\$65</u>

(2) Class B card room employees must pay the out-of-state application fee if over the last ten years the applicant lived outside of Washington for six nonconsecutive months or more.

(3) Other service fees:

Transaction	Fee
Change of name	\$30
Card room employee emergency waiver request	\$65
Duplicate license	\$30

(4) Military personnel returning from service. If a license expires while an individual is on active military service, the individual may apply to have their license reissued at the renewal fee. The application must be received within six months after completing their active military service. The applicant must provide evidence of the completion date of active military service.

WAC 230-06-030 Restrictions and conditions for gambling promotions. Licensees may conduct gambling promotions to encourage players to participate in the gambling activity they are licensed to conduct without our review or approval under these restrictions and conditions:

(1) You must establish rules and restrictions to determine how you will give promotional prizes and items to players; and

(2) You must comply with all applicable federal, state, and tribal laws and rules; and

(3) You must display all rules and restrictions clearly in the gambling area and include them on promotional materials or advertisements; and

~~((3))~~ (4) You must give all players eligible for the promotion an equal opportunity to participate; and

~~((4))~~ (5) Except for members-only progressive raffles conducted as authorized in WAC 230-11-091, you must not give another chance to participate in a gambling activity we regulate as a promotional item; and

~~((5))~~ (6) As part of a gambling promotion, you may add additional merchandise or cash prizes, including increasing payouts for gambling activities you are licensed to conduct; and

~~((6))~~ (7) Licensed manufacturers, distributors, and service suppliers may give cash or merchandise items to licensed operators to be used as promotional prizes as long as:

(a) The cash or merchandise is offered to all licensed operators; and

(b) The gambling promotion is approved by the director or director's designee when cash or merchandise provided to a licensed operator for a single promotion is over twenty-five thousand dollars; and

~~((7))~~ (8) In order for a licensed manufacturer, distributor, and service supplier to receive approval, the plan for the gambling promotion must be submitted to the director at least ninety days in advance of the intended start date. The promotion must include sufficient information for the director's approval, comply with all applicable federal and state laws, and include:

(a) The gambling promotion rules and restrictions; and

(b) How the operator will safeguard the prizes; and

(c) How the prizes will be given away; and

(d) The beginning and ending dates for the gambling promotion; and

(e) A detailed prize winner's record to be filled out upon completion of the promotion that includes the winner's name, prizes paid out, date the prize was awarded; and

(f) Any other information we request; and

~~((8))~~ (9) You must not give promotional prizes or items based on additional elements of chance except that:

(a) Licensed bingo operators are authorized to give promotional prizes or items as part of a bingo game; and

(b) Licensed card rooms are authorized to give promotional prizes or items as part of a physical drawing, spinning a wheel, or selecting from a group of concealed items; and

~~((9))~~ (10) You must not combine gambling activities and related gambling promotions in any way with a promotional contest of chance as defined in RCW 9.46.0356.

AMENDATORY SECTION (Amending WSR 19-11-047, filed 5/10/19, effective 6/10/19)

WAC 230-06-050 Review of electronic or mechanical gambling equipment. (1) When you are required to submit gambling equipment, supplies, services, or games for our review to verify compliance with chapter 9.46 RCW and Title 230 WAC, you must pay the application deposit before we perform the review. You must also reimburse us for any additional costs of the review. All costs must be paid in full prior to the completion of the review.

(2) The gambling equipment submitted for review must be identical or substantially similar to what will be marketed, distributed, and deployed in Washington. If the equipment is not sufficient for testing and review, we may require additional equipment or information.

(3) If your application is incomplete or we request additional information, you must provide us with the required items within thirty days of notification or we may administratively close your application.

(4) You can begin accepting orders for gambling equipment when you are licensed.

(5) Only gambling equipment approved by the director or director's designee is allowed in Washington except as provided under WAC 230-16-005 and 230-19-045.

(6) We may include security or surveillance requirements as part of gambling equipment approval.

(7) Gambling equipment must operate as approved by the director or director's designee except as provided under WAC 230-19-045.

(8) We may keep equipment submitted for review to allow for continued testing and training as long as the equipment remains in play in Washington. We are not liable for any damage to equipment while in our possession.

(9) If you do not agree with the director or director's designee's decision, you may file a petition for declaratory order with the commission according to RCW 34.05.240 and chapter 230-17 WAC.

AMENDATORY SECTION (Amending WSR 14-09-037, filed 4/11/14, effective 7/1/14)

WAC 230-06-054 Notification of electronic or mechanical gambling equipment malfunctions. Licensees must notify us, in the format we require, within seventy-two hours of identifying or becoming aware of an electronic or mechanical gambling equipment malfunction except for sports wagering vendors as provided under WAC 230-19-045.

AMENDATORY SECTION (Amending WSR 18-05-029, filed 2/9/18, effective 7/1/18)

WAC 230-06-082 Manufacturers, distributors, gambling service suppliers, sports wagering vendors, linked bingo prize providers, and call centers for enhanced raffles reporting changes in licensed employees. Manufacturers, distributors, gambling service suppliers, sports wagering vendors, linked bingo prize providers and call centers for enhanced raffles licensees must:

(1) Submit an application and the required fees before allowing licensed employees or sports wagering vendor representatives to begin working.

(2) Notify us in the format we require when a licensed employee or sports wagering vendor representative no longer works for them. We must receive the notice at our Lacey office within ten days of the licensed ((employee's)) employee or representative's last day.

NEW SECTION

WAC 230-06-084 Submitting sports wagering related contracts and agreements for review. Sports wagering vendors must provide any new contracts or agreements or changes to existing contracts or agreements relating to their sports wagering goods and/or services in our state, to us, prior to execution of the contract or agreement.

AMENDATORY SECTION (Amending WSR 18-05-029, filed 2/9/18, effective 7/1/18)

WAC 230-06-110 Buying, selling, or transferring gambling equipment. (1) All licensees and persons authorized to possess gambling equipment must closely control the gambling equipment in their possession.

(2) Before selling gambling equipment, licensees must ensure that the buyer possesses a valid gambling license or can legally possess the equipment without a license.

(3) Licensees buying, selling, or transferring gambling equipment must ensure that it will be used pursuant to all state laws and rules, or laws and rules in the jurisdiction(s) where the activity is occurring.

(4) Before purchasing gambling equipment, licensees must ensure that the seller possesses a valid gambling license.

((+4)) (5) Applicants for Class F or house-banked card room licenses may purchase and possess gambling equipment during the prelicensing process, but only after receiving written approval from us.

((+5)) (6) Charitable and nonprofit organizations conducting unlicensed bingo games, as allowed by RCW 9.46.0321, may possess bingo equipment without a license.

((+6)) (7) Group 12 amusement games can only be sold or leased to amusement game licensees by a licensed manufacturer or distributor.

Amusement game licensees can lease or rent group 12 amusement games for operation at approved amusement game locations.

~~((7))~~ (8) Licensees may transfer gambling equipment as a part of a sale of a business as long as a condition of the sale is that the buyer receives a gambling license before the sale is complete. Licensees must make a complete record of all gambling equipment transferred in this manner, including I.D. stamps. Licensees must report these transfers, including a copy of the inventory record, to us.

NEW SECTION

WAC 230-06-116 Transporting, displaying, and selling gambling equipment at trade shows. (1) "Trade show" when used in this section means an exhibition where licensees can promote their products and services to operators of authorized gambling activities in Washington; the exhibition is not open to the public; and it is of limited duration.

(2) "Gambling equipment" as used in this section has the same meaning as in WAC 230-03-200.

(3) "Demonstration mode" when used in this section means when gambling equipment cannot be used for actual wagering and the equipment's coin or bill acceptor is removed or physically restricted from use.

(4) Licensees may transport, display, and accept orders for the sale or lease of their products at trade shows only under the following conditions:

(a) All products must be manufactured by a licensee for activities authorized by state laws or tribal-state compacts, or is Class II gaming equipment as authorized by federal law for use on tribal lands; and

(b) All gambling equipment physically displayed must be in demonstration mode and either:

(i) Approved for sale or lease in the state; or

(ii) Not approved by us but is only used for authorized activities under state laws or tribal-state compacts, or is Class II gaming equipment as authorized by federal law for use on tribal lands, and is transported into the state no more than ten days before a trade show begins and is removed from the state within ten days following the last day of a trade show.

(c) Gambling equipment must have a sign posted in close proximity to the device that contains the phrase, "No one under 18 years of age is allowed to operate this machine."

(5) Licensees must provide notification that they will be transporting, displaying, or accepting orders for gambling equipment on a form prescribed by us at least ten days before a specified trade show.

(6) Gambling equipment at a trade show is subject to on-site inspection by us.

WAC 230-06-120 Selling or transferring gambling equipment when no longer licensed. (1) If we have revoked your operator (~~(operator)~~), distributor, or sports wagering vendor license, your license has expired, or you have voluntarily surrendered your license, you may only sell or otherwise transfer gambling equipment to a licensed manufacturer (~~(operator)~~), distributor, or sports wagering vendor, as applicable, and consistent with all laws and rules, including WAC 230-06-110.

(2) Transfers of gambling equipment in this manner are subject to the following requirements:

(a) The transfer must be complete within thirty days of the date the license became invalid; and

(b) Distributors must use the cash or credit against amounts they owe manufacturers; and

(c) Operators (~~(operator)~~), distributors, or sports wagering vendors selling the equipment must report to us within ten days of the transaction a complete inventory of all the gambling equipment transferred, including commission I.D. stamps; and

(d) Manufacturers (~~(operator)~~), distributors, or sports wagering vendors receiving the equipment must prepare a credit memorandum and retain it with their records.

Chapter 230-19 WAC
SPORTS WAGERING

NEW SECTION

WAC 230-19-005 Sports wagering definitions. Definitions for sports wagering used in the chapter are:

(1) "Affiliate" means an individual or organization that promotes sports wagering websites in exchange for a commission or fee.

(2) "Authorized sports wagering menu" means the official list of sports, leagues, and types of wagers authorized to be offered for sports wagering in the state.

(3) "Esports" means a video game competition in which players and teams compete against each other.

(4) "Geofence" means a virtual geographic boundary that enables software or other technology to determine geolocation and detect when a mobile device enters or leaves an approved designated area that allows a patron to place a wager for mobile sports wagering.

(5) "Integrity monitoring provider" means an independent organization licensed to receive reports of unusual wagering activity from a sports wagering operation for the purpose of assisting in identifying suspicious wagering activity.

(6) "Minor league" means a lower professional league or division within a sport, such as baseball or hockey, where a professional team has the exclusive contractual rights to promote and relegate players.

(7) "Mobile device" means a personal portable electronic equipment used in mobile sports wagering, for example a smartphone.

(8) "Mobile sports wagering" means any sports wagering on a platform that is deployed and accessed through the internet or an application installed on a mobile device.

(9) "Prohibited sports wagering participant" means any person who is prohibited pursuant to RCW 9.46.037 and any person whose participation may undermine the integrity of the wagering or the sporting event, or any person who is prohibited for other good cause including, but not limited to, any person placing a wager as an agent or proxy; and person who is an athlete, coach, referee, player, in, or on, any sporting event overseen by that person's sports governing body; any person who holds a position of authority or influence sufficient to exert influence over the participants in a sporting event that is the subject of a wager, or as identified to us or by a tribal gaming agency.

(10) "Sports wagering account" means an electronic account established by a patron for the purpose of sports wagering, including deposits, withdrawals, wagered amounts, payouts on winning wagers, or similar adjustments.

(11) "Sports wagering kiosk" means a self-service automated device used by patrons to make wagers on sporting events, obtain wagering information, redeem sports wagering vouchers and wagering tickets, and any other automated functions used for sports wagering.

(12) "Sports wagering system" means all equipment, hardware, data networks, communications technology, and software used in a sports wagering operation and that directly affect the wagering and results of sports wagering including, but not limited to:

- (a) Interactive components, including all associated equipment and software that comprise the sports wagering platform used by a sports wagering operation or for online or mobile sports wagering;
- (b) Sports wagering kiosks; and
- (c) Ticket or voucher redemption devices.

This does not include a mobile device owned and used by a patron to place a sports wager.

(13) "Sports wagering vendor" means all three sports wagering licenses; major, mid-level, and ancillary identified in this chapter unless identified otherwise in these rules.

(14) "Suspicious wagering activity" means unusual wagering activity that cannot be explained and is indicative of illegal activity including, but not limited to: Money laundering, match fixing, manipulation of an event, misuse of inside information, or other activity that is prohibited by federal, state, tribal, or local law.

(15) "Unusual wagering activity" means abnormal wagering activity or pattern of behavior exhibited by one or more patrons as a potential indicator of suspicious activity. Abnormal wagering activity may include, but is not limited to, the size of a person's wager or increased wagering volume on a particular event or wager type and/or other deviations readily apparent based on prior wagering history.

NEW SECTION

WAC 230-19-010 Sports wagering vendors must ensure sports wagering vendor representatives are licensed. (1) Sports wagering vendors must ensure all sports wagering vendor representatives are licensed as required by rule.

(2) Sports wagering vendors must take all measures necessary to prevent an unlicensed sports wagering vendor representative from working in our state.

NEW SECTION

WAC 230-19-015 Accounting records for sports wagering vendors. Sports wagering vendors must keep and maintain a complete set of records for their licensed activity and include, at a minimum:

- (1) Double entry method accounting updated at least once a month, including a monthly balance for each account; and
- (2) Maintain their records in accordance with generally accepted accounting principles and ensure that records can be reconciled to the licensee's federal income tax return; and
- (3) Maintain and keep for at least three years following the end of the fiscal year:
 - (a) **Cash disbursements book (check register)** - Documenting all expenses, both sports wagering and nonsports wagering related, with invoices or other appropriate supporting documents. Information must be entered monthly and include, at least:
 - (i) The date the check was issued or payment made; and
 - (ii) The number of the check; and
 - (iii) The name of the payee; and

- (iv) Type of expense; and
- (b) **Cash receipts** - Recording cash sales and cash received from all sources. Information must be entered for each payment received monthly and include, at least the:
 - (i) Date; and
 - (ii) Name of the person paying; and
 - (iii) Amount; and
- (c) **General ledger** - For sales that are greater than five hundred thousand dollars per year, a general ledger must be kept containing, in addition to all other accounts by month, a separate sales account for each type of sale; and
- (d) **Bank reconciliation** - Reconciling their accounts each month. "Reconcile" means the sports wagering vendor must compare the two balances, resolve any differences, and document the comparison and the differences in writing; and
- (e) **Copies of all financial data** - Supporting tax reports to governmental agencies; and
- (f) Maintain copies of all contracts related to sports wagering they enter into which fully disclose all terms.

NEW SECTION

WAC 230-19-020 Sales invoices for sports wagering vendors.

Sports wagering vendors must document each sale of equipment or services, any return or refund, or any other type of transfer of sports wagering equipment, with a standard sales invoice and credit memo. These must:

- (1) Be prenumbered sequentially at the time of purchase, using not less than four digits. Computer generated numbering systems may be used if:
 - (a) The system numbers the invoices and credit memos sequentially; and
 - (b) The same system is used for all sales; and
 - (c) A manual override function must not be used; and
- (2) Record:
 - (a) The date of sale. The date of delivery must also be entered if different from the date of sale; and
 - (b) The customer's name and complete business address; and
 - (c) A full description of each item sold, or service provided; and
 - (d) The quantity and price of each item; and
 - (e) The gross amount of each sale, including all discount terms and the total dollar amount of any discount.

NEW SECTION

WAC 230-19-025 Sales journals for sports wagering vendors.

Sports wagering vendors must keep a monthly sales journal containing, at least:

- (1) Each date of sale; and
- (2) Each sale invoice number; and

- (3) The name of the person paying; and
- (4) Sale categorized by the sports wagering goods, equipment, or services sold; and
- (5) The total amount of each invoice.

NEW SECTION

WAC 230-19-030 Authorized sports wagering menu. (1) Sports wagering vendor may only offer, facilitate, or promote wagering that is approved on the authorized sports wagering menu.

(2) The authorized sports wagering menu will be updated as leagues, organizations, or types of wagers are approved or removed.

(3) The authorized sports wagering menu will be published on our website.

NEW SECTION

WAC 230-19-035 Sports wagering integrity. (1) Sports wagering vendor and vendor representatives must immediately notify us upon any discovery of a violation or a suspected violation of chapter 9.46 RCW, this chapter, or other federal, state, tribal, or local statute, ordinance, administrative rule, or court order.

(2) Licensees must monitor for unusual and suspicious wagering activity.

(3) Licensees must make all reasonable efforts to detect and prevent prohibited sports wagering participants from participating in sports wagering.

(4) Licensees must immediately notify us, in the format we require, when unusual wagering activity or suspicious wagering activity is identified, including changes with the status of, or information related to, a previously reported unusual or suspicious wagering activity.

(5) Licensees will provide sports wagering information to us when requested.

(6) Licensees will provide us, or an integrity monitoring provider(s), designated by us, access to their sports wagering system, including hardware and software, if needed, to assist us with integrity monitoring and investigations.

NEW SECTION

WAC 230-19-040 Integrity monitoring provider requirements. (1) Integrity monitoring providers must have analytical systems to receive and analyze daily sports wagering information and data and be able to monitor, identify, analyze, and report on unusual or suspicious wagering activity.

(2) Integrity monitoring providers will provide us access to required sports wagering information, including hardware and software, as needed, to assist us with integrity monitoring and investigations.

(3) Integrity monitoring providers must immediately notify us when they identify unusual wagering activity or suspicious wagering activity.

(4) Integrity monitoring providers must immediately notify us, and all other integrity monitoring providers, sports wagering operators, and all other agencies or organizations as directed by us, on any previously reported unusual wagering activity it finds rises to the level of suspicious wagering activity.

NEW SECTION

WAC 230-19-045 Sports wagering system requirements. (1) Sports wagering vendors must be licensed before the sale or delivery of a sports wagering system(s) to be used in our state.

(2) All sports wagering systems, including sports wagering kiosks, must be tested, approved, and certified by a licensed independent testing laboratory.

(3) All sports wagering systems must be approved by the tribal gaming agency where the system is to be installed and operated.

(4) All sports wagering systems must meet or exceed Gaming Laboratory International GLI-33: Standards for Event Wagering Systems, including appendices and amendments; the standards established under tribal-state sports wagering compact amendment appendices, and any applicable provisions of tribal-state compacts and appendices for which the sports wagering system will operate or additional standards agreed to by us and a tribal gaming agency.

(5) No substantive modifications to a sports wagering system may be made after an independent test laboratory has certified a sports wagering system without the modification being certified by the independent test laboratory.

(6) A sports wagering system shall have controls in place to review the accuracy and timeliness of any data feeds used to offer or settle wagers.

(7) The primary server for a sports wagering system must be in our state and located within a tribal gaming facility.

(8) Cloud storage for sports wagering data and information may be used for duplicate or backup data. Cloud storage facilities must be located in our state.

(9) Sports wagering systems, at a minimum, must be capable of generating reports necessary to record the adjusted gross receipts, wagering liability, ticket redemption, and such other information relating to sports wagering as required by us, a tribal gaming agency, or internal controls. These reports include, but are not limited to:

- (a) Gaming operation revenue reports;
- (b) Gaming operation liability reports;
- (c) Future event reports;
- (d) Significant events and alterations reports;
- (e) Wager record information reports;
- (f) Market information reports;
- (g) Contest or tournament information reports;
- (h) Sports wagering account information reports;

- (i) Sports wagering system information reports;
- (j) Significant event information reports;
- (k) User access information reports;
- (l) Wagering device information reports;
- (m) Promotion or bonus information reports;
- (n) Event game play reports;
- (o) Expired ticket reports; and
- (p) Any other reports required by us or a tribal gaming agency.

(10) Sports wagering systems and sports wagering kiosks will, at a minimum, allow for a display of commitment to responsible gaming and link to the tribal sports wagering operator's responsible gaming policies. Both will also have responsible gaming solutions including, but not limited to:

- (a) Patron controlled wager and deposit limits; and
- (b) Connecting players to problem gambling resources.

(11) Licensees bringing sports wagering systems, equipment, components, and kiosks, into our state must provide us access to the sports wagering system(s), including hardware, software, or other related sports wagering equipment, as needed, for us to develop our regulatory program and trainings. Sports wagering system hardware, software, or other related equipment and components provided to us must be identical or substantially similar to what is deployed in our state.

NEW SECTION

WAC 230-19-050 Geofence and geolocation requirements. (1) Mobile sports wagering must be contained to an approved tribal gaming facility premises as approved pursuant to each tribal-state sports wagering compact amendment. Licensees will incorporate controls, including geofence and geolocation compliance and monitoring, to ensure wagers cannot be placed in violation of federal, state, or tribal laws and rules within each jurisdiction.

(2) Geofence and geolocation systems will be updated, as needed or required by tribal-state compact, to ensure that the system detects and mitigates existing and emerging location fraud risks.

NEW SECTION

WAC 230-19-055 Sports wagering account requirements. (1) Licensees that manage or have access to a sports wagering account must maintain and produce all sports wagering account information when requested by us or a tribal gaming agency.

(2) A sports wagering account connected to a sports wagering system, or mobile sports wagering, must ensure that a sports wagering patron cannot have more than one active sports wagering account and username for each sports wagering operation authorized through tribal-state compact.

(3) A sports wagering account must be registered and verified in-person at a tribal gaming facility before the acceptance of any wager using that sports wagering account.

(4) A patron's identification for a sports wagering account must be reverified upon reasonable suspicion that the patron's identification has been compromised.

(5) Licensees who maintain sports wagering account funds shall hold these funds at a federally regulated financial institution who does business in our state.

(6) Patron funds held in a sports wagering account shall not be allowed to be transferred from a patron account to another patron account.

(7) Licensees will not require or advise a patron to transfer or maintain sports wagering account funds in order to circumvent or violate any provision or requirement established in any federal, state, tribal, or local statute, ordinance, administrative rule, or court order.

(8) Licensees that direct, assist, or manage sports wagering accounts shall provide a conspicuous and readily accessible method for a patron to close their sports wagering account and any fund balance remaining in a patron's closed sports wagering account will be dispersed pursuant to the internal controls of the tribal sports wagering operator.

(9) Patrons are prohibited from allowing any other patron to access or use their sports wagering account.

NEW SECTION

WAC 230-19-060 Records retention for sports wagering vendors.

Where applicable, sports wagering vendors must retain the following records:

- (1) For at least five years:
 - (a) Suspicious wagering activity; and
 - (b) Unusual wagering activity.
- (2) For at least three years at the end of their fiscal year:
 - (a) All required accounting records;
 - (b) Sales invoices;
 - (c) Sales journals; and
 - (d) Credit memos.
- (3) For at least two years:
 - (a) Data feeds;
 - (b) Sports wagering account information;
 - (c) Mobile wagering account information; and
 - (d) Geofence or geolocation information.

From: [Considine, Brian \(GMB\)](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: FW: BetMGM Comments on WA State Proposed Rules
Date: Monday, June 7, 2021 2:05:17 PM
Attachments: [image002.png](#)
[image004.png](#)

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



From: Limun, Jeremy <jlimun@mgmresorts.com>
Sent: Monday, June 7, 2021 1:42 PM
To: Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>
Cc: Limardo, Rick <rlimardo@mgmresorts.com>
Subject: BetMGM Comments on WA State Proposed Rules

External Email

Hi, Brian. Thank you so much for the opportunity to participate in the rulemaking process. Our regulatory team shortly will be sending our public comments. But I just wanted to flag just three substantive items in advance (overall, the rules were positive so we don't have a lot of issues).

1. **Remote registration and tribal mobile:** Clarification on whether verification on a mobile device at a tribal gaming facility would be permissible and the definition of tribal premises for purposes of geofencing.
2. **Vendor and occupational licensing:** We have a couple of comments and points of clarification on the types of vendors and employees that will require licensing.
3. **Temporal requirements:** We have some recommendations on some of the notification windows.

As always, please don't hesitate to let us know if you have any questions on our comments or on the rules in general. Thank you.

Regards,

Jeremy Limun

Director, Government Affairs
MGM Resorts International
O 702-692-6881
M 702-205-4089
jlimun@mgmresorts.com



June 7, 2021

VIA E-mail to Brian Considine at Brian.considine@wsgc.wa.gov and Ashlie Laydon at Ashlie.laydon@wsgc.wa.gov

Washington State Gambling Commission

Dear Brian and Ashlie,

On behalf of BetMGM, LLC (“BetMGM”), we would like to express our appreciation for seeking our input during the stakeholder process to develop the state’s event wagering rules.

BetMGM is a market leading online gaming and entertainment company. Born out of a partnership between MGM Resorts International and Entain Plc, BetMGM has exclusive access to all of MGM's U.S. land-based and online sports betting, major tournament poker, and iGaming businesses. BetMGM currently offers sports betting in 12 U.S. jurisdictions (Colorado, Indiana, Iowa, Michigan, Mississippi, Nevada, New Jersey, Oregon, Pennsylvania, Tennessee, Virginia, and West Virginia).

BetMGM appreciates the opportunity to provide the following feedback and commends your commitment to transparency and fostering a robust event wagering market in a responsible and expeditious manner. As a premier sports betting operator in the country, BetMGM stands ready to be a resource to the Commission as it aims to establish a successful event wagering industry. Please feel free to reach out to us with any questions or if you would like to discuss any of the topics presented below in further detail.

1. Rule: WAC 230-03-060 Fingerprinting.

(1) The following persons must submit fingerprints and undergo a national criminal history background check:

- (a) Substantial interest holders of commercial businesses and charitable or nonprofit organizations who live or have lived out of the state in the last ten years; and
- (b) Card room employees, commercial and nonprofit gambling managers, and manufacturer, distributor, service supplier, call centers for enhanced raffles, and linked bingo prize provider, and sports wagering vendor representatives; and
- (c) Any other substantial interest holder when we have information they may not be qualified for licensure or to participate in a gambling activity.

BetMGM Comment:

BetMGM seeks confirmation that this requirement would apply to substantial interest holders of sports wagering vendors. It is unclear if this would apply to businesses that are licensed as a sports wagering vendor

It appears that the impact of this language will be determined by the definition of "sports wagering vendor representatives." As discussed relating to 230-03-311 below, the regulation



could be read expansively to apply to all BetMGM employees. Clarification is requested on that definition to analyze the impact of this fingerprinting requirement.

2. Rule: WAC 230-03-200 Defining “gambling equipment.”

(4)(b) Components of a sports wagering system;

BetMGM Comment:

BetMGM seeks clarification of what defines “Components” of a sports wagering system.

3. Rule WAC 230-03-230

You must apply for a major sports wagering vendor license if you provide integral sports wagering goods or services in our state. This includes:

- (1) Managing a Tribe’s or Tribes’ sports wagering operations;
- (2) Being a Tribe’s or Tribes’ primary consultant who provides substantial sports wagering related services;
- (3) Being a manufacturer or distributor of a sports wagering system(s);
- (4) Providing bookmaking services; or
- (5) Providing sports wagering risk management services.

BetMGM Comment:

BetMGM seeks confirmation that companies that contract with tribes to operate sports wagering will be required to hold this “major sports wagering vendor license” and seeks further clarification regarding the use of the term “sport wagering operator” and what that terms applies to as used in the draft rules.

For (5) “Providing sports wagering risk management services” BetMGM seeks clarification on the scope of risk management services that are included in this subrule. Does this include Geo-comply? PEN Testing? Other?

4. Rule WAC 230-03-231 Applying for a mid-level sports wagering vendor license

(1) Integrity monitoring

BetMGM Comment:

BetMGM seeks clarification on the scope of “integrity monitoring” that is included in this subrule. Does integrity monitoring include Sports wagering testing or firms conducting PEN testing? BetMGM recommends amending to specify “Integrity monitoring provided by independent test laboratories.”

Rule (cont.)

(4) Initial or annual sports wagering system security testing or assessment;

BetMGM Comment:

BetMGM recommends specifying a timeframe for this such as, “the responsible party shall perform an integrity and security assessment of the event wagering system within ninety (90) days after the commencement of operations, and annually. The assessment shall be submitted to



the Commission no later than thirty (30) days after the assessment.” This will provide operators a chance to formulate a remediation plan after such security testing / assessment.

In addition, suggesting independent integrity and security assessment professionals shall obtain a license prior to conducting an assessment will create a limited pool of professionals to select from. Operators have a vested interest ensuring the most qualified security assessment professionals are selected. BetMGM recommends affording companies select security professionals based on the industry known credentials.

5. Rule WAC 230-03-311 Applying for a major sports wagering vendor representative license

You must apply for a major sports wagering representative license if you, as an individual, sell, market, promote, represent, service, or otherwise work in any sports wagering activities under employment or contract to a major sports wagering vendor in our state or you supervise those who do.

BetMGM Comment:

BetMGM seeks clarification regarding the limits of this licensing requirement. Would this requirement extend to anyone that works for a Major Sports Wagering Vendor and require that all employees be licensed as a representative? Would this extend to all traders that activate markets in WA, all compliance personnel that perform work relating to WA, etc.?

BetMGM seeks further clarification that this “representative” license will not apply to “substantial interest holders” of a Major Sports Wagering Vendor.

BetMGM recommends that this “representative” license apply only to those Major Sports Wagering Vendor employees that are physically located in Washington.

6. Rule WAC 230-03-335 Representatives must not work before receiving a license.

If you are applying for a license as a representative for a manufacturer, distributor, gambling services supplier, call centers for enhanced raffles, a sports wagering vendor, or linked bingo prize provider, you must not work until you receive a license from us.

BetMGM Comment:

BetMGM seeks confirmation that this rule does not prohibit a licensee from hiring and training personnel before they are licensed.



BETMGM

7. Rule WAC 230-06-030 Restrictions and conditions for gambling promotions.

(1) You must establish rules and restrictions to determine how you will give promotional prizes and items to players;

...

(7) Licensed manufacturers, distributors, and service suppliers may give cash or merchandise items to licensed operators to be used as promotional prizes as long as:

(a) The cash or merchandise is offered to all licensed operators; and

(b) The gambling promotion is approved by the director or director's designee when cash or merchandise provided to a licensed operator for a single promotion is over twenty-five thousand dollars;

BetMGM Comments:

(1) BetMGM seeks clarification as to whether these "established promotional rules" have to initially be approved by the regulator before a licensee can proceed with promotions without further review and approval.

(7) BetMGM seeks clarification as to what situations this section would apply to? Is this referring to an industry-wide promotion that a manufacturer/distributor/supplier wants to initiate? Are these requirements therefore imposed on the manufacturer/distributor/supplier and not the operator/vendor?

8. Rule WAC 230-06-082

Manufacturers, distributors, gambling service suppliers, **sports wagering vendors**, linked bingo prize providers and call centers for enhanced raffles licensees must:

(1) Submit an application and the required fees before allowing licensed employees **or sports wagering vendor representatives** to begin working.

(2) Notify us in the format we require when a licensed employee **or sports wagering vendor representative** no longer works for them. We must receive the notice at our Lacey office within ten days of the licensed employee's **or representative's** last day.

BetMGM Comment:

(1) See Comment to 230-03-335 - BetMGM seeks confirmation that it can hire and train personnel before they are licensed.

(2) See comment on representative licensing. If representative licensing extends to all or a significant portion of Vendor employees tracking and providing such notification within the proposed timeframe will be difficult and overly burdensome.



BETMGM

9. Rule (NEW) WAC 230-17-xxx Authorized Sports Wagering Menu

- (1) Sports wagering vendor licensees may only offer, facilitate, or promote wagering that is approved on the Authorized Sports Wagering Menu.
- (2) The Authorized Sports Wagering Menu will be updated as leagues, organizations, or types of wagers are approved or removed.
- (3) The Authorized Sports Wagering Menu will be published on the commission's website.

BetMGM Comment:

What, if any, process will exist for operators to request additional events or wager-types?

10. Rule (New) WAC 230-17-xxx Sports Wagering Integrity

- (1) Sports wagering vendor and vendor representative licensees must immediately notify us upon any discovery of a violation or of a suspected violation of RCW 9.46, this Chapter, or any violation of local, state, tribal, or federal ordinances, statutes, administrative rules or court orders.

...

- (4) Licensees must immediately notify us, in the format we require, when unusual wagering activity or suspicious wagering activity is identified, including changes with the status of, or information related to, a previously reported unusual or suspicious wagering activity.

BetMGM Comment:

Similar to the above requirement **WAC 230-06-054** , BetMGM recommends providing a 72 hour notification window to be added.

11. Rule (NEW) WAC 230-17-xxx Integrity Monitoring Provider Requirements

- (3) Integrity Monitoring Providers must immediately notify us when they identify unusual wagering activity or suspicious wagering activity.
- (4) Integrity Monitoring Providers must immediately notify us, and all other Integrity Monitoring Providers, sports wagering operators, and all other agencies or organizations as directed by us, on any previously reported unusual wagering activity it finds rises to the level of suspicious wagering activity.

BetMGM Comment

Similar to the above comment , BetMGM recommends providing a 72 hour notification window to be added.



BETMGM

12. Rule (NEW) WAC 230-17-xxx Sports Wagering System Requirements

(2) All sports wagering systems must be tested and certified by a licensed independent testing laboratory.

(3) All sports wagering kiosks must be tested, **approved**, and certified by a licensed independent testing laboratory.

(4) All sports wagering systems must be approved by the Tribal Gaming Agency where the system is to be installed and operated.

BetMGM Comment:

BetMGM recommends removing “approved” from subsection (3) to require the kiosks to be tested and certified by a laboratory, but ultimately “approved” by the Tribal Gaming Agency.

13. Rule (NEW) WAC 230-17-xxx Sports Wagering System Requirements

(9) Cloud storage for sports wagering data and information may be used for duplicate or backup data. Cloud storage facilities must be located in the state.

BetMGM Comment:

BetMGM recommends allowing cloud storage facilities outside the state, so long as it is accessible to the Commission.

Rule (cont.)

(11) Sports wagering systems and sports wagering kiosks will, at a minimum, allow for a display of commitment to responsible gaming and link to the Class III tribal sports wagering operator’s responsible gaming policies. It will also have solutions for including, but not limited to: patron controlled wager and deposit limits; and connecting players to problem gambling resources.

BetMGM Comment:

BetMGM seeks clarification as to whether there will there be any responsible gaming requirements specific to mobile applications?

Rule (cont.)

(12) Licensees bringing sports wagering systems, components, and kiosks into the state must provide us access to the sports wagering system(s), including hardware, software or other related sports wagering equipment as needed for us to develop our regulatory program and trainings. Sports wagering system hardware, software, or other related equipment provided to us must be identical or substantially similar to what is deployed in the state.

BetMGM Comment:

How far in advance is access to sports wagering systems, components, and kiosks required to be provided?



BETMGM

14. Rule (NEW) WAC 230-17-xxx Geofence and Geolocation Requirements

(1) Mobile sports wagering must be contained to an approved Class III tribal gaming facility premises as approved pursuant to each tribal-state sports wagering compact amendment. Licensees will incorporate controls, including geofence and geolocation compliance and monitoring, to ensure wagers cannot be placed in violation of federal, state, or tribal laws and rules within each jurisdiction.

BetMGM Comment:

BetMGM seeks clarification as to the meaning of “premises” (i.e. does the premises include all lands owned by the tribe? Some subset of tribal lands where a physical gaming facility exists? Or some other definition?).

15. Rule (NEW) WAC 230-17-xxx Sports Wagering Account Requirements

(1) Licensees that manage or have access to a sports wagering account must maintain and produce all sports wagering account information when requested by us or a tribal gaming agency.

BetMGM Comment:

BetMGM recommends adding a temporal requirement i.e. such information must be produced within 10 days of a request.

Rule (cont.)

(3) A sports wagering account must be registered and verified in-person at a tribal gaming facility before the acceptance of any wager using that Sports Wagering Account.

BetMGM Comment:

BetMGM seeks clarification on the definition of “in-person.” Would verification on a mobile device on or at a tribal gaming facility suffice?

16. Rule (NEW) WAC 230-17-005 Sports Wagering Definitions

(13) “**Sports wagering vendor**” means all three sports wagering licensees—major, mid-level, and ancillary—identified in this Chapter unless identified otherwise in these rules.

BetMGM Comment:

BetMGM recommends specifically identifying each level of sports wagering vendor license to clarify which vendors will require a major, mid-level, and ancillary license.

From: [John Pauley](#)
To: [Considine, Brian \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)
Cc: [Brandt Iden](#); [Daniel Lobo Guerrero](#); [Niki Metzgar-Schall](#)
Subject: Re: Sports Wagering Draft Rules for Comment
Date: Monday, June 7, 2021 2:21:12 PM
Attachments: [image002.png](#)
[image004.png](#)
[Supplier License - Model Language \(stakeholder approved\).pdf](#)

External Email

Hi Brian,

Our team at Sportradar thanks you for all your efforts as you continue the monumental task of launching sports betting in Washington. Although we did not have any edits or suggestions to submit by this morning, we have some clarifying questions that would likely apply to all vendors, especially mid-level sports wagering vendor licensees.

Our clarifying questions mainly focus on the quarterly license reports and fees, specifically:

- Will mid-level vendors be able to submit one comprehensive quarterly report/fee that covers total gross gaming revenue derived from services supplied to all WA bookmaking customers? Or will mid-level vendors need to submit individual quarterly reports/fees for each bookmaking customer we supply to in WA?
- Does the calculation of quarterly reports/fees apply to both fixed-fee and revenue-sharing agreements that mid-level vendors execute? If fixed-fee agreements also apply, will there be any changes in how to calculate total quarterly fees owed?

Lastly, we are hoping to clarify which data suppliers are captured under the mid-level vendor license. There are two main ways to supply data into a market, either **(1) the direct route**: supplying to B2Cs such as DraftKings or FanDuel, or **(2) the indirect route**: supplying to B2B platforms such as Kambi, IGT, or SciGames. While we believe both supply chain routes should be captured and require a mid-level vendor license, we have noticed some jurisdictions exempting the latter option completely in certain cases. Since data is the critical component that powers the entire betting operation, we raise this concern as a matter of licensure equity amongst existing and future data suppliers.

As a resource for you, I've attached our model supplier language that addresses both supply chain routes (found under the definition of a *sports betting supplier*). Although this model language is more for statutory purposes, we welcome the opportunity to walk you through these licensure equity concerns and how the WSGC can ensure all entities involved in the data supply chain are captured and licensed accordingly.

Again, we appreciate your efforts and transparency throughout this entire process. Our team remains open to further dialogue at your convenience.

Kind regards,
John

John Pauley

Government Affairs Manager

SPORTRADAR GROUP

mobile: +1 (636) 541-4431

e-mail: j.pauley@sportradar.com

www.sportradar.com

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

Sent: Thursday, May 27, 2021 3:22 PM

Cc: Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>; Becker, Suzanne (ATG) <suzanne.becker@atg.wa.gov>; Sizemore, Bud (GMB) <bud.sizemore@wsgc.wa.gov>; Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>; James, Sharon M. (ATG) <sharon.james@atg.wa.gov>; Lies, Julie (GMB) <julie.lies@wsgc.wa.gov>

Subject: Sports Wagering Draft Rules for Comment

CAUTION: This email originates from outside of your organization. This message might not be safe, use caution opening it. If you find this e-mail suspicious, do not open attachments nor links and forward the mail to securityreport.

Hello,

You are receiving this email because the Washington State Gambling Commission (WSGC) has identified you and/or your organization as a stakeholder for our sports wagering rule-making.

Please find the attached draft proposed sports wagering rules. These are initial draft rules by Commission staff and we are still having these reviewed by our attorneys and agency leadership before we send them to our Commissioners at our June 10, 2021 public meeting. Therefore, we could have additional internal changes prior to the meeting.

However, we seek your input at this time and please provide any questions, comments or suggested edits to me (Brian.considine@wsgc.wa.gov) and our Rules Coordinator Ashlie Laydon (Ashlie.laydon@wsgc.wa.gov) **by Monday, June 7, 2021 at 8am pacific time.**

WSGC staff will review any comments, questions, or suggested edits, if submitted by the above-referenced deadline, for our June 10th public meeting. However, you are allowed and encouraged to comments during the entirety of this rule-making process, as needed. All written comments will become part of the official agency rule-making file.

Additionally, you are welcome to attend the agency's [June 10, 2021](#) public meeting and provide public comment during this public meeting. Please monitor our [public meeting webpage](#) as the call-in information and agenda will be posted about one week before our meeting.

Lastly, Commission Staff will recommend that the Commissioners hold a special meeting on or around July 28, 2021 for the Commissioners to review and approve final sports wagering rules to go into effect on or around August 30, 2021.

Please contact me if you have any questions about this process.

Sincerely,

Brian

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



You hereby acknowledge that the information contained in and accompanying this communication is confidential and is intended only for the named recipient(s). If you are not a named recipient, please notify the sender immediately and delete any and all copies of this message. Any unauthorized copying, disclosure, distribution of, and/or taking any action with respect to the contents, attachments, and/or other materials in this e-mail is strictly forbidden without Sportradar's express, written permission. Please note that neither Sportradar nor the sender accepts any responsibility for viruses and it is the recipient's responsibility to scan or otherwise check this email and any attachments for malicious software, viruses, or other damaging content. The integrity and security of this email cannot be guaranteed over the internet and Sportradar disclaims any and all liability for damage arising from transmission of this email to the fullest extent permitted by applicable law. The views and expressions included in this email are the views and expressions of the sender and may not reflect the views of Sportradar. Unless otherwise expressly agreed in writing between you and Sportradar, Sportradar disclaims any and all liability for damage arising from these views and expressions and/or your actions taken upon reliance of these views and expressions to the fullest extent permitted by applicable law.

Definitions

"Sports betting supplier" means a person that provides services, goods, software, or other components necessary for the creation of betting markets and determining bet outcomes, directly or indirectly to any license holder or applicant involved in the acceptance of bets. Examples include, but are not limited to providers of data feeds and odds services, internet platform providers, risk management providers, integrity monitoring providers, and other providers of sports betting supplier services as determined by the [regulator]. A sports governing body that provides raw statistical match data to one or more designated and licensed providers of data and odds services shall not be a sports betting supplier.

"Sports betting supplier license" means a license issued by the [regulator] to a sports betting supplier.

Sec. X Sports Betting Supplier License

(1) The [regulator] may issue a sports betting supplier license to a sports betting supplier. A person that is not licensed under this section shall not sell, lease, distribute, offer, or otherwise provide services, goods, software, or other components necessary for the creation of betting markets and determining bet outcomes, directly or indirectly to any license holder or applicant involved in the acceptance of bets, except that an interactive sports wagering operator shall not be required to obtain a separate sports betting supplier license in order to act as a sports betting supplier. A supplier must be licensed under this section if providing supplier services under a fixed-fee or revenue-sharing agreement.

(2) On application by an interested person, the [regulator] may issue a provisional sports betting supplier license to an applicant for a sports betting supplier license. A provisional license issued under this subsection allows the applicant for the sports betting supplier license to conduct business regarding the operation of sports betting with a license holder or applicant before the sports betting supplier license is issued. A provisional license issued under this subsection expires on the date provided by the [regulator].

(3) A person may apply to the [regulator] for a sports betting supplier license as provided in this act and the rules promulgated under this act.

(4) Except as otherwise provided in this section, an application under this section must be made on forms provided by the [regulator] and include the information required by the [regulator].

(5) The [regulator] shall require applicants to disclose the identity of (a) the applicant's principal owners who directly own five percent or more of the applicant; (b) each holding, intermediary or parent company that directly owns fifteen percent or more of the applicant; and (c) the applicant's board appointed CEO and CFO. The [regulator] shall have the authority to waive any or all qualification requirements for any person or entity in this subsection.

(6) Legislatively created entities such as sovereign entities, government entities, government agencies, pension investment boards, and public corporations, that are direct or indirect shareholders of the applicant, shall be waived from any information disclosure requests in connection to the license application as determined by the [regulator].

(7) Investment funds or entities registered with the Securities and Exchange Commission, whether as Investment Advisors or otherwise, as well as the entities under the management of such entities registered with the Securities and Exchange Commission, that are direct or indirect shareholders of the applicant, shall be waived from any information disclosure requests in connection to the license application as determined by the [regulator].

(8) In no scenario shall a person holding a sports betting supplier license or a temporary sports betting supplier license be subject to, or required to obtain, any additional license to offer the services under this section.



VIA EMAIL

Brian Considine
Legal and Legislative Manager
Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504

June 7, 2021

Re: Rush Street Interactive, L.P. – Comments to initial draft rules for sports wagering

Dear Mr. Considine:

On behalf of Rush Street Interactive, L.P. (“RSI”), we greatly appreciate the opportunity to provide comments to the Washington State Gambling Commission concerning the initial draft of proposed sports wagering rules.

Please accept our comments as follows:

WAC 230-05-120 Paying annual license fee.

We are seeking clarity that we can opt to make one payment annually for the annual license fee.

WAC 230-06-030 Restrictions and conditions for gambling promotions.

(9) We recommend adding a section to permit mobile sports wagering suppliers to offer promotional prizes based on chance, as they do in other jurisdictions. Our suggestion is: *(c) Licensed major sports wagering suppliers are authorized to give promotional prizes or items as part of a physical drawing, spinning a wheel, or selecting from a group of concealed items.*

(NEW) WAC 230-17-xxx Accounting records for sports wagering vendors

We are seeking clarification that while we need to maintain these records, we do not need submit them to WSGC. Should WSGC require any review of these records, we would ask for advance notice of such review and expectation.

(NEW) WAC 230-17-xxx Authorized Sports Wagering Menu

We believe that a statewide menu like this is always ideal. How will new event/sport approvals be handled? Will there be a licensee request process?



(New) WAC 230-17-xxx Sports Wagering Integrity

(6) In other jurisdictions, system access is provided to the regulators, not the integrity monitoring service. We recommend that WSGC take the same approach.

(NEW) WAC 230-17-xxx Sports Wagering System Requirements

(3) Recommend deleting “, approved,”. This is redundant with the requirement of certification.

(12) We seek clarification of the requirement to provide sports wagering system software to the WSGC that “must be identical or substantially similar to what is deployed in the state”. Please clarify that access to a non-production environment would be sufficient to comply with this requirement.

We would be pleased to discuss these comments or answer any questions you may have. I can be reached at: 312-915-2801 or lcox@rushstreetinteractive.com.

Sincerely,

Laura McAllister Cox

Laura McAllister Cox
Chief Compliance Officer

From: [Rion Ramirez](#)
To: [Considine, Brian \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)
Cc: [Griffin, Tina \(GMB\)](#); [Becker, Suzanne \(ATG\)](#); [Sizemore, Bud \(GMB\)](#); [James, Sharon M. \(ATG\)](#); [Lies, Julie \(GMB\)](#); [Tim Woolsey \(twoolsey@suquamish.nsn.us\)](#); [Devon Tiam](#); [Masse, Chris](#); [Jones, Brie Coyle](#); [Ramirez, Rion](#)
Subject: RE: Sports Wagering Draft Rules for Comment
Date: Monday, June 7, 2021 10:06:36 AM
Attachments: [image007.png](#)
[image008.png](#)
[image009.png](#)
[image010.png](#)
[image011.png](#)
[image012.png](#)
[image013.png](#)
[image014.png](#)
[image016.png](#)
[image018.png](#)
[DRAFT-Rules-Stakeholder.docx](#)

External Email

Dear Brian and Ashlie:

On behalf of the Suquamish Tribe, I write today to offer comments to the proposed draft sports wagering rules in advance of the upcoming Washington State Gambling Commission (“WSGC”) meeting. Attached is a redline of our recommended revisions, but I did want to highlight a few themes of concern that we had after reviewing the proposed draft.

First, the draft rules—and in particular, 230-17, Proposed Sports Wagering Rules—misunderstand the role (or lack thereof) of state regulations in the larger context of the Indian Gaming Regulatory Act (“IGRA”) and the tribes’ relationship with the state. State adopted rules cannot govern *tribal gaming activities*; rather, the co-regulatory relationship between the state and tribes is governed by the Class III gaming compacts, and supplemented by tribal ordinances and other tribal regulations. *See* 25 U.S.C. § 2710(d). The only appropriate purpose of state gaming regulations rules would be the certification of *tribal gaming vendors*.

This distinction is recognized by HB 2638, which as you know, authorized tribes to engage in sports wagering on Indian lands pursuant to their gaming compacts. Consistent with IGRA, the bill directed that the Commission’s five pillars (licensing; fees associated with the gambling commission's regulation of sports wagering; how sports wagering will be conducted, operated, and regulated; issues related to criminal enforcement, including money laundering, sport integrity, and information sharing between the commission and the tribe related to such enforcement; and responsible and problem gambling) be included *in those compacts*. The bill also confirmed that the Commission had authority to engage in rulemaking to issue licenses to sports wagering vendors. HB 2638 does not give the WSGC rulemaking authority over the activity of sports wagering on Indian lands. It gives the WSGC the authority to determine whether someone is qualified to be a vendor for sports wagering.

We acknowledge that section 7(6) of the bill gives the WSGC the authority to track and monitor gambling-related sports wagering transactions; however this authority is tied to WSGC’s enforcement of criminal laws related to suspicious or illegal wagering activities. Some of the obligations these draft rules purport to put on all vendors—not just those with access to integrity-related data—and the data WSGC is requesting goes beyond that purview

and would impose obligations on our vendors that are not market standard. Further, the proposed rules conflate licensees with operators. *See e.g.*, New WAC 230-17-xxx Sports Wagering Integrity at p. 9 (“Licensees must make all reasonable efforts to detect and prevent prohibited sports wagering participants from participating in sports wagering.”). Licensees will not be stopping people from betting. We, the tribal operators, will. And we are not licensees; instead, our relationship is governed by the compacts.

Not only does the approach in the draft rules conflict with IGRA, but it ignores the extensive negotiations and compromise we have engaged in to reach tentative agreement on our compact. For the last year, we have engaged in negotiations to ensure that the gaming compact covers all five pillars noted above in a way that works for the state and the tribes. We were therefore both surprised and disappointed to see much of what we already covered in the compacts reflected—unnecessarily, inappropriately, and in some cases, inconsistently—in the draft rules. For example, we agreed to deal with information sharing matters in our internal controls; yet these draft rules force our vendors to provide WSGC information that WSGC requests, irrespective of whether the data is even theirs or whether WSGC’s request comports with the parameters established in the compact or the internal controls. The result is an end-run around our compact negotiations and collaborative process. The compact and our internal controls are a negotiated set of documents; WSGC’s regulations are completely in WSGC’s purview.

Lastly, I would be remiss if I did not point out our concerns with the amounts of the proposed license fees. As you know, sports wagering here in Washington will be on an extremely limited, on-premises only basis. This means that, especially for the smaller properties, sports wagering will not be a particularly lucrative game. To charge our vendors more than three times the current highest vendor fee in the state is wholly out of line with the value of the activity. Moreover, a vendor’s supply chain could include multiple participants at the major, mid, and ancillary levels. If licensing is cost prohibitive, reputable vendors will take a pass on Washington. Please consider addressing these vendors like the other tribal licensees that WSGC certifies, where they pay an annual amount, plus any special investigative fees WSGC incurs. That way, WSGC can be sure that its costs, especially when higher in that first year, are covered, while at the same time making clear that these fees do not indicate the WSGC’s entry into improper tribal tax territory.



We may have additional comments depending on the final draft you consider on Thursday, but I wanted to provide you these preliminary comments ahead of the June WSGC meeting.

Thank you,

Rion Ramirez
Chief Executive Officer



15347 Suquamish Way NE
Suquamish, WA 98392

 **360-598-8711**
 **360-710-0733**



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

Sent: Thursday, May 27, 2021 12:22 PM

Cc: Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>; Becker, Suzanne (ATG) <suzanne.becker@atg.wa.gov>; Sizemore, Bud (GMB) <bud.sizemore@wsgc.wa.gov>; Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>; James, Sharon M. (ATG) <sharon.james@atg.wa.gov>; Lies, Julie (GMB) <julie.lies@wsgc.wa.gov>

Subject: Sports Wagering Draft Rules for Comment

Importance: High

***** This is from an external sender *****

Hello,

You are receiving this email because the Washington State Gambling Commission (WSGC) has identified you and/or your organization as a stakeholder for our sports wagering rule-making.

Please find the attached draft proposed sports wagering rules. These are initial draft rules by Commission staff and we are still having these reviewed by our attorneys and agency leadership before we send them to our Commissioners at our June 10, 2021 public meeting. Therefore, we could have additional internal changes prior to the meeting.

However, we seek your input at this time and please provide any questions, comments or suggested edits to me (Brian.considine@wsgc.wa.gov) and our Rules Coordinator Ashlie Laydon (Ashlie.laydon@wsgc.wa.gov) **by Monday, June 7, 2021 at 8am pacific time.**

WSGC staff will review any comments, questions, or suggested edits, if submitted by the above-referenced deadline, for our June 10th public meeting. However, you are allowed and encouraged to comments during the entirety of this rule-making process, as needed. All written comments will become part of the official agency rule-making file.

Additionally, you are welcome to attend the agency's [June 10, 2021](#) public meeting and provide public comment during this public meeting. Please monitor our [public meeting webpage](#) as the call-in information and agenda will be posted about one week before our meeting.

Lastly, Commission Staff will recommend that the Commissioners hold a special meeting on or around July 28, 2021 for the Commissioners to review and approve final sports wagering rules to go into effect on or around August 30, 2021.

Please contact me if you have any questions about this process.

Sincerely,

Brian

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



This email has been scanned by the Symantec Email Security.cloud service.
For more information please visit <http://www.symanteccloud.com>

Proposed WSGC Sports Wagering DRAFT Rule Changes (5/28/2021)

Proposed changes to existing rules are noted in WAC 230-03; WAC 230-05; and WAC 230-06 and WAC 230-17. New rule sections are identified as "(NEW)." Otherwise, changes are amendments to rules that already exist.

Current rules in WAC 230-17 will be moved to a new sub-chapter and this sub-chapter will contain new sports wagering rules.

The tradeshow rule currently found in WAC 230-16, manufacturers and distributors, is moved to WAC 230-06 to allow for it to include sports wagering vendors.

WAC 230-03 Proposed Rule Changes

WAC 230-03-035 Applying for a license. (1) You must fully complete the license application form we provide in order to be considered for a license. You must submit it with the appropriate fees online in the manner we require, or return it, along with the appropriate fees, to our headquarters.

(2) If your application is incomplete, you must provide us with the required items within thirty days of notification or we may administratively close the application.

(3) Applicants for a new organization license or permit will submit the base license fee for each authorized activity they are applying for with their application.

(4) Applicants for a new individual license will submit the new application fee they are applying for with their application.

[Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-03-035, filed 2/9/18, effective 5/1/18; WSR 06-07-157 (Order 457), § 230-03-035, filed 3/22/06, effective 1/1/08.]

WAC 230-03-040 Signing the application. The applicant signs the application under oath and under penalty of perjury under the laws of the state of Washington. This oath affirms

WAC 230-03 Proposed Rule Changes

that the information on the application and any accompanying materials is accurate and complete.

(1) The person signing the application must be:

(a) The highest ranking officer, or their designee, of a charitable, nonprofit, or profit-seeking corporation, or limited liability company seeking licensure; or

(b) The owner of a sole proprietorship seeking licensure;
or

(c) All partners of a partnership or general partner of a limited partnership seeking licensure.

(2) The person seeking an individual license and a designated officer of the organization for which the person will work must both sign the application.

[Statutory Authority: RCW 9.46.070. WSR 07-21-116 (Order 617), § 230-03-040, filed 10/22/07, effective 1/1/08; WSR 06-07-157 (Order 457), § 230-03-040, filed 3/22/06, effective 1/1/08.]

WAC 230-03-045 Defining substantial interest holder. (1)

"Substantial interest holder" means a person who has actual or potential influence over the management or operation of any organization, association, or other business entity.

WAC 230-03 Proposed Rule Changes

(2) Evidence of substantial interest may include, but is not limited to:

(a) Directly or indirectly owning, operating, managing, or controlling an entity or any part of an entity; or

(b) Directly or indirectly profiting from an entity or assuming liability for debts or expenditures of the entity; or

(c) Being an officer or director or managing member of an entity; or

(d) Owning ten percent or more of any class of stock in a privately or closely held corporation; or

(e) Owning five percent or more of any class of stock in a publicly traded corporation; or

(f) Owning ten percent or more of the membership shares/units in a privately or closely held limited liability company; or

(g) Owning five percent or more of the membership shares/units in a publicly traded limited liability company; or

(h) Providing ten percent or more of cash, goods, or services for the start up of operations or the continuing operation of the business during any calendar year or fiscal

WAC 230-03 Proposed Rule Changes

year. To calculate ten percent of cash, goods, or services, take the operational expenses of the business over the past calendar or fiscal year, less depreciation and amortization expenses, and multiply that number by ten percent; or

(i) Receiving, directly or indirectly, a salary, commission, royalties, or other form of compensation based on the gambling receipts.

(3) Spouses of officers of charitable or nonprofit organizations and spouses of officers or board members of publicly traded entities or subsidiaries of publicly traded entities are not considered substantial interest holders, unless there is evidence to the contrary. If so, then an investigation will be conducted to determine if they qualify as a substantial interest holder.

~~(4) Spouses of officers, owners, or shareholders owning ten percent or more of the organization's shares of a sports wagering organization are not considered substantial interest holders, unless there is evidence to the contrary. If so, then an investigation will be conducted to determine if they qualify as a substantial interest holder.~~

Commented [A1]: Section 6.4 of Appendix S precludes licensing spouses of Principals.

WAC 230-03 Proposed Rule Changes

[Statutory Authority: RCW 9.46.070. WSR 13-09-048 (Order 687), § 230-03-045, filed 4/15/13, effective 5/16/13; WSR 06-07-157 (Order 457), § 230-03-045, filed 3/22/06, effective 1/1/08.]

WAC 230-03-060 Fingerprinting. (1) The following persons must submit fingerprints and undergo a national criminal history background check:

(a) Substantial interest holders of commercial businesses and charitable or nonprofit organizations who live or have lived out of the state in the last ten years; and

(b) Card room employees, commercial and nonprofit gambling managers, and manufacturer, distributor, service supplier, call centers for enhanced raffles, ~~and~~ linked bingo prize provider, and sports wagering vendor representatives; and

(c) Any other substantial interest holder when we have information they may not be qualified for licensure or to participate in a gambling activity.

(2) Recreational gaming activity and agricultural fair permit holders do not need to submit fingerprints.

[Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-03-060, filed 2/9/18, effective 5/1/18. Statutory Authority: RCW

WAC 230-03 Proposed Rule Changes

9.46.070 and 9.46.0209. WSR 13-19-056 (Order 692), § 230-03-060, filed 9/16/13, effective 10/17/13. Statutory Authority: RCW 9.46.070(7). WSR 13-17-018 (Order 690), § 230-03-060, filed 8/9/13, effective 9/9/13. Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-060, filed 3/22/06, effective 1/1/08.]

WAC 230-03-065 Spouses must also be qualified. (1)

Applicants' spouses must also meet the qualifications to hold a gambling license when married persons who maintain a marital community apply for or hold a license to operate gambling activities. This includes, but is not limited to, owners and substantial interest holders of commercial gambling establishments.

(2) If you are a licensed employee of a gambling operation, officer of a charitable or nonprofit organization, or an officer or a board member of a publicly traded entity or subsidiary of a publicly traded entity, your spouse does not need to meet the licensing qualifications, unless they are deemed to be a substantial interest holder.

WAC 230-03 Proposed Rule Changes

(3) Spouses of owners and substantial interest holders of a sports wagering organization are not considered substantial interest holders, unless there is evidence to the contrary.

Commented [A2]: Section 6.4 of Appendix S precludes licensing spouses of Principals.

[Statutory Authority: RCW 9.46.070. WSR 13-09-048 (Order 687), § 230-03-065, filed 4/15/13, effective 5/16/13; WSR 06-07-157 (Order 457), § 230-03-065, filed 3/22/06, effective 1/1/08.]

WAC 230-03-070 Training required for licensing. (1) You

must complete a training course we establish if you:

- (a) Signed the licensing application; or
- (b) Are a manager; or
- (c) Are responsible for conducting gambling activities or

completing records.

(2) You must complete training within thirty days of the effective date of your license.

(3) We do not require manufacturers, ~~or~~ manufacturers' representatives, or major sports wagering vendors to complete training. However, all licensees are expected to know and follow all rules upon receiving your license.

WAC 230-03 Proposed Rule Changes

[Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-070, filed 3/22/06, effective 1/1/08.]

WAC 230-03-075 Withdrawing your application. (1) You may withdraw your license application for any reason by sending written or electronic mail notice to us. We must receive your written request at our headquarters office before we issue or deny the license.

(2) Withdrawing an application will not affect any future application for a license.

[Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-075, filed 3/22/06, effective 1/1/08.]

WAC 230-03-195 Additional information required from manufacturer, distributor and sports wagering vendor license applicants. If you are applying for a manufacturer, ~~or~~ distributor, or a sports wagering vendor license, you must attach the following to your application form or submit the following in the manner we require:

(1) A list of all businesses or corporations which you, or officers, directors, or substantial interest holders of your

WAC 230-03 Proposed Rule Changes

business, either directly or indirectly, own or control as a substantial interest holder; and

(2) A list of all businesses or corporations licensed to conduct gambling activities or to supply gambling-related equipment, supplies, or services in which you, officers, directors, or substantial interest holders of your business have any interest; and

(3) A list of all jurisdictions in which you or any of the officers, directors, or substantial interest holders of your business have had a gambling-related license at any level during the previous ten years; and

(4) A statement about whether you, or officers, directors, or substantial interest holders have ever been part of a business that had a gambling-related license denied, revoked, or suspended by any jurisdiction for a period longer than thirty days.

[Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-195, filed 3/22/06, effective 1/1/08.]

WAC 230-03 Proposed Rule Changes

(NEW) WAC 230-03-xxx Additional information required for sports wagering vendors.

Sports wagering vendor applicants must provide contracts and agreements, ~~or proposed contracts or agreements,~~ with any ~~third parties~~ other vendors that are part of their sport wagering offerings in the state ~~and relate to the applicant's or a third party~~ the vendor's sports wagering equipment, goods, services, and information for review for compliance with Title 230 WAC and chapter 9.46 RCW. ~~Contracts or agreements to be provided for review will relate to the applicant's or a third party vendor's sports wagering equipment, goods, services, and information.~~ Provided, however, that nothing in this rule requires a sports wagering vendor to provide its contracts or agreements with a federally recognized Indian tribe.]

WAC 230-03-200 Defining "gambling equipment." "Gambling

equipment" means any device, gambling-related software, expendable supply, or any other paraphernalia used as a part of gambling or to make gambling possible. "Gambling equipment" includes, but is not limited to:

- (1) Amusement games;
- (2) Punch boards and pull-tabs;

Commented [A3]: Our strong preference is that this draft rule is deleted in its entirety, but at the very least this rule must exclude the tribe's agreements with sports wagering vendors.

Commented [A4]: Including sports wagering equipment in this definition results in a SW equipment provider needing two separate licenses: (1) major sports wagering vendor, and (2) manufacturer under 230-03-025 or distributor under 230-03-190. It is unduly burdensome to require two licenses for providing the same piece of sports wagering equipment, particularly for vendors providing mere components of a sports wagering system.

WAC 230-03 Proposed Rule Changes

(3) Devices for dispensing pull-tabs;

(4) Electronic devices for conducting, facilitating, or accounting for the results of gambling activities, including, but not limited to:

(a) Components of a tribal lottery system;

(b) Components of a sports wagering system;

(c) Electronic devices for reading and displaying outcomes of gambling activities; and

(~~d~~e) Accounting systems that are a part of, or directly connected to, a gambling system including, but not limited to:

(i) Bet totalizers; or

(ii) Progressive jackpot meters; or

(iii) Keno systems;

(5) Bingo equipment;

(6) Devices and supplies used to conduct card games, fund-raising events, recreational gaming activities, or Class III gaming activities, as defined in the Indian Gaming Regulatory Act at U.S.C. 25 chapter 29 § 2703 and in tribal-state compacts including, but not limited to:

(a) Gambling chips;

(b) Cards;

WAC 230-03 Proposed Rule Changes

- (c) Dice;
- (d) Card shuffling devices;
- (e) Graphical game layouts for table games;
- (f) Ace finders or no-peek devices;
- (g) Roulette wheels;
- (h) Keno equipment; ~~and~~
- (i) Tables manufactured exclusively for gambling purposes;;
and
(j) Sports wagering systems.

[Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-200, filed 3/22/06, effective 1/1/08.]

WAC 230-03-~~226230~~ Applying for linked bingo prize provider license.

(1) You must apply for a linked bingo prize provider license if you provide bingo operators the means to link bingo prizes, including:

- (a) Equipment and supplies to offer linked bingo; and
- (b) Linked bingo prize management; and

WAC 230-03 Proposed Rule Changes

(c) Distribution of necessary gambling equipment and supplies.

(2) Distributors must receive a linked bingo prize provider license before providing gambling equipment and supplies to play linked bingo games.

[Statutory Authority: RCW [9.46.070](#). WSR 06-07-157 (Order 457), § 230-03-230, filed 3/22/06, effective 1/1/08.]

WAC 230-03-~~227232~~ Applying for an enhanced raffle call center license.

(1) You must apply for an enhanced raffle call center license if you receive authorized enhanced raffle ticket sales.

(2) The licensing process may include an on-site review of your call center process to ensure compliance with applicable gambling laws and rules, and your qualifications for licensure.

[Statutory Authority: RCW [9.46.070](#) and [9.46.0209](#). WSR 13-19-056 (Order 692), § 230-03-232, filed 9/16/13, effective 10/17/13.]

WAC 230-03 Proposed Rule Changes

(NEW) WAC 230-03-230 Applying for a major sports wagering

vendor license

You must apply for a major sports wagering vendor license if you provide integral sports wagering goods or services in our state.

This includes:

(1) Managing a Tribe's or Tribes' sports wagering operations;

(2) Being a Tribe's or Tribes' primary consultant who provides substantial sports wagering related services;

(3) Being a manufacturer or distributor of a sports wagering system(s);

(4) Providing bookmaking services; or

(5) Providing sports wagering risk management services.

(NEW) WAC 230-03-231 Applying for a mid-level sports wagering

vendor license

You must apply for a mid-level sports wagering vendor license if you provide services or equipment directly related to ~~data,~~ security, and integrity. ~~This~~ includes, ~~but not limited to:~~

(1) Integrity monitoring;

Commented [A5]: Revised to align with Section 6.2.2 of Appendix S

WAC 230-03 Proposed Rule Changes

~~(2) Data to be used by a Tribe(s), or a sports wagering vendor, including data to set odds;~~

~~(3)(2) The compilation, furnishing, or storage of data for use~~

~~in sports wagering;~~

~~(4)(3) Initial or annual sports wagering system security testing~~

~~or assessment;~~

~~(5)(4) Geofence and geolocation compliance and monitoring; and~~

~~(6)(5) Sports wagering account management, including Software-~~

~~as-a-Service (SaaS) products.~~

(NEW) WAC 230-03-232 Applying for an ancillary sports wagering vendor license

You must apply for an ancillary sports wagering vendor license if you provide necessary sports wagering support services. ~~that~~

~~This includes, but not limited to:~~

(1) Mobile payment processing for use in a Mobile Sports Wagering;

(2) Know your customer or identity verification for use in Mobile Sports Wagering; and

WAC 230-03 Proposed Rule Changes

(3) Marketing or promotional affiliates for a sports wagering vendor or tribal sports wagering operator where the contractual financial arrangement is based on a percentage of an operator's sports wagering revenue.

(NEW) WAC 230-03-xxx Sports wagering vendor applicants and associated entities in their corporate structure.

You must apply for a sports wagering vendor license if you enter into agreements or contracts to provide sports wagering gaming goods or services to operators or other sports wagering vendors for sports wagering goods or services in Washington. Any associated organizations linked to the sports wagering applicant in their corporate structure, who provides sports wagering goods or services to the applicant, must comply with our rules. The applicant will have ultimate responsibility for any goods or services provided by another legal entity associated to the applicant. This only includes organizations in applicant's corporate ownership structure.

WAC 230-03 Proposed Rule Changes

**(NEW) WAC 230-03-311 Applying for a major sports wagering vendor
representative license**

You must apply for a major sports wagering representative license
if you, as an individual, sell, market, promote, represent,
service, or otherwise work in any sports wagering activities under
employment or contract to a major sports wagering vendor in our
state or you supervise those who do.

**(NEW) WAC 230-03-312 Applying for a mid-level sports wagering
vendor representative license**

You must apply for a mid-level sports wagering representative
license if you, as an individual, sell, market, promote, represent,
service, or otherwise work in any sports wagering activities under
employment or contract to a mid-level sports wagering vendor in
our state or you supervise those who do.

**(NEW) WAC 230-03-313 Applying for an ancillary sports wagering
vendor representative license**

WAC 230-03 Proposed Rule Changes

You must apply for an ancillary sports wagering representative license if you as an individual sell, market, promote, represent, service, or otherwise work in any sports wagering activities under employment or contract to an ancillary sports wagering vendor in our state or you supervise those who do.

WAC 230-03-320 Substantial interest holders not required to be licensed as representatives.

(1) If you are a substantial interest holder in a business licensed to operate a manufacturer, distributor, gambling service supplier, call centers for enhanced raffles, or linked bingo prize provider or a spouse of the same, you do not have to have an additional license to perform representative duties connected with that licensed business.

(2) If you are a substantial interest holder in a business licensed as a sports wagering vendor, or a spouse of the same, you do not need to have an additional sports wagering vendor representative license to perform representative duties connected with that licensed business.

WAC 230-03 Proposed Rule Changes

[Statutory Authority: RCW 9.46.070 and 9.46.0209. WSR 13-19-056 (Order 692), § 230-03-320, filed 9/16/13, effective 10/17/13.

Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-320, filed 3/22/06, effective 1/1/08.]

WAC 230-03-330 Representing one or more licensed

businesses. (1) If you are a licensed distributor representative, gambling service supplier representative, or a linked bingo prize provider representative or applying for one of these representative licenses, you must represent only one licensed distributor, gambling service supplier, or linked bingo prize provider at a time.

(2) If you are a licensed manufacturer or representative, you may represent more than one licensed manufacturer.

(3) Sports wagering vendor representatives may represent more than one licensed sports wagering vendor so long as their representation would not create a conflict that would undermine the integrity of sports wagering or a sport event.

(~~4~~) If the owner you represent owns more than one licensed business, you may represent the owner in all those licensed businesses, including licensed manufacturers.

WAC 230-03 Proposed Rule Changes

(54) You must submit an application and pay a fee before beginning work at a new or additional employer.

[Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-03-330, filed 2/9/18, effective 5/1/18; WSR 09-24-012 (Order 664), § 230-03-330, filed 11/20/09, effective 12/21/09; WSR 06-07-157 (Order 457), § 230-03-330, filed 3/22/06, effective 1/1/08.]

WAC 230-03-335 Representatives must not work before receiving a license. If you are applying for a license as a representative for a manufacturer, distributor, gambling services supplier, call centers for enhanced raffles, a sports wagering vendor, or linked bingo prize provider, you must not work until you receive a license from us.

[Statutory Authority: RCW 9.46.070 and 9.46.0209. WSR 13-19-056 (Order 692), § 230-03-335, filed 9/16/13, effective 10/17/13. Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-335, filed 3/22/06, effective 1/1/08.]

~~**(REPEAL) WAC 230-03-408 Applying for sports wagering prelicensing investigation.** (1) Any individual or organization anticipating applying for a future license to provide equipment~~

WAC 230-03 Proposed Rule Changes

~~and/or services for sports wagering pursuant to a tribal-state compact may apply for a prelicensing investigation.~~

~~(2) To apply, the applicant and each substantial interest holder will go through a prelicensing investigation to determine if the applicant and substantial interest holders are initially qualified.~~

~~(3) It is the responsibility of each applicant and persons who have a substantial interest therein to establish by clear and convincing evidence the necessary qualifications.~~

~~(4) A prelicensing investigation of the applicant includes, but is not limited to:~~

~~(a) Identification of all substantial interest holders of the applicant, and~~

~~(b) Conducting a criminal history background investigation on all substantial interest holders, and~~

~~(c) Verification that cash, goods or services for the startup of the operations or the continuation of the business is from a qualified source, and~~

~~(d) Compliance with all other applicable rules and laws.~~

WAC 230-03 Proposed Rule Changes

~~(5) You are required to complete an online application, submit any required supplemental documentation, and submit a five thousand dollar deposit for us to begin the prelicensing investigation process.~~

~~(6) We may request additional information during our prelicensing investigation. All work will stop until we receive the requested information. You must provide us with the required items within thirty days of notification or we will administratively close your prelicensing application.~~

~~(7) You must pay all costs associated with the prelicensing investigation.~~

~~(a) We will give you an estimate of the anticipated costs based on the information we have received at that time.~~

~~(b) You will be asked to pay the additional deposit to cover the anticipated costs, such as staff time to conduct the prelicensing investigation, travel time, and travel costs.~~

~~(c) We may amend our estimate during our prelicensing investigation process.~~

~~(d) You will have thirty days to submit any additional balance requested. We will not work on the application until we~~

WAC 230-03 Proposed Rule Changes

~~have received all funds requested. Failure to pay the balance within the required time frame will result in administrative closure of the application and all unused funds will be refunded.~~

~~(e) We will stop the prelicensing investigation process if the cost of our investigation exceeds the balance and request additional funds to cover the anticipated costs to continue our investigation. We will resume work upon receipt of the requested deposit to cover anticipated costs to complete the investigation.~~

~~(f) Any unused funds will be refunded.~~

~~(g) We will retain funds to cover all costs incurred if you withdraw your application or if your application is denied.~~

~~(8) Upon completion of a prelicensing investigation, a determination regarding an applicant's qualification will be made. Applicants who are qualified will receive a prelicensing investigation approval from us stating the determination is made based on the information and representations made by the applicant up to that date.~~

WAC 230-03 Proposed Rule Changes

~~(9) Applicants are required to provide notice of any changes to the organization or substantial interest holders after a prelicensing investigation approval has been issued and will be required to pay for any additional investigation costs.~~

~~(10) A prelicensing investigation approval is not a sports wagering license. You must apply for a sports wagering license once a sports wagering tribal-state compact(s) and future licensing rules are effective.~~

~~(11) Prelicensing investigation approval will be valid for one year from the date of issuance. The term of this approval can be extended by the director or designee if the year term is about to expire and sports wagering licensing rules are not in effect.~~

~~(12) Applicants who are determined to be unqualified to receive a prelicensing investigation approval will be given the following options:~~

~~(a) Have thirty days to correct the issue that keeps them from being qualified; or~~

~~(b) Withdraw their application; or~~

~~(c) Receive an application denial.~~

WAC 230-03 Proposed Rule Changes

~~[Statutory Authority: RCW 9.46.070, 9.46.075, and 9.46.153. WSR
21-06-067, § 230-03-408, filed 2/26/21, effective 3/29/21.]~~

WAC 230-05 Proposed Rule Changes

~~(REPEAL) WAC 230-05-101 Implementation of new permit and license fees. WAC 230-05-102 through 230-05-175 apply to all:~~

~~(1) Permits or license years ending on or after June 30, 2018;~~

~~(2) Permits or licenses issued on or after July 1, 2018;~~
and

~~(3) Other fees assessed in this chapter on or after July 1, 2018.~~

~~{Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-05-101, filed 2/9/18, effective 5/1/18.}~~

~~WAC 230-05-110 Defining "gross gambling receipts rate."~~

~~"Gross gambling receipts rate" is the rate listed in this chapter that licensees use to calculate their quarterly license fees, if applicable. This also is the rate used for quarterly license reports.~~

~~{Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-05-110, filed 2/9/18, effective 5/1/18.}~~

WAC 230-05 Proposed Rule Changes

~~WAC 230-05-112 Defining "gross gambling receipts." (1)~~

~~"Gross gambling receipts" means the amount due to any operator of an authorized activity as described in subsection (5) of this section.~~

~~(2) The amounts must be stated in U.S. currency.~~

~~(3) The value must be before any deductions for prizes or other expenses, such as over/short.~~

~~(4) "Gross gambling receipts" does not include fees from players to enter player-supported jackpots. However, any portion of wagers deducted for any purpose other than increasing current prizes or repayment of amounts used to seed prizes are "gross gambling receipts."~~

~~(5) Gross gambling receipts for authorized activities:~~

Activity:	Gross gambling receipts include amounts due to any operator for:
(a) Punch board and pull tab	Purchasing chances to play.
(b) Raffles and enhanced raffles	Purchasing chances to enter.
(c) Bingo	Fees or purchase of cards to participate.
(d) Amusement games	Amounts paid to play amusement games.
(e) Card games	• "Net win" from house-banked card games; • Tournament entry fees; • Administrative fees from player-supported jackpots; • Fees to participate in nonhouse-banked card games.

WAC 230-05 Proposed Rule Changes

Activity:	Gross gambling receipts include amounts due to any operator for:
(f) Manufacturers and distributors	<p>(i) Fees from sales, rentals, leases, royalties, and service fees collected for the following gambling equipment in Washington to include, but not limited to:</p> <ul style="list-style-type: none"> • Bingo paper or bingo cards; • Punch boards and pull tabs; • Devices for dispensing pull tabs; • Electronic devices for conducting, facilitating or accounting for the results of gambling activities; • Cards; • Dice; • Gambling chips; • Cash exchange terminals; • Progressive meters; • Gambling software; • License agreements; • Card shuffling devices; • Graphical game layouts for table games; • Ace finders or no peek devices; • Roulette wheels; • Keno equipment; • Tables manufactured exclusively for gambling purposes; • Bet totalizers; • Electronic devices for reading or displaying outcomes of gambling activities; • Tribal lottery systems and components thereof. <p>(ii) Fees from the service, repair and modification of gambling equipment in Washington to include, but not limited to:</p> <ul style="list-style-type: none"> • Charges for labor and parts for repairing gambling equipment; • Service fees related to gambling operations; • Training or set-up fees; • Maintenance contract fees related to gambling equipment and operations.
(g) Gambling service suppliers	Fees from gambling related services provided in or to be used in Washington to include, but not limited to:

WAC 230-05 Proposed Rule Changes

Activity:	Gross gambling receipts include amounts due to any operator for:
	<ul style="list-style-type: none"> ▲ Consulting, advisory or management services related to gambling; ▲ Interest from financing the purchase or lease of gambling equipment, infrastructure or facilities or equipment that supports gambling operations; ▲ Acting as a lending agent, loan services or placement agent; ▲ Assembly of components for gambling equipment to be used under a contract with a licensed manufacturer; ▲ Ongoing financial arrangements for gambling related software with a licensed manufacturer; ▲ Installing, integrating, maintaining, or servicing digital surveillance systems that allow direct access to the operating system; ▲ Training individuals to conduct authorized gambling activities; ▲ Performing testing and certification of tribal lottery systems in meeting requirements specified in the tribal state compacts; ▲ Providing nonmanagement related recordkeeping or storage services for punch board and pull-tab operators; ▲ Ownership of proprietary games or equipment.
<u>(h) Punch board/pull-tab service businesses</u>	Providing nonmanagement related recordkeeping or storage services for punch board and pull-tab operators.
<u>(i) Fund-raising event distributors</u>	Fees from contracts to organize and conduct recreational gaming activities.
<u>(j) Fund-raising events and agricultural fairs</u>	Fees received from the operation of bingo, amusement games, raffles, lotteries, contests of chance, and/or net win from table games operated at a fund-raising event.
<u>(k) Major Sports Wagering Vendor</u>	<u>Fees or revenues received from providing sports wagering goods and services, including:</u>

WAC 230-05 Proposed Rule Changes

Activity:	Gross gambling receipts include amounts due to any operator for:
(l) Mid-level Sports Wagering Vendor	management, consulting, sales, rentals, leases, and royalties, for any sports wagering activities in Washington. Fees or revenues received from providing sports wagering goods and services, including: sales, rentals, leases, and royalties, for any sports wagering activities in Washington.
(m) Ancillary Sports Wagering Vendor	Fees or revenues received from providing sports wagering goods and services, including: sales, rentals, leases, and royalties, for any sports wagering activities in Washington.

~~[Statutory Authority: RCW 9.46.070. WSR 20-08-095, § 230-05-112, filed 3/30/20, effective 4/30/20; WSR 18-05-026, § 230-05-112, filed 2/9/18, effective 5/1/18.]~~

Commented [A6]: If licensing fees as noted below are not based at all on GGR, why would definition of GGR and rules surrounding such reporting be necessary?

WAC 230-05-120 Paying annual license fee. (1) All

licensed organizations will pay annual license fees ~~in up to five payments~~. The annual license fee will be up to five payments and includes:

- (a) A base license fee paid with your:
 - (i) Initial application for a new license or permit; or
 - (ii) License renewal or annual permit application; and

WAC 230-05 Proposed Rule Changes

(b) Quarterly license fees, if applicable, based on the gross gambling receipts reported on your quarterly license report.

(2) Licensed organizations starting a new activity will begin paying quarterly license fees, if applicable, on that activity upon completion of the first quarter, whether a partial or full quarter, after your license or annual permit was issued.

(3) Individual licensees will pay an annual license fee with their initial application or license renewal application. [Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-05-120, filed 2/9/18, effective 5/1/18.]

WAC 230-05-124 Quarterly license reports and quarterly license fees. ~~All~~ Licensed organizations must submit quarterly license reports. Licensed organizations must also submit ~~and~~ quarterly license fees to us, if applicable, for each licensed gambling activity beginning with the first quarter of their license year. The quarterly license fee is due with the quarterly license report.

WAC 230-05 Proposed Rule Changes

The quarterly license reports must be in the format we require and must:

(1)

Cover the period:	Be received by us no later than:
January 1 through March 31	April 30
April 1 through June 30	July 31
July 1 through September 30	October 31
October 1 through December 31	January 31

(2) Be received online at our administrative office or postmarked no later than the dates indicated in the table in subsection (1) of this section; and

(3) Be submitted even if there is no quarterly license fee payable to us; and

(4) Be accurate; and

(5) Be completed by the highest ranking executive officer or a designee. If someone other than the licensee or an employee prepares the report, the preparer must include his or her name and business telephone number on the report; and

(6) Be submitted for any period of time the license was valid, even if there was no gambling activity or the gambling license was not renewed.

WAC 230-05 Proposed Rule Changes

[Statutory Authority: RCW 9.46.070. WSR 20-12-046, § 230-05-124, filed 5/28/20, effective 6/28/20; WSR 18-05-026, § 230-05-124, filed 2/9/18, effective 5/1/18.]

WAC 230-05-125 Report gross gambling receipts on the quarterly license report. (1) You must report your gross gambling receipts for each of your licensed gambling activities during the previous quarter on your quarterly license report.

(2) You must submit a quarterly license report even if you:

- (a) ~~Only need to pay your base license fee;~~
- (b) Have paid the maximum annual license fee for your

license year;

~~(c)~~ You do not owe a quarterly license fee for the quarter;

~~(d)~~ Have no gross gambling receipts to report;

~~(e)~~ Close your business;

~~(f)~~ Surrender your license;

~~(g)~~ Do not renew your license; or

~~(h)~~ Your license is revoked or suspended.

[Statutory Authority: RCW 9.46.070. WSR 18-11-055, § 230-05-125, filed 5/10/18, effective 6/10/18.]

Commented [A7]: Why? Is some other necessary WSGC action done based on the quarterly report?

WAC 230-05 Proposed Rule Changes

WAC 230-05-126 Online filing and payments required with waivers available upon request for good cause. (1) All licensees must submit the following online, where applicable:

- (a) Renewal application and base license fees; and
- (b) Quarterly license fees; and
- (c) Quarterly license reports.

(2) We may waive these requirements if a licensed organization can show good cause. The reasons for good cause include:

- (a) You do not have access to the internet using your own computer or similar equipment; or
- (b) You do not have a bank account; or
- (c) Your bank is unable to send electronic fund transactions; or
- (d) Some other circumstance or condition exists that, in our judgment, prevents you from submitting online.

(3) We may waive these requirements if a licensed individual can show good cause. The reasons for good cause include:

WAC 230-05 Proposed Rule Changes

(a) You do not have access to the internet using your own computer or similar equipment; or

(b) You do not have a bank account or credit card; or

(c) Your bank is unable to send electronic fund transactions; or

(d) Some other circumstance or condition exists that, in our judgment, prevents you from submitting online.

(4) You must request a waiver when applying for a new license or permit.

(5) A waiver will cover all fees and reports required under subsection (1) of this section.

[Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-05-126, filed 2/9/18, effective 5/1/18.]

WAC 230-05-170 Fees for other businesses. All other business organizations must pay the following fees:

(1) Annual licenses or permits:

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Agricultural fair bingo (annual permit)	\$200	-	-
Call centers for enhanced raffles	\$4,800	-	-

WAC 230-05 Proposed Rule Changes

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Commercial amusement games	\$500 plus \$65 per approved location	1.130%	\$11,000
Distributor	\$700	1.430%	\$7,000
Fund-raising event distributor	\$280	1.430%	\$1,000
Linked bingo prize providers	\$1,500	.046%	\$20,000
Manufacturer	\$1,500	1.430%	\$25,000
Manufacturer's special sales permit	\$250	-	-
Punch board/pull-tab service business permit	\$250	-	-
Gambling service supplier	\$300	1.430%	\$7,000
Major Sports Wagering Vendor	\$8525,000	-	-
Mid-level Sports Wagering Vendor	\$495,000	-	-
Ancillary Sports Wagering Vendor	\$5,000	-	-

Commented [A8]: These are excessively high and will prevent quality vendors from entering Washington. The fees should not dramatically depart from existing fee structure in Washington, i.e. the maximum annual fee of \$25,000 (plus special investigative fees).

License or Permit Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Recreational gaming activity	\$65	-	-
Special property bingo	\$30	-	-

Change of:	Fee
Name	\$100
Location	\$100
Business classification (same owners)	\$100
Corporate stock/limited liability company shares/units	\$100
License transfers	\$100

(4) Other fees:

Transaction	Fee
Add a new amusement game location	\$65
Defective punch	Up to \$100

WAC 230-05 Proposed Rule Changes

Transaction	Fee
board/pull-tab cost recovery fees	
Duplicate license	\$50
Pre- and post-licensing investigations	Cost reimbursement
Review, inspection, and/or evaluation of gambling equipment, supplies, services, games, schemes, or group 12 amusement games	Deposit and cost reimbursement

[Statutory Authority: RCW 9.46.070. WSR 18-11-055, § 230-05-170, filed 5/10/18, effective 6/10/18.]

WAC 230-05-175 Individual license fees. Individuals must

pay the following fees:

(1) Annual license and additional employer fees:

License Type	New Application Fee	Annual Renewal Fee	Additional or Change of Employer Fee
Call center for enhanced raffle representative	\$275	\$170	-
Card room employee license - Nonhouse-banked (Class A)	\$200	\$95	\$65
Card room employee license - Class F and house-banked (Class B)	\$275 (in-state) \$340 (out-of-state)	\$170	\$65
Charitable or nonprofit gambling manager	\$200	\$95	\$95
Commercial gambling manager	\$200	\$95	\$95
Distributor representative	\$275	\$170	\$65
Linked bingo prize provider representative	\$275	\$170	\$65
Manufacturer representative	\$275	\$170	\$65
Gambling service supplier representative	\$275	\$170	\$65
<u>Major sports wagering vendor representative</u>	<u>\$275</u>	<u>\$170</u>	<u>\$65</u>
<u>Mid-level sports wagering vendor representative</u>	<u>\$275</u>	<u>\$170</u>	<u>\$65</u>
<u>Ancillary sports wagering vendor representative</u>	<u>\$275</u>	<u>\$170</u>	<u>\$65</u>

WAC 230-05 Proposed Rule Changes

(2) Class B card room employees must pay the out-of-state application fee if over the last ten years the applicant lived outside of Washington for six nonconsecutive months or more.

(3) Other service fees:

Transaction	Fee
Change of name	\$30
Card room employee emergency waiver request	\$65
Duplicate license	\$30

(4) Military personnel returning from service. If a license expires while an individual is on active military service, the individual may apply to have their license reissued at the renewal fee. The application must be received within six months after completing their active military service. The applicant must provide evidence of the completion date of active military service.

[Statutory Authority: RCW 9.46.070. WSR 18-08-053, § 230-05-175, filed 3/30/18, effective 5/1/18.]

WAC 230-06 Proposed Rule Changes

WAC 230-06-030 Restrictions and conditions for gambling

promotions. Licensees may conduct gambling promotions to encourage players to participate in the gambling activity they are licensed to conduct without our review or approval under these restrictions and conditions:

(1) You must establish rules and restrictions to determine how you will give promotional prizes and items to players; and

(2) You must comply with all applicable federal, state, and tribal laws and rules;

~~(32)~~ You must display all rules and restrictions clearly in the gambling area and include them on promotional materials or advertisements; and

~~(43)~~ You must give all players eligible for the promotion an equal opportunity to participate; and

~~(54)~~ Except for members-only progressive raffles conducted as authorized in WAC 230-11-091, you must not give another chance to participate in a gambling activity we regulate as a promotional item; and

WAC 230-06 Proposed Rule Changes

~~(65)~~ As part of a gambling promotion, you may add additional merchandise or cash prizes, including increasing payouts for gambling activities you are licensed to conduct; and

~~(76)~~ Licensed manufacturers, distributors, and service suppliers may give cash or merchandise items to licensed operators to be used as promotional prizes as long as:

(a) The cash or merchandise is offered to all licensed operators; and

(b) The gambling promotion is approved by the director or director's designee when cash or merchandise provided to a licensed operator for a single promotion is over twenty-five thousand dollars; and

~~(87)~~ In order for a licensed manufacturer, distributor, and service supplier to receive approval, the plan for the gambling promotion must be submitted to the director at least ninety days in advance of the intended start date. The promotion must include sufficient information for the director's approval, comply with all applicable federal and state laws, and include:

(a) The gambling promotion rules and restrictions; and

(b) How the operator will safeguard the prizes; and

WAC 230-06 Proposed Rule Changes

(c) How the prizes will be given away; and

(d) The beginning and ending dates for the gambling promotion; and

(e) A detailed prize winner's record to be filled out upon completion of the promotion that includes the winner's name, prizes paid out, date the prize was awarded; and

(f) Any other information we request; and

~~(98)~~ You must not give promotional prizes or items based on additional elements of chance except that:

(a) Licensed bingo operators are authorized to give promotional prizes or items as part of a bingo game; and

(b) Licensed card rooms are authorized to give promotional prizes or items as part of a physical drawing, spinning a wheel, or selecting from a group of concealed items; and

~~(109)~~ You must not combine gambling activities and related gambling promotions in any way with a promotional contest of chance as defined in RCW 9.46.0356.

[Statutory Authority: RCW 9.46.070. WSR 17-04-009, § 230-06-030, filed 1/19/17, effective 2/19/17. Statutory Authority: RCW 9.46.070 and 9.46.0277. WSR 14-17-056 (Order 703), § 230-06-030, filed 8/15/14, effective 9/15/14. Statutory Authority: RCW

WAC 230-06 Proposed Rule Changes

9.46.070. WSR 08-17-066 (Order 629), § 230-06-030, filed 8/18/08, effective 9/18/08; WSR 06-17-132 (Order 601), § 230-06-030, filed 8/22/06, effective 1/1/08.]

WAC 230-06-050 Review of electronic or mechanical gambling

equipment. (1) When you are required to submit gambling equipment, supplies, services, or games for our review to verify compliance with chapter 9.46 RCW and Title 230 WAC, you must pay the application deposit before we perform the review. You must also reimburse us for any additional costs of the review. All costs must be paid in full prior to the completion of the review.

(2) The gambling equipment submitted for review must be identical or substantially similar to what will be marketed, distributed, and deployed in Washington. If the equipment is not sufficient for testing and review, we may require additional equipment or information.

(3) If your application is incomplete or we request additional information, you must provide us with the required items within thirty days of notification or we may administratively close your application.

WAC 230-06 Proposed Rule Changes

(4) You can begin accepting orders for gambling equipment when you are licensed.

(5) Only gambling equipment approved by the director or director's designee is allowed in Washington except as provided under WAC 230-16-005 ~~or under a tribal-state gaming compact and WAC 230-17-xxx(SW system rule).~~

(6) We may include security or surveillance requirements as part of gambling equipment approval.

(7) Gambling equipment must operate as approved by the director or director's designee ~~except as provided in a tribal-state gaming compact under WAC 230-17-xxx (SW System Rule).~~

(8) We may keep equipment submitted for review to allow for continued testing and training as long as the equipment remains in play in Washington. We are not liable for any damage to equipment while in our possession.

(9) If you do not agree with the director or director's designee's decision, you may file a petition for declaratory order with the commission according to RCW 34.05.240 and chapter 230-17 WAC.

[Statutory Authority: RCW 9.46.070. WSR 19-11-047, § 230-06-050, WAC (4/29/2021 08:38 AM) [5] NOT FOR FILING

WAC 230-06 Proposed Rule Changes

filed 5/10/19, effective 6/10/19; WSR 14-09-037 (Order 696), §
230-06-050, filed 4/11/14, effective 7/1/14; WSR 07-21-116

WAC 230-06 Proposed Rule Changes

(Order 617), § 230-06-050, filed 10/22/07, effective 1/1/08; WSR 06-17-132 (Order 601), § 230-06-050, filed 8/22/06, effective 1/1/08.]

WAC 230-06-054 Notification of electronic or mechanical gambling equipment malfunctions. Licensees must notify us, in the format we require, within seventy-two hours of identifying or becoming aware of an electronic or mechanical gambling equipment malfunction ~~except for sports wagering vendors as provided under WAC 230-17-xxx (SW System Rule).~~

[Statutory Authority: RCW 9.46.070. WSR 14-09-037 (Order 696), § 230-06-054, filed 4/11/14, effective 7/1/14.]

WAC 230-06-082 Manufacturers, distributors, gambling service suppliers, sports wagering vendors, linked bingo prize providers, and call centers for enhanced raffles reporting changes in licensed employees. Manufacturers, distributors, gambling service suppliers, sports wagering vendors, linked bingo prize providers and call centers for enhanced raffles licensees must:

WAC 230-06 Proposed Rule Changes

(1) Submit an application and the required fees before allowing licensed employees or sports wagering vendor representatives to begin working.

(2) Notify us in the format we require when a licensed employee or sports wagering vendor representative no longer works for them. We must receive the notice at our Lacey office within ten days of the licensed employee's or representative's last day.

[Statutory Authority: RCW 9.46.070. WSR 18-05-029, § 230-06-082, filed 2/9/18, effective 7/1/18.]

(NEW) WAC 230-06-xxx Submitting sports wagering related contracts and agreements for review.

Sports wagering vendors must provide any new contracts or agreements or changes to existing contracts or agreements relating to their sports wagering goods and/or services in the state of Washington, to us, ~~prior to execution of the contract or agreement.~~ Provided, however, that nothing in this rule requires a sports wagering vendor to provide its contracts or agreements with a federally recognized Indian tribe.

Commented [A9]: Our strong preference is that this draft rule is deleted in its entirety, but at the very least this rule must exclude the tribe's agreements with sports wagering vendors.

WAC 230-06 Proposed Rule Changes

WAC 230-06-110 Buying, selling, or transferring gambling

equipment. (1) All licensees and persons authorized to possess gambling equipment must closely control the gambling equipment in their possession.

(2) Before selling gambling equipment, licensees must ensure that the buyer possesses a valid gambling license or can legally possess the equipment without a license.

~~(3) Licensees buying, selling, or transferring gambling equipment must ensure that it will be used pursuant to all state laws or rules, or laws and rules in the jurisdiction(s) where the activity is occurring.~~

Commented [A10]: How could a vendor possibly ensure it will be used by someone else pursuant to all laws? That doesn't work.

(34) Before purchasing gambling equipment, licensees must ensure that the seller possesses a valid gambling license.

(45) Applicants for Class F or house-banked card room licenses may purchase and possess gambling equipment during the prelicensing process, but only after receiving written approval from us.

(56) Charitable and nonprofit organizations conducting unlicensed bingo games, as allowed by RCW 9.46.0321, may possess bingo equipment without a license.

WAC 230-06 Proposed Rule Changes

(~~6~~7) Group 12 amusement games can only be sold or leased to amusement game licensees by a licensed manufacturer or distributor. Amusement game licensees can lease or rent group 12 amusement games for operation at approved amusement game locations.

(~~7~~8) Licensees may transfer gambling equipment as a part of a sale of a business as long as a condition of the sale is that the buyer receives a gambling license before the sale is complete. Licensees must make a complete record of all gambling equipment transferred in this manner, including I.D. stamps. Licensees must report these transfers, including a copy of the inventory record, to us.

[Statutory Authority: RCW 9.46.070. WSR 18-05-029, § 230-06-110, filed 2/9/18, effective 7/1/18. Statutory Authority: RCW 9.46.070, 9.46.0201. WSR 16-19-015, § 230-06-110, filed 9/8/16, effective 10/9/16; WSR 16-08-033 (Order 718), § 230-06-110, filed 3/30/16, effective 4/30/16. Statutory Authority: RCW 9.46.070. WSR 08-11-044 (Order 628), § 230-06-110, filed 5/14/08, effective 7/1/08; WSR 07-21-116 (Order 617), § 230-06-110, filed 10/22/07, effective 1/1/08; WSR 06-17-132 (Order 601), § 230-06-110, filed 8/22/06, effective 1/1/08.]

WAC 230-06 Proposed Rule Changes

**(NEW) WAC 230-06-115 Transporting, displaying, and selling
gambling equipment at trade shows**

(1) "Trade show" when used in this section means an exhibition where licensees can promote their products and services to operators of authorized gambling activities in Washington; the exhibition is not open to the public; and it is of limited duration.

(2) "Gambling equipment" as used in this section has the same meaning as in WAC 230-03-200.

(3) "Demonstration mode" when used in this section means when gambling equipment cannot be used for actual wagering and the equipment's coin or bill acceptor is removed or physically restricted from use.

(4) Licensees may transport, display, and accept orders for the sale or lease of their products at trade shows only under the following conditions:

(a) All products must be manufactured by a licensee for activities authorized by state laws or tribal-state compacts, or is Class II gaming equipment as authorized by federal law for use on tribal lands; and

WAC 230-06 Proposed Rule Changes

(b) All gambling equipment physically displayed must be in demonstration mode and either:

(i) Approved for sale or lease in the state; or

(ii) Not approved by us but is only used for authorized activities under state laws or tribal-state compacts, or is Class II gaming equipment as authorized by federal law for use on tribal lands, and is transported into the state no more than ten days before a trade show begins and is removed from the state within ten days following the last day of a trade show.

(c) Gambling equipment must have a sign posted in close proximity to the device that contains the phrase, "No one under 18 years of age is allowed to operate this machine."

(5) Licensees must provide notification that they will be transporting, displaying, or accepting orders for gambling equipment on a form prescribed by the gambling commission at least ten days before a specified trade show.

(6) Gambling equipment at a trade show is subject to on-site inspection by the gambling commission.

[Statutory Authority: RCW 9.46.070. WSR 19-11-047, § 230-16-005, filed 5/10/19, effective 6/10/19; WSR 07-19-069 (Order 615), § 230-16-005, filed 9/17/07, effective 1/1/08.]

WAC 230-06 Proposed Rule Changes

WAC 230-06-120 Selling or transferring gambling equipment

when no longer licensed. (1) If we have revoked your operator, distributor, or sports wagering vendor license, your license has expired, or you have voluntarily surrendered your license, you may only sell or otherwise transfer gambling equipment to a licensed manufacturer or distributor or sports wagering vendor, as applicable, and consistent with all statutes and rules, including WAC 230-06-110.

(2) Transfers of gambling equipment in this manner are subject to the following requirements:

(a) The transfer must be complete within thirty days of the date the license became invalid; and

(b) Distributors must use the cash or credit against amounts they owe manufacturers; and

(c) Operators, ~~distributors~~, or sports wagering vendors selling the equipment must report to us within ten days of the transaction a complete inventory of all the gambling equipment transferred, including commission I.D. stamps; and

WAC 230-06 Proposed Rule Changes

(d) Manufacturers, ~~or~~ distributors, or sports wagering vendors receiving the equipment must prepare a credit memorandum and retain it with their records.

[Statutory Authority: RCW 9.46.070. WSR 07-21-116 (Order 617), § 230-06-120, filed 10/22/07, effective 1/1/08; WSR 06-17-132 (Order 601), § 230-06-120, filed 8/22/06, effective 1/1/08.]

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(NEW) WAC 230-17-005 Sports Wagering Definitions~~

~~Definitions for sports wagering as used in this Chapter are:~~

~~(1) "Affiliate" means an individual or organization that promotes sport wagering websites in exchange for a commission or fee.~~

~~(2) "Authorized Sports Wagering Menu" means the official list of sports, leagues, and types of wagers authorized to be offered for sports wagering in the state.~~

~~(3) "Esports" means a video game competition in which players and teams compete against each other.~~

~~(4) "Geofence" means a virtual geographic boundary that enables software or other technology to determine geolocation and detect when a Mobile Device enters or leaves an approved designated area that allows a patron to place a wager for mobile sports wagering.~~

~~(5) "Integrity Monitoring Provider" means an independent organization licensed to receive reports of Unusual Wagering Activity from a Sports Wagering Operation for the purpose of assisting in identifying Suspicious Wagering Activity.~~

~~(6) "Minor League" means a lower professional league or division within a sport, such as baseball or hockey, where a professional team has the exclusive contractual rights to promote and relegate players.~~

Commented [A11]: Some of these definitions conflict with Appendix S. See email for additional rationale for deleting 230-17.

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(7) "Mobile Device" means a personal portable electronic equipment used in Mobile Sports Wagering, for example a smartphone.~~

~~(8) "Mobile Sports Wagering" means any Sports Wagering on a platform that is deployed and accessed through the internet or an application installed on a Mobile Device.~~

~~(9) "Prohibited sports wagering participant" means any person who is prohibited pursuant RCW 9.46.037 and any person whose participation may undermine the integrity of the wagering or the sports event, or any person who is prohibited for other good cause, including, but not limited to: any person placing a wager as an agent or proxy; any person who is an athlete, coach, referee, player, in, or on, any sports event overseen by that person's sports governing body ; any person who holds a position of authority or influence sufficient to exert influence over the participants in a sports event that is the subject of a wager, or as identified by us or a Tribal Gaming Agency.~~

~~(10) "Sports Wagering Account" means an electronic account established by a patron for the purpose of sports wagering, including deposits, withdrawals, wagered amounts, payouts on winning wagers, or similar adjustments.~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(11) "Sport Wagering Kiosk" means a self-service automated device used by patrons to make wagers on sporting events, obtain wagering information, redeem sports wagering vouchers and wagering tickets, and any other automated functions used for sports wagering.~~

~~(12) "Sports Wagering System" means all equipment, hardware, data networks, communications technology, and software used in a sports wagering operation and that directly affect the wagering and results of sports wagering, including, but limited to: (a) interactive components, including all associated equipment and software that comprise the sports wagering platform used by a sports wagering operation or for online or mobile sports wagering; (b) sports wagering kiosks; and (c) ticket or voucher redemption devices. This does not include a Mobile Device owned and used by a patron to place a Sports Wager.~~

~~(13) "Sports wagering vendor" means all three sports wagering licensees major, mid-level, and ancillary identified in this Chapter unless identified otherwise in these rules.~~

~~(14) "Suspicious wagering activity" means unusual wagering activity that cannot be explained and is indicative of match~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~fixing, manipulation of an event, misuse of inside information, or other activity prohibited by federal, state, tribal, or local law.~~

~~(15) **"Unusual wagering activity"** means abnormal wagering or pattern of behavior exhibited by one or more patrons as a potential indicator of suspicious activity. Abnormal wagering activity may include, but is not limited to, the size of a patron's wager or increased wagering volume on a particular event or wager type and/or other deviations readily apparent based on prior wagering history.~~

~~**(NEW) 230-17-xxx Sports wagering vendors must ensure sports wagering vendor representatives are licensed.**~~

~~(1) Sports wagering vendors must ensure all sports wagering vendor representatives are licensed as required by rule.~~

~~(2) Sports wagering vendors must take all measures necessary to prevent an unlicensed sports wagering vendor representative from working in our state.~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(NEW) WAC 230-17-xxx Accounting records for sports wagering vendors~~

~~Sports wagering vendors must keep and maintain a complete set of records for their licensed activity and include, at a minimum:~~

~~(1) Double entry method of accounting updated at least once a month, including a monthly balance for each account; and~~

~~(2) Maintain their records in accordance with generally accepted accounting principles and ensure the records can be reconciled to the licensee's federal income tax return; and~~

~~(3) Maintain and keep for at least three years following the end of the fiscal year:~~

~~(a) Cash disbursements book (check register) — Sports wagering vendors must document all expenses, both sports wagering and non-sports wagering related, with invoices or other appropriate supporting documents. They must enter information monthly and include, at least:~~

~~(i) The date the check was issued or payment made;~~

~~(ii) The number of the check; and~~

~~(iii) The name of the payee; and~~

~~(iv) Type of expense; and~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(b) **Cash receipts** — Sports wagering vendors must keep a record of cash sales and cash received from all sources. They must enter information for each payment received monthly and include, at least, the:~~

~~(i) Date; and~~

~~(ii) Name of the person paying; and~~

~~(iii) Amount; and~~

~~(c) **General ledger** — Sports wagering vendors whose sports wagering related sales are greater than five hundred thousand dollars per year must have a general ledger which contains, in addition to all other accounts by month, a separate sales account for each type of sale; and~~

~~(d) **Bank reconciliation** — Sports wagering vendors must reconcile their accounts each month. "Reconcile" means the sports wagering vendors must compare the two balances, resolve any differences, and document the comparison and the differences in writing; and~~

~~(e) **Copies of all financial data** — Sports wagering vendors must keep copies of all financial data that supports tax reports to governmental agencies; and~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(j) Maintain copies of all contracts related to sports wagering they enter into which fully disclose all terms.~~

~~**(NEW) WAC 230-17-XXX Sales invoices for sports wagering vendors**~~

~~Sports wagering vendors must document each sale of equipment or services, any return or refund, or any other type of transfer of sports wagering equipment, with a standard sales invoice.~~

~~**Sales invoices and credit memos**—These invoices and credit memos must:~~

~~(1) Be prenumbered sequentially at the time of purchase, using not less than four digits. Sports Wagering vendors may use computer generated numbering systems if:~~

~~(a) The system numbers the invoices and credit memos sequentially; and~~

~~(b) The sports wagering vendors use the same system for all sales; and~~

~~(c) The sports wagering vendors must not use a manual override function; and~~

~~(2) Record:~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

- ~~(a) The date of sale. Sports wagering vendors must also enter the date of delivery if different from the date of sale; and~~
- ~~(b) The customer's name and complete business address; and~~
- ~~(c) A full description of each item sold, or service provided, and~~
- ~~(d) The quantity and price of each item, and~~
- ~~(e) The gross amount of each sale, including all discount terms and the total dollar amount of any discount.~~

~~**(NEW) WAC 230-17-xxx Sales journals for sports wagering vendors**~~

~~Sports wagering vendors must keep a monthly sales journal containing, at least:~~

- ~~(1) Each date of sale; and~~
- ~~(2) Each sale invoice number; and~~
- ~~(3) The name of the person paying; and~~
- ~~(4) Sales categorized by the sports wagering goods, equipment or services sold; and~~
- ~~(5) The total amount of each invoice.~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(NEW) WAC 230-17-xxx Authorized Sports Wagering Menu~~

~~(1) Sports wagering vendor licensees may only offer, facilitate, or promote wagering that is approved on the Authorized Sports Wagering Menu.~~

~~(2) The Authorized Sports Wagering Menu will be updated as leagues, organizations, or types of wagers are approved or removed.~~

~~(3) The Authorized Sports Wagering Menu will be published on the commission's website.~~

Commented [A12]: This is inconsistent with Appendix S. Tribal Gaming Agency plays a major role in approving wagers.

~~(New) WAC 230-17-xxx Sports Wagering Integrity~~

~~(1) Sports wagering vendor and vendor representative licensees must immediately notify us upon any discovery of a violation or of a suspected violation of RCW 9.46, this Chapter, or any violation of local, state, tribal, or federal ordinances, statutes, administrative rules or court orders.~~

~~(2) Licensees must monitor for suspicious and unusual wagering activity.~~

~~(3) Licensees must make all reasonable efforts to detect and prevent prohibited sports wagering participants from participating in sports wagering.~~

Commented [A13]: This conflicts with Appendix S.

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(4) Licensees must immediately notify us, in the format we require, when unusual wagering activity or suspicious wagering activity is identified, including changes with the status of, or information related to, a previously reported unusual or suspicious wagering activity.~~

~~(5) Licensees will provide sports wagering information to us when requested.~~

~~(6) Licensees will provide us, or an Integrity Monitoring Provider(s) designated by us, access to their sports wagering system, including hardware and software if needed to assist us with integrity monitoring and investigations.~~

~~(NEW) WAC 230-17-xxx Integrity Monitoring Provider Requirements~~

~~(1) Integrity monitoring providers must have analytical systems to receive and analyze daily sports wagering information and data and be able to monitor, identify, analyze, and report on suspicious or unusual wagering activity.~~

~~(2) Integrity Monitoring Providers will provide us access to required sports wagering information, including hardware and~~

Commented [A14]: This conflicts with Appendix S.

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~software as needed, to assist us with integrity monitoring and investigations.~~

~~(3) Integrity Monitoring Providers must immediately notify us when they identify unusual wagering activity or suspicious wagering activity.~~

~~(4) Integrity Monitoring Providers must immediately notify us, and all other Integrity Monitoring Providers, sports wagering operators, and all other agencies or organizations as directed by us, on any previously reported unusual wagering activity it finds rises to the level of suspicious wagering activity..~~

~~(NEW) WAC 230-17-xxx Sports Wagering System Requirements~~

~~(1) Sports wagering vendors must be licensed before the sale or delivery of a sports wagering system(s) to be used in our state.~~

~~(2) All sports wagering systems must be tested and certified by a licensed independent testing laboratory.~~

~~(3) All sports wagering kiosks must be tested, approved, and certified by a licensed independent testing laboratory.~~

~~(4) All sports wagering systems must be approved by the Tribal Gaming Agency where the system is to be installed and operated.~~

Commented [A15]: This is inconsistent with Appendix S.

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(5) All sports wagering systems must meet or exceed Gaming Laboratory International GLI-33 sports wagering system standards, including any appendices or amendments; the standards established under tribal-state sports wagering compact amendment appendices, and any applicable provisions of tribal-state compacts and appendices for which the sports wagering system will operate or additional standards agreed to by us and a tribal gaming agency.~~

~~(6) No substantive modifications to a sports wagering system may be made after an Independent Test Laboratory has certified a sports wagering system without the modification being certified by the Independent Test Laboratory.~~

~~(7) A Sports Wagering System shall have controls in place to review the accuracy and timeliness of any data feeds used to offer or settle wagers.~~

~~(8) The primary server for a sports wagering system must be in the state and located within a Class III tribal gaming facility.~~

~~(9) Cloud storage for sports wagering data and information may be used for duplicate or backup data. Cloud storage facilities must be located in the state.~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(10) Sports wagering systems, at a minimum, must be capable of generating reports necessary to record the adjusted gross receipts, wagering liability, ticket redemption, and such other information relating to sports wagering as required by us, a tribal gaming agency, or internal controls. These reports include, but are not limited to: (a) Gaming Operation Revenue reports; (b) Gaming Operation Liability reports; (c) Future Events reports; (d) Significant Events and Alterations reports; (e) Wager Record Information reports; (f) Market Information reports; (g) Contest/Tournament Information reports; (h) Sports Wagering Account Information reports; (i) Sports Wagering System Information reports; (j) Significant Event Information reports; (k) User Access Information reports; (l) Wagering Device Information reports; (m) Promotion/Bonus Information reports; (n) Event Game Play reports; (o) Expired tickets reports; and (p) any other reports required by us or a tribal gaming agency.~~

~~(11) Sports wagering systems and sports wagering kiosks will, at a minimum, allow for a display of commitment to responsible gaming and link to the Class III tribal sports wagering operator's~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~responsible gaming policies. It will also have solutions for including, but not limited to:~~

~~patron controlled wager and deposit limits; and connecting players to problem gambling resources.~~

~~(12) Licensees bringing sports wagering systems, components, and kiosks into the state must provide us access to the sports wagering system(s), including hardware, software or other related sports wagering equipment as needed for us to develop our regulatory program and trainings. Sports wagering system hardware, software, or other related equipment provided to us must be identical or substantially similar to what is deployed in the state.~~

~~(NEW) WAC 230-17-xxx **Geofence and Geolocation Requirements**~~

~~(1) Mobile sports wagering must be contained to an approved Class III tribal gaming facility premises as approved pursuant to each tribal state sports wagering compact amendment. Licensees will incorporate controls, including geofence and geolocation compliance and monitoring, to ensure wagers cannot be placed in violation of federal, state, or tribal laws and rules within each jurisdiction.~~

Commented [A16]: This conflicts with Appendix S. It is the Tribe's responsibility to meet geofence/geolocation standards set in the Compact.

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(2) Geofence and geolocation systems will be updated, as needed or required by tribal state compact, to ensure that the system detects and mitigates existing and emerging location fraud risks.~~

~~(NEW) WAC 230-17-xxx Sports Wagering Account Requirements~~

~~(1) Licensees that manage or have access to a sports wagering account must maintain and produce all sports wagering account information when requested by us or a tribal gaming agency.~~

~~(2) A sports wagering account connected to a sports wagering system, or mobile sports wagering, must ensure that a sports wagering patron cannot have more than one active sports wagering account and username for each sports wagering operation authorized through tribal state compact process.~~

~~(3) A sports wagering account must be registered and verified in person at a tribal gaming facility before the acceptance of any wager using that Sports Wagering Account.~~

~~(4) A player's identification for a sports wagering account must be reverified upon reasonable suspicion that the player's identification has been compromised.~~

Commented [A17]: This conflicts with Appendix S.

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(5) Licensees who maintain player account funds shall hold these funds at a federally regulated financial institution who does business in our state.~~

~~(6) Player funds held in a sports wagering account shall not be allowed to be transferred from a patron account to another patron account.~~

~~(7) Licensees will not require or advise a player to transfer or maintain sports wagering account funds in order to circumvent or violate any provision or requirement established in any local, state, tribal, or federal ordinances, statutes, administrative rules or court orders.~~

~~(8) Licensees that direct, assist, or manage sports wagering accounts shall provide a conspicuous and readily accessible method for a player to close his or her sports wagering account and any fund balance remaining in a player's closed sports wagering account will be dispersed pursuant to the internal controls of the Class III tribal sports wagering operator.~~

~~(9) Patrons are prohibited from allowing any other patron to access or use their player account.~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~WAC 230-17-xxx Record retention for sports wagering vendors.~~

~~Records retention sports wagering requirements for sports wagering vendors, where applicable, are:~~

~~(1) At least five years for records related to:~~

~~(a) Suspicious wagering activity; and~~

~~(b) unusual wagering activity.~~

~~(2) At least three years after the end of their fiscal year~~

~~for:~~

~~(a) All required accounting records;~~

~~(b) Sales invoices;~~

~~(c) Sales journals; and~~

~~(d) Credit memos.~~

~~(3) At least two years for:~~

~~(a) Data feeds;~~

~~(b) Player account information;~~

~~(c) Mobile wagering account information; and~~

~~(d) Geolocation or geofence information~~

~~4831-6882-6349.3~~

From: [Andrew Winchell](#)
To: [Considine, Brian \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)
Cc: [Cory Fox](#); [Alex Smith](#)
Subject: FanDuel Comments on "Proposed WSGC Sports Wagering DRAFT Rule Changes"
Date: Monday, June 7, 2021 7:42:00 AM
Attachments: [image001.png](#)
[FanDuel Comments on Proposed WSGC Sports Wagering DRAFT Rule Changes 6.7.21.pdf](#)

External Email

Dear Manager Considine and Coordinator Laydon,

Thank you very much for the opportunity to provide comments from FanDuel on the "Proposed WSGC Sports Wagering DRAFT Rule Changes." Attached please find our comments and please let me know if you have any questions or need additional clarification on our suggested changes.

Sincerely,

Andrew J. Winchell

Director, Government Affairs

Mobile: 845.325.6235

Email: andrew.winchell@fanduel.com

FANDUELGROUP





Cory Fox
cory.fox@fanduel.com

June 7, 2021

Via Email to Brian.considine@wsgc.wa.gov and Ashlie.laydon@wsgc.wa.gov
Brian J. Considine, Legal and Legislative Manager
Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504

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

Re: FanDuel Comments on “Proposed WSGC Sports Wagering DRAFT Rule Changes”

Dear Manager Considine and Coordinator Laydon:

I write to provide comments on behalf of FanDuel Group, Inc. (“FanDuel”) regarding the Washington State Gambling Commission’s (“Commission”) “Proposed WSGC Sports Wagering DRAFT Rule Changes” (“Proposed Rules”). Based on our extensive experience as an operator in the sports betting industry and collaborator with regulators of sports betting in many states in the development of their regulations, we offer constructive feedback on ways in which the Proposed Rules can be improved for effectiveness and consistency with other state regulations.

Following the Supreme Court’s decision to strike down the Professional and Amateur Sports Protection Act (PASPA) in May of 2018, FanDuel has now become the leading sports wagering operator, and the largest online real-money gaming operator, in the United States. FanDuel currently operates sixteen (16) brick and mortar sportsbooks in nine (9) states and online sports wagering in ten (10) states. We appreciate the opportunity to share our perspective on sports betting regulation with you and have arranged our comments in three parts. Part I is focused on major issues of concern in the Proposed Rules that may significantly impact the ability of sports wagering operators to successfully operate in Washington. Part II is focused on areas in the Proposed Rules where adjustments can be made to improve the regulation and operation of sports wagering. Finally, Part III is focused on requests for clarification.

All changes will be shown as follows: proposed additional text will be bolded and underlined and all text to be deleted will be bracketed and struck through. For the sake of clarity, where we are suggesting changes to existing regulations that the Commission is also proposing changes, our additions will be shown in black, while Commission proposed changes will be shown in red.

Part I - Major Concerns.

- *Issue 1 – Sports Wagering Vendor Representative Licensing.*

The Proposed Rules include three new rules (WAC 230-03-311, 312, and 313) which require sports wagering vendors to have their business and marketing representatives licensed. As we have worked with regulators on employee and key employee licensing in numerous jurisdictions, we have not seen such a requirement applied to sports wagering. While requirements vary by state, generally, the employees who may be required to be licensed fall into one of three buckets: 1) employees who interact directly with the public in a retail setting; 2) employees who have the ability to directly implement changes to the sports wagering system; and 3) employees who have access to customer personally identifiable information (PII). We have not seen requirements by regulators to license our business and marketing representatives. To address this concern, we suggest the following amendments:

“(NEW) WAC 230-03-311 Applying for a major sports wagering vendor [~~representative~~] employee license

You must apply for a major sports wagering [~~representative~~] employee license if you, as an individual, [~~sell, market, promote, represent, service, or otherwise work in~~] have the capability to directly affect the outcome of a sports wagering or the capability of directly affecting a payout to a patron related to any sports wagering activities under employment or contract to a major sports wagering vendor in our state or you supervise those who do.”

“(NEW) WAC 230-03-312 Applying for a mid-level sports wagering vendor [~~representative~~] employee license

You must apply for a mid-level sports wagering [~~representative~~] employee license if you, as an individual, [~~sell, market, promote, represent, service, or otherwise work in~~] have the capability to directly affect the outcome of a sports wagering or the capability of directly affecting a payout to a patron related to any sports wagering activities under employment or contract to a mid-level sports wagering vendor in our state or you supervise those who do.”

“(NEW) WAC 230-03-313 Applying for an ancillary sports wagering vendor [~~representative~~] employee license

You must apply for an ancillary sports wagering [~~representative~~] employee license if you as an individual [~~sell, market, promote, represent, service, or otherwise work in~~] have the capability to directly affect the outcome of a sports wagering or the capability of directly affecting a payout to a patron related to any sports wagering activities under employment or contract to an ancillary sports wagering vendor in our state or you supervise those who do.”

- *Issue 2 – Clarification to allow sports wagering vendor representatives/employees to work while license application is pending.*

The Proposed Rules include an update to WAC 230-03-335 which adds representatives of sports wagering vendors to the list of those individuals who may not work until they have received their license. We support the requirement to ensure employees are properly licensed in order to perform their duties. However, for sports wagering operations to get up and running expeditiously in order to be fully operational for the upcoming NFL season (which represents a disproportionate share of annual sports wagering handle and revenue in all other sports wagering jurisdictions), we suggest that the Commission provide a temporary exemption through the end of this year to allow for sports wagering employees to be allowed to work while their license applications are pending. To address this concern, we suggest the following amendment:

“WAC 230-03-335 Representatives must not work before receiving a license. If you are applying for a license as a representative or employee for a manufacturer, distributor, gambling services supplier, call centers for enhanced raffles, a sports wagering vendor, or linked bingo prize provider, you must not work until you receive a license from us. However, if you apply for a license as a representative of a sports wagering vendor prior to December 31, 2021, you may continue to perform the same duties you conducted prior to the effective date of this regulation during the pendency of your application for a license.”

- *Issue 3 – Accounting and recordkeeping requirements for sports wagering vendors.*

The Proposed Rules include three new rules (all numbered as WAC 230-17-xxx) related to accounting and recordkeeping requirements for sales by sports wagering vendors. These requirements are very detailed and appear to be drafted to ensure that vendors who are subject to state licensing fees based on volume of sales appropriately report their income in the state. However, it is our understanding of the draft rules that sports wagering vendors are intended to be subject to flat license fees based on the category of vendor, and not pay an additional license fee based on their volume of sales in the state. Since these detailed recordkeeping requirements are not necessary to support license fee assessment, and they appear to go beyond the requirements of other jurisdictions as it relates to sports wagering vendors, we suggest their removal as follows:

~~“(NEW) WAC 230-17-xxx Accounting records for sports wagering vendors
Sports wagering vendors must keep and maintain a complete set of records for their licensed activity and include, at a minimum:~~

~~(1) Double entry method of accounting updated at least once a month, including a monthly balance for each account; and~~

~~(2) Maintain their records in accordance with generally accepted accounting principles and ensure the records can be reconciled to the licensee's federal income tax return; and~~

~~(3) Maintain and keep for at least three years following the end of the fiscal year:~~

~~(a) Cash disbursements book (check register) — Sports wagering vendors must document all expenses, both sports wagering and non-sports wagering related, with invoices or other appropriate supporting documents. They must enter information monthly and include, at least:~~

- ~~(i) The date the check was issued or payment made;~~
- ~~(ii) The number of the check; and~~
- ~~(iii) The name of the payee; and~~
- ~~(iv) Type of expense; and~~

~~(b) Cash receipts — Sports wagering vendors must keep a record of cash sales and cash received from all sources. They must enter information for each payment received monthly and include, at least, the:~~

- ~~(i) Date; and~~
- ~~(ii) Name of the person paying; and~~
- ~~(iii) Amount; and~~

~~(c) General ledger — Sports wagering vendors whose sports wagering related sales are greater than five hundred thousand dollars per year must have a general ledger which contains, in addition to all other accounts by month, a separate sales account for each type of sale; and~~

~~(d) Bank reconciliation — Sports wagering vendors must reconcile their accounts each month. "Reconcile" means the sports wagering vendors must compare the two balances, resolve any differences, and document the comparison and the differences in writing; and~~

~~(e) Copies of all financial data — Sports wagering vendors must keep copies of all financial data that supports tax reports to governmental agencies;~~

~~(j) Maintain copies of all contracts related to sports wagering they enter into which fully disclose all terms.~~

~~(NEW) WAC 230-17-XXX Sales invoices for sports wagering vendors~~

~~Sports wagering vendors must document each sale of equipment or services, any return or refund, or any other type of transfer of sports wagering equipment, with a standard sales invoice.~~

~~Sales invoices and credit memos — These invoices and credit memos must:~~

- ~~(1) Be prenumbered sequentially at the time of purchase, using not less than four digits. Sports Wagering vendors may use computer~~

~~generated numbering systems if:~~

- ~~(a) The system numbers the invoices and credit memos sequentially; and~~
- ~~(b) The sports wagering vendors use the same system for all sales; and~~
- ~~(c) The sports wagering vendors must not use a manual override function; and~~

~~(2) Record:~~

- ~~(a) The date of sale. Sports wagering vendors must also enter the date of delivery if different from the date of sale; and~~
- ~~(b) The customer's name and complete business address; and~~
- ~~(c) A full description of each item sold, or service provided, and~~
- ~~(d) The quantity and price of each item, and~~
- ~~(e) The gross amount of each sale, including all discount terms and the total dollar amount of any discount.~~

~~(NEW) WAC 230-17-xxx Sales journals for sports wagering vendors~~

~~Sports wagering vendors must keep a monthly sales journal containing, at least:~~

- ~~(1) Each date of sale; and~~
- ~~(2) Each sale invoice number; and~~
- ~~(3) The name of the person paying; and~~
- ~~(4) Sales categorized by the sports wagering goods, equipment or services sold; and~~
- ~~(5) The total amount of each invoice.]”~~

- *Issue 4 – Prevention of prohibited participants*

The Proposed Rules include a new rule (WAC 230-17-xxx – Sports Wagering Integrity (3)) which requires licensees to “make all reasonable efforts to detect and prevent prohibited sports wagering participants from participating in sports wagering.” While we appreciate the Commission’s decision to utilize a “reasonable effort” standard for this regulation, we believe this should be clarified to be a “commercially reasonable” standard. Such a standard has been adopted by multiple other jurisdictions including Colorado (Rule 7.11(2)(b)); Indiana (68 IAC 27-12-2(2)); and Virginia (11 VAC 5-80-70(2)). To address this concern, we suggest the following amendment:

WAC 230-17-xxx Sports Wagering Integrity (3):

“(3) Licensees must ~~[make all]~~ **take commercially** reasonable efforts to detect and prevent prohibited sports wagering participants from participating in sports wagering.”

- *Issue 5 – Requirement for sports wagering vendors to be licensed before the “sale” of a sports wagering system.*

The Proposed Rules include a new rule (WAC 230-17-xxx – Sports Wagering System Requirements) which provides that sports wagering vendors must be licensed before the “sale” or delivery of a sports wagering system to be used in Washington. We support the requirement to ensure vendors are properly licensed in order to perform their duties. However, for sports wagering operations to get up and running expeditiously in order to be fully operational for the upcoming NFL season (which represents a disproportionate share of annual sports wagering handle and revenue in all other sports wagering jurisdictions), we suggest that the Commission provide a temporary exemption through the end of this year to allow for sports wagering vendors be allowed to complete sales while their license applications are pending. To address this concern, we suggest the following amendment.

WAC 230-17-xxx – Sports Wagering System Requirements:

“(1) Sports wagering vendors must be licensed before the sale or delivery of a sports wagering system(s) to be used in our state. **However, if you apply for a license as a sports wagering vendor prior to December 31, 2021, you may conduct sales during the pendency of your application for a license.**”

- *Issue 6 – Server location and cloud storage requirements*

The Proposed Rules include a new rule which has two concerning provisions related to the operation of the sports wagering system (WAC 230-17-xxx – Sports Wagering System Requirements (8) and (9)). The first concern relates to the requirement in subdivision (8) which provides that “the primary server for a sports wagering system must be in the state and located within a class III tribal gaming facility.” We acknowledge the requirement for the placement of a server in the state as it relates to the conduct of mobile sports wagering, however, we would seek to be able to locate the server in a secure data center outside of the gaming facility. The second concern relates to the requirement in subdivision (9) that any cloud storage facilities must be located in the state. While mobile sports wagers must be processed within the state, other states have recognized that vendors and operators who are engaged in sports wagering in multiple jurisdictions utilize cloud-based solutions for data and that those cloud facilities are not required to be located within the state. To address these concerns, we suggest the following amendments:

WAC 230-17-xxx – Sports Wagering System Requirements (8) and (9):

“(8) The primary server for a sports wagering system must be in the state and located within a **secure data center** [~~Class III tribal gaming facility~~].

(9) Cloud storage for sports wagering data and information may be used for duplicate or backup data. [~~Cloud storage facilities must be located in the state.~~]”

- *Issue 7 – Requirement for “in-person” registration and verification of sports wagering accounts.*

The Proposed Rules include a new rule (WAC 230-17-xxx – Sports Wagering Account Requirements) which provides that patrons must have their accounts “registered and verified in-person at a tribal gaming facility” prior to customers being able to access their accounts. While this requirement may not seem onerous due to the fact that mobile sports wagering is geofenced to the tribal gaming facility, it will create an unnecessary burden on customers who will be required to appear in person and then wait on line to be personally verified by an employee of the operator. Only two states in the U.S. require in-person identity verification in order to create a sports wagering account (Illinois and Nevada) both of whom have considered eliminating the requirement. Additionally, Iowa and Rhode Island no longer have their in-person identity verification requirements. States have recognized that modern Know Your Customer (KYC) and identity verification procedures allow for patron identity verification to be completed successfully remotely and have abandoned the antiquated policy of requiring in-person identity verification. To address this concern, we suggest the following amendment:

WAC 230-17-xxx Sports Wagering Account Requirements:

“... (3) A sports wagering account must be registered and verified **[in-person at a tribal gaming facility]** before the acceptance of any wager using that Sports Wagering Account.”

Part II – Secondary Concerns.

- *Issue 1 – Clarification that sports wagering vendors and sports wagering vendor representatives are not required to complete training.*

The Proposed Rules include an update to WAC 230-03-070(3) which adds “major sports wagering vendors” to the exception for required training that is already granted to “manufacturers” and “manufacturers’ representatives.” While we believe this change is warranted, we believe this exemption should be extended to all sports wagering vendors and all sports wagering vendor representatives in order to parallel the exemption for all manufacturers and all manufacturer representatives. To address this concern, we suggest the following amendment:

WAC 230-03-070(3):

“(3) We do not require manufacturers, ~~[or]~~ manufacturer’s representatives, ~~[or major]~~ **sports wagering vendors, or sports wagering vendor representatives** to complete training....”

- *Issue 2 – Clarification that “Minor League” does not include alternative professional leagues.*

The Proposed Rules include a new rule (WAC 230-17-005) which provides for the definitions of terms related to sports wagering. Included among the definitions is one for the term “Minor League” which appropriately defines “minor leagues.” However, a small clarification would be helpful to guard against any misinterpretation that may prevent wagering on a number of international sports teams, where an entire team may be promoted, or relegated, between

professional leagues based upon the performance of the entire team. As an example, English professional soccer leagues see this movement of an entire team without being classified as a “minor league” in the traditional sense that we may apply to single, double, or triple-A baseball teams for example. To address this concern, we suggest the following amendment:

WAC 230-17-005(6):

“(6) “Minor League” means a lower professional league or division within a sport, such as baseball or hockey, where a professional team has the exclusive contractual rights to promote and relegate players. **“Minor League” does not include professional leagues where entire teams of players may be promoted or relegated between leagues based upon the performance of the entire team.**”

- *Issue 3 – Requirement for “immediately” notify the Commission of violations and unusual or suspicious activity.*

The Proposed Rules include two new rules (WAC 230-17-xxx – Sports Wagering Integrity and WAC 230-17-xxx – Integrity Monitoring Provider Requirements) which include an “immediate” reporting standard for sports wagering vendors to reports suspected violations or regulations or statutes and unusual or suspicious wagering activity. Sports wagering vendors need to report this information in a timely manner to the Commission, however, creating an “immediate” reporting requirement does not allow the sports wagering vendor the flexibility to conduct an initial investigation which would provide the Commission with useful information in the report. Additionally, such initial investigation may resolve the underlying concern (especially in relation to unusual wagering activity) and prevent the overreporting of “false alarms.” This prompt reporting standard is similar to that required in Michigan (R432.743). To address this concern, we suggest the following amendments:

“(New) WAC 230-17-xxx Sports Wagering Integrity

(1) Sports wagering vendor and vendor representative licensees must **[immediately] promptly** notify us upon any discovery of a violation or of a suspected violation of RCW 9.46, this Chapter, or any violation of local, state, tribal, or federal ordinances, statutes, administrative rules or court orders.

...

(4) Licensees must **[immediately] promptly** notify us, in the format we require, when unusual wagering activity or suspicious wagering activity is identified, including changes with the status of, or information related to, a previously reported unusual or suspicious wagering activity.

(NEW) WAC 230-17-xxx Integrity Monitoring Provider Requirements

...

(3) Integrity Monitoring Providers must **[immediately] promptly** notify us when they identify unusual wagering activity or suspicious wagering activity.

(4) Integrity Monitoring Providers must [~~immediately~~] **promptly** notify us, and all other Integrity Monitoring Providers, sports wagering operators, and all other agencies or organizations as directed by us, on any previously reported unusual wagering activity it finds rises to the level of suspicious wagering activity.”

- ***Issue 4 – Requirement for responsible gaming “link” and deposit limits on sports wagering kiosks.***

The Proposed Rules include a new rule (WAC 230-17-xxx – Sports Wagering Systems (11)) which provides requirements related to responsible gaming resources within the sports wagering system and displayed on kiosks. We strongly support making responsible gaming resources, including wager and deposit limits available to sports wagering patrons. However, as written, this rule appears to impose a “one size fits all” requirement on both mobile sports wagering and retail sports wagering through the use of kiosks. The rule requires the display of a “link” to a sports wagering operator’s responsible gaming policies in the kiosk interface itself. Additionally, the rule requires kiosks to have solutions for patron wager and deposit limits. Sports wagering kiosks may or may not have the functionality to be linked to a patron’s sports wagering account and may be used by patrons who have not established a sports wagering account with the operator or patrons who do not wish to access their account on the kiosk. As such, the requirement to provide wager and deposit limits on the kiosk may not be appropriate in every situation. Additionally, the functionality of kiosks may not include sending a customer to an outside website containing the operator’s responsible gaming policies via a “link” and should be updated to allow operators to provide a URL where the patron can access the responsible gaming policies on their own device. To address these concerns, we suggest the following amendments:

WAC 230-17-xxx – Sports Wagering Systems (11):

“(11) sports wagering systems and sports wagering kiosks will, at a minimum, all for a display of commitment to responsible gaming and **URL or** link to the Class III tribal sports wagering operator’s responsible gaming policies. It will also have solutions for including, but not limited to: patron controlled wager and deposit limits (**if applicable**); and connecting players to problem gambling resources.”

- ***Issue 5 – Requirement to maintain reserve funds in federally regulated financial institutions who do business in Washington.***

The Proposed Rules include a new rule (WAC 230-17-xxx – Sports Wagering Account Requirements (5)) which requires licensees who maintain player account funds to hold them in a “federally regulated financial institution who does business in our state.” To provide greater flexibility to licensees, we suggest that player account funds should be allowed to be held at a state or federally regulated financial institution in the United States. To address this concern, we suggest the following amendment:

WAC 230-17-xxx – *Sports Wagering Account Requirements:*

“... (5) Licensees who maintain player account funds shall hold these funds at a federally or state regulated financial institution in the United States [~~who does business in our state~~].”

- *Issue 6 – clarification for use of single wallet across multiple products*

The Proposed Rules include a new rule (WAC 230-17-xxx – Sports Wagering Account Requirements (6)) which prohibits the transfer of funds held in a sports wagering account from one patron account to another patron account. We fully support the prohibition on transferring of funds from one patron to another. However, we would seek clarification to ensure that this provision is not interpreted to prevent the use of a unified account and wallet by patrons to access the funds while in a jurisdiction where sports betting or other products offered by the licensee are legal and the licensee is authorized to offer those products. To address this concern, we suggest the following amendment:

WAC 230-17-xxx – *Sports Wagering Account Requirements:*

“... (6) Player funds held in a sports wagering account shall not be allowed to be transferred from a patron account of one individual to another patron account of a different individual.”

Part III Requests for Clarification.

- *Issue 1 – License fees for sports wagering vendors.*

The Proposed Rules include an update to WAC 230-05-170 to provide for the license fees for sports wagering vendors. As included in the chart it appears that the proposed license fees for sports wagering vendors are: \$85,000 for major; \$10,000 for mid-level; and \$5,000 for ancillary with no additional license fee based upon Gross Gambling Receipts. Can the Commission confirm this reading of the Proposed Rules?

We appreciate your time and consideration of our comments and would be happy to discuss at your convenience.

Sincerely,



Cory Fox

Government Affairs and Product Counsel Vice President

From: [Kevin Cochran](#)
To: [Considine, Brian \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)
Cc: [Griffin Finan](#)
Subject: DraftKings -- WSGC Sports Wagering Rules Comments
Date: Monday, June 7, 2021 5:58:37 AM
Attachments: [DraftKings WSGC Sports Wagering Rules Comments -- 6-7-2021.pdf](#)

External Email

Dear Legal and Legislative Manager Considine and Rules Coordinator Laydon,

Attached you will find DraftKings Inc.'s ("DraftKings") comments to the Washington State Gambling Commission's Sports Wagering Draft Rule Changes. Thank you for your consideration of DraftKings' comments. Please do not hesitate to reach out to us if you have any questions regarding our submitted comments.

Thanks and have a nice week,

Kevin

KEVIN COCHRAN

Senior Manager, Government Affairs and Senior Corporate Counsel
DraftKings Inc.
215-290-4428





June 7, 2021

Via Email to Brian.Considine@wsgc.wa.gov and Ashlie.Laydon@wsgc.wa.gov

Brian Considine, Legal and Legislative Manager
Ashlie Laydon, Rules Coordinator
Washington State Gambling Commission
4565 7th Avenue S.E.
Lacey, WA 98503
(360) 486-3440

RE: Proposed WSGC Sports Wagering DRAFT Rule Changes (5/28/2021)

Dear Legal and Legislative Manager Considine and Rules Coordinator Laydon,

In response to the Proposed WSGC Sports Wagering DRAFT Rule Changes promulgated by the Washington State Gambling Commission (“Commission”), DraftKings Inc. (“DraftKings”) submits the following comments. As a leading sports wagering operator in the United States, DraftKings has first-hand experience with the topics addressed in the proposed rules and respectfully submits these comments based on its operational knowledge and its consumers’ experience in multiple regulated markets.

WAC 230-03-035 Applying for a license

DraftKings respectfully requests that the Commission consider amending WAC 230-03-035(2), with respect to the timeline for an incomplete application being administratively closed. As currently constructed, the subsection is vague and leaves to question when exactly the application remediation period begins. To help provide more clarity within the rule, DraftKings respectfully requests that the notification be in specific reference to an incomplete application. The proposed amendment would read as follows:

*(2) If the application is incomplete, you must provide us with the required items within thirty days of notification **of an incomplete application** or we may administratively close the application.*

WAC 230-03-311 Applying for a major sports wagering vendor representative license

DraftKings respectfully requests that the Commission narrow the reach of WAC 230-03-311, with respect to who must apply for a major sports wagering representative license. As currently constructed, the language could require the entire workforce of a sports wagering vendor to be



licensed as a major sports wagering vendor representative. If the Commission were to require all employees to be licensed as a vendor representative, this would be overly burdensome on vendors and the Commission. DraftKings respectfully suggests the language be amended in the following way:

You must apply for a major sports wagering representative license if you, as an individual, ~~sell, market, promote, represent, service, or otherwise~~ work in any sports wagering activities under employment or contract to a major sports wagering vendor in our state or you supervise those who do.

With the above changes, DraftKings believes that the Commission will still be able to license appropriate persons, including those that work in sports wagering, their managers, or those that service sports wagering kiosks, but will not reach the next wave of persons that could be wrapped into this requirement, like business development representatives or lawyers.

WAC 230-05-170 Fees for other businesses

DraftKings respectfully requests that the Commission consider lowering the base license fee for all three levels of sports wagering vendors. As currently drafted, these fees are higher for vendors in similar on-premises wagering jurisdictions but also higher than many states where mobile sports wagering is offered statewide. This is important to note as the total addressable market in jurisdictions that legalize statewide mobile sports wagering is significantly larger than those that only permit retail/on-premises wagering. DraftKings requests that these fees be lowered in the following manner to not be prohibitive for vendors entering Washington to help create a successful sports wagering market.

<i>Major Sports Wagering Vendor</i>	<i>\$85<u>15</u>,000</i>
<i>Mid-level Sports Wagering Vendor</i>	<i>\$105<u>05</u>,000</i>
<i>Ancillary Sports Wagering Vendor</i>	<i>\$5,01<u>500</u></i>

WAC 230-06-xxx Submitting sports wagering related contracts and agreements for review

DraftKings respectfully requests the requirement in WAC 230-06-xxx that any new or amended contract be submitted to the state prior to execution be stricken in its entirety. As drafted, this requirement is untenable for vendors. Sports wagering vendors are rapidly growing companies and onboard lots of vendors each year, and as written, many of these vendors could be interpreted under this requirement to “relate to [a sports wagering vendor’s] goods and/or services” in the state that in actuality have a very limited connection to the state or the sports wagering vendor’s sports wagering activity. In addition, requiring vendors to submit contracts and agreements, or changes to contracts and agreements, ahead of execution to those contracts or agreements to onboard



vendors with minimal impact on our operations in Washington would be very burdensome on vendors and create a significant administrative challenge, especially when sports wagering vendors will need to onboard certain vendors in real-time to address issues that may arise. Further, requiring these contracts to be submitted as contemplated creates no benefit to the wagering public in Washington and could inhibit operators in providing the wagering services.

~~Sports wagering vendors must provide any new contracts or agreements or changes to existing contracts or agreements relating to their sports wagering goods and/or services in the state of Washington, to us, prior to execution of the contract or agreement.~~

If this requirement is not struck in its entirety, DraftKings respectfully requests the language be reduced to:

Annually with its license renewal, sports wagering vendors shall provide a list of vendors providing sports wagering goods and/or services in the state of Washington.

WAC 230-17-005 Sports Wagering Definitions

DraftKings respectfully requests the definition of “*sports wagering system*” be amended to better match the definition in other sports wagering jurisdictions, including Michigan. DraftKings also respectfully requests that the term “*sports wagering kiosks*” be removed from the definition, as it is already defined in this section. By defining a kiosk to be a sports wagering system, it could require that kiosks must be tested and certified under two different requirements, making the WAC 230-17-xxx(2) of Sports Wagering System Requirements section redundant.

~~(12) “Sports Wagering System” means all equipment, hardware, data networks, communications technology, and software used in a sports wagering operation and that directly affect the wagering and results of sports wagering, including, but limited to: (a) interactive components, including all associated equipment and software that comprise the sports wagering platform used by a sports wagering operation or for online or mobile sports wagering; (b) sports wagering kiosks; and (c) ticket or voucher redemption devices. This does not include a Mobile Device owned and used by a patron to place a Sports Wager.~~

WAC 230-17-xxx Accounting records for sports wagering vendors.

DraftKings respectfully requests that the Commission clarify the requirement that sports wagering vendors keep and maintain a complete set of records for their licensed activity to specify that it only relates to their activity in Washington. This requirement could be interpreted to mean the full extent of a sports wagering vendors’ licensed activity, even those outside of the state of



Washington, which is inconsistent with any other jurisdiction currently regulating sports wagering in the United States. The proposed amendment would read as follows:

Sports wagering vendors must keep and maintain a complete set of records for their licensed activity in the state of Washington and include...

DraftKings respectfully requests that the Commission narrow the scope of expenses that sports wagering vendors must document, from all expenses to sports wagering expenses in Washington. This requirement is broad and unduly burdensome for sports wagering vendors to comply with no corresponding benefit to the wagering public. DraftKings would also request that sports wagering vendors be able to enter this annually instead of monthly to further reduce the burden this requirement creates. The proposed amendment would read as follows:

(a) Cash disbursements book (check register) - Sports wagering vendors must document all sports wagering related expenses in the state of Washington, ~~both sports wagering and non sports wagering related~~, with invoices or other appropriate supporting documents. They must enter information annually ~~monthly~~ and include, at least:

- (i) The date the check was issued or payment made;*
- (ii) The number of the check; and*
- (iii) The name of the payee; and*
- (iv) Type of expense; ~~and~~*

DraftKings respectfully requests that the Commission narrow the requirement that sports wagering vendors must record all cash sales and cash received from all sources, from all cash sales and cash received to cash sales and cash received related to sports wagering in Washington. This requirement is broad and unduly burdensome for sports wagering vendors to comply with no corresponding benefit to the wagering public. The proposed amendment would read as follows:

Sports wagering vendors must keep a record of sports wagering related cash sales and cash received from all sources in the state of Washington.

WAC 230-17-xxx Sales invoices for sports wagering vendors

Similar to the reasons stated above for accounting records, DraftKings respectfully requests the Commission narrow the requirement to document transactions and transfers of equipment or services to those that take place in connection to sports wagering operations in Washington.



Sports wagering vendors must document each sale of equipment or services, any return or refund, or any other type of transfer of sports wagering equipment in connection to sports wagering operations in the state of Washington, with a standard sales invoice.

WAC 230-17-xxx Sales journals for sports wagering vendors

Similar to the reasons stated above for accounting records, DraftKings respectfully requests the Commission narrow the requirement that sports wagering vendors only be required to keep a monthly sales journal related to sales taking place related to their sports wagering operations in Washington.

Sports wagering vendors must keep a monthly sales journal containing information about sales for the sports wagering operations in the State of Washington, containing at least:

- (1) Each date of sale; and*
- (2) Each sale invoice number; and*
- (3) The name of the person paying; and*
- (4) Sales categorized by the sports wagering goods, equipment or services sold; and*
- (5) The total amount of each invoice.*

WAC 230-17-xxx Sports Wagering Integrity

DraftKings respectfully requests that the Commission consider amending the requirement that sports wagering vendors and vendor licensees immediately notify the Commission upon violation or suspected violation of local, state, tribal or federal ordinances, statutes, administrative rules or court order. This requirement serves a paramount policy goal, but DraftKings respectfully requests that sports wagering operators notify as soon as is practicably possible to afford sports wagering vendors and their representatives time to investigate the issue. This is especially important as it relates to “*suspected violations*” outlined in the draft rules.

(1) Sports wagering vendor and vendor representative licensees must ~~immediately~~ notify us as soon as practically possible upon any discovery of a violation or of a suspected violation of RCW 9.46, this Chapter, or any violation of local, state, tribal, or federal ordinances, statutes, administrative rules or court orders.

In subsection (3), DraftKings respectfully requests that licensees be required to make “commercially reasonable” efforts to detect and prevent prohibited sports wagering participants from participating in sports wagering. This is the standard traditionally used in other sports wagering jurisdictions. One example of where this is important deals with prohibited sports wagering participants. In order to correctly prevent those persons from wagering, sports wagering operators rely on lists that prevent account creation, payouts of certain winnings, etc. However, if



sports wagering operators do not have accurate or up-to-date lists and a prohibited sports wagering participant creates an account or places a wager, a sports wagering operator should not be held liable.

(3) Licensees must make ~~all~~ commercially reasonable efforts to detect and prevent prohibited sports wagering participants from participating in sports wagering.

In subsection (4) there is a similar notice requirement that DraftKings respectfully requests the Commission consider amending for the same reasons stated above to subsection (1), and further requests that licensees are only required to share “suspicious activity” with the Commission. Based on our understanding of the authorizing statute, the focus for the Commission is on suspicious activity, and the role of the Integrity Monitoring Provider is to help determine whether unusual activity arises to suspicious activity. The proposed changes incorporate these changes and read as follows:

(4) Licensees must ~~immediately~~ notify us, as soon as practically possible, in the format we require, when ~~unusual wagering activity or~~ suspicious wagering activity is identified, including changes with the status of, or information related to, a previously reported unusual or suspicious wagering activity.

DraftKings respectfully requests that the requirement that licensees provide the Commission access to its sports wagering system be amended to provide access in the form of reports and documentation and limit that access to the reports and documentation related to sports wagering in Washington. While DraftKings recognizes the importance of ensuring sports wagering is conducted with integrity, it believes reports and documentation can meet the Commission’s policy intentions without having direct access.

“Licensees will provide us, or an Integrity Monitoring Provider(s) designated by us, ~~access~~ relevant information and documentation related to their sports wagering system in the state of Washington, ~~including hardware and software if needed to assist us with integrity monitoring and investigations.~~”

WAC 230-17-xxx Integrity Monitoring Provider Requirements

DraftKings respectfully requests that the Commission consider amending WAC 230-17-xxx(1), with respect to the requirement that integrity monitoring providers be capable of receiving daily sports wagering information. The requirement as drafted could blur the role of the integrity monitoring provider. While it is important that an analytical system be capable of receiving and analyzing information daily, the primary role of the integrity monitoring provider is to receive alerts deemed “unusual” by sports wagering operators and help to determine if those alerts rise to



the level of “suspicious.” That is also congruent with the role specifically laid out in the definition of an “*Integrity Monitoring Provider*” in WAC 230-17-005(5). In order to remove the confusion that there may be required daily reporting, DraftKings respectfully suggests the following changes:

*(1) Integrity monitoring providers must have ~~analytical~~ systems to receive and analyze daily **unusual** sports wagering information and data from a sports wagering operation to assist in identifying and be able to monitor, identify, analyze, and report on suspicious or ~~unusual~~ wagering activity.*

In subsection 3, DraftKings respectfully requests that the requirement be amended to match how integrity monitoring is performed in other jurisdictions. Specifically, if an integrity monitoring provider receives reports of unusual wagering activity from a sports wagering operator or another source (ex. professional sports league), they will reach out to other sports wagering operators to investigate and try to determine if this arises to suspicious wagering activity. In contrast, when integrity monitoring providers identify suspicious wagering activity after investigating and reviewing unusual wagering activity, this triggers the integrity monitoring provider’s duty to notify the Commission. This is a process sports wagering operators are familiar with and has proven effective.

*(3) Integrity Monitoring Providers must immediately notify ~~us~~ **sports wagering operators** when they identify unusual wagering activity and notify the Commission when they identify or suspicious wagering activity.*

WAC 230-17-xxx Sports Wagering System Requirements

DraftKings respectfully requests that the Commission amend its kiosk testing requirement to sync with subsection (2) before it. The term “approved” is redundant and potentially confusing, as a kiosk will not be certified if it has not been approved.

(3) All sports wagering kiosks must be tested, ~~approved~~, and certified by a licensed independent testing laboratory.

DraftKings respectfully requests that the requirement that no substantive modifications be made without being previously certified by an independent lab be amended to clarify what substantive modifications rise to the level of needing subsequent certification. Specifically, DraftKings respectfully requests this to align with “high impact changes” as determined by the sports wagering operator according to its internal controls.

(6) No substantive modifications, as defined in a sports wagering operation’s internal controls, to a sports wagering system may be made after an Independent Test Laboratory



has certified a sports wagering system without the modification being certified by the Independent Test Laboratory.

In relation to the server location requirements, DraftKings respectfully requests that the term “primary server” be defined and that cloud storage be authorized for more than duplicate or back up data and that cloud storage facilities are not required to be located in the state. Making these changes would align with the other sports wagering jurisdictions across the country and requiring cloud storage to be in-state and only for duplicate or backup data is extremely burdensome on sports wagering operators.

*(8) The primary server, **defined as the server responsible for the acceptance and storage of patron wagers**, for a sports wagering system must be in the state and located within a Class III tribal gaming facility.*

(9) Cloud storage for sports wagering data and information may be used ~~for duplicate or backup data~~. Cloud storage facilities must be located in the state.

With respect to subsection (10), DraftKings respectfully requests further clarification as to what type of information is required to be included in sports wagering system reports. As an operator in numerous jurisdictions across the country, any logical uniformity that can be achieved for reporting requirements is extremely valuable and helps create a more efficient and safe process for both sports wagering operators and regulators. As currently drafted, these reporting requirements do not make it clear what type of information is required to be included, and likely create a framework where compliance is extremely difficult, as it is unclear how frequent these reports are required to be created and submitted to the Commission or a tribal gaming agency. Based upon DraftKings experience in other jurisdictions, a comprehensive report that includes information regarding Gaming Operation Revenues, Gaming Operation Liability, Future Events, Wager Record Information, and Expired tickets, has been sufficient for other regulators. DraftKings would also respectfully request the time to produce and submit these reports be a commercially reasonable time period, which is a standard that has been adopted in other sports wagering jurisdictions for certain reports, including Illinois. The proposed amendment would read as follows:

*(10) Sports wagering systems, at a minimum, must be capable of generating reports necessary to record the adjusted gross receipts, wagering liability, ticket redemption, and such other information relating to sports wagering as required by us, a tribal gaming agency, or internal controls. These reports **must be submitted upon request by the Commission in a commercially reasonable time period, and** include, ~~but are not limited to~~: (a) Gaming Operation Revenue reports; (b) Gaming Operation Liability reports; (c) Future Events reports; ~~(d) Significant Events and Alterations reports;~~ ~~(ed)~~ Wager Record Information reports; ~~(f) Market Information reports;~~ ~~(g) Contest/Tournament Information~~*



reports; (h) Sports Wagering Account Information reports; (i) Sports Wagering System Information reports; (j) Significant Event Information reports; (k) User Access Information reports; (l) Wagering Device Information reports; (m) Promotion/Bonus Information reports; (n) Event Game Play reports; and (oe) Expired tickets reports; and (p) any other reports required by us or a tribal gaming agency.

With respect to subsection (11), DraftKings respectfully requests a minor change that clarifies that patron-controlled wager and deposit limits are only guaranteed on mobile wagering systems, as wagers placed on kiosks and through cashiers may not have this functionality.

*(11) Sports wagering systems and sports wagering kiosks will, at a minimum, allow for a display of commitment to responsible gaming and link to the Class III tribal sports wagering operator's responsible gaming policies. It will also have solutions for including, but not limited to: patron controlled wager and deposit limits, **where permissible**; and connecting players to problem gambling resources.*

WAC 230-17-xxx Sports Wagering Account Requirements

DraftKings respectfully requests that the Commission consider amending WAC 230-17-xxx(3), the requirement that sports wagering accounts must be registered and verified in-person at a tribal gaming facility. As currently constructed, this section could be interpreted to require players to verify their sports wagering accounts in-person each time they return to a tribal gaming facility, regardless of whether they have previously registered at that same tribal gaming facility or already have an existing sports wagering account with a sports wagering vendor.

Additionally, DraftKings respectfully requests that the requirement allow players to register at a tribal gaming facility without having to interact with a sports wagering employee. Other sports wagering states, including Iowa and Illinois, two states that required in-person registration at a sports wagering facility in some capacity for some period of time, but the regulations have been drafted to allow for a completely automated sign up process for an account while at the facility. DraftKings respectfully requests that Washington take the same approach.

*(3) A sports wagering account must be registered and verified ~~in-person~~ at a tribal gaming facility before the acceptance of any wager using that Sports Wagering Account. **Players who have previously registered and have been verified at a tribal gaming facility will not be required to be subsequently registered or verified at that same tribal gaming facility thereafter.***

DraftKings respectfully requests subsection (4) be amended to match the requirement as it exists in other sports wagering jurisdictions, including Michigan.



*(4) A player's identification for a sports wagering account must be **periodically** reverified upon reasonable suspicion that the player's identification has been compromised.*

With respect to subsection (5), DraftKings respectfully requests further clarification on our interpretation that a licensee must hold player account funds at a federally regulated financial institution that is licensed to operate and thus do business in Washington, and not be physically located in the state.

* * * * *

Thank you for your consideration of DraftKings' comments in connection with the Proposed WSGC Sports Wagering DRAFT Rule Changes. DraftKings looks forward to continuing its work with the Commission to ensure that the Washington sports wagering market is best positioned for success.

Sincerely,

DraftKings Inc.

From: [Edward Fleisher](#)
To: [Considine, Brian \(GMB\)](#)
Cc: [Griffin, Tina \(GMB\)](#); [Suzanne \(ATG\)](#); [Sizemore, Bud \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#); [James, Sharon M. \(ATG\)](#); [Lies, Julie \(GMB\)](#); [Kara Fox-Larose](#); [Paul Dasaro](#); [Phil Harju](#)
Subject: Sports Wagering Draft Rules for Comment
Date: Friday, June 4, 2021 3:28:58 PM

External Email

Brian – Thank you for seeking stakeholder input on the proposed Sports Wagering Rules.

While I may have additional suggestions as the process moves forward, at this time I will limit my comments to three areas where I have significant concerns with the state’s approach.

My first and by far biggest concern is the proposed language for WAC Sub-Chapter 230-17.

This sub-chapter sets forth definitions, accounting standards, records keeping requirements, and other operational requirements for sports wagering.

Placing this language in the Washington Administrative Code is simply inappropriate. It is disrespectful of tribal sovereignty, of government-to-government relationships, of the role of Tribal Gaming Agencies as the primary regulator of Class III Gaming, and of the long hours of work invested by all sides in the compact negotiation process.

IGRA (and state law) require that Tribal gaming be conducted according to the language and requirements of the IGRA, the compact and the internal controls, not by the WAC regulations unilaterally adopted by the state.

In the Sports Wagering Compact negotiations, when the Tribes agreed to the state’s position of adding new licensing categories for sports wagering, we understood that this would involve new state rules for certification (licensing) of sports wagering vendors and representatives. We did not expect that the state would expand the scope of their rulemaking from Sports Wagering Vendor Licensing to the general regulation of sports wagering activities.

This rule making must distinguish between rules related to the backgrounding and licensing of Vendors, and rules related to the operation and conduct of a Tribe's Sports Book activities. The former is a proper subject of state rule making, the latter belongs in a Compact and/or the internal controls agreed to by a Tribe and the state of Washington. We spent many hours in negotiations discussing what language should be in the Compact and what should reside in the IC’s. The state cannot now ignore that process and adopt its own rules for regulation of Class III Sports Wagering, which it appears to me is exactly what you are attempting to do in Sub-Chapter 230-17.

I would request that all this proposed language in Chapter 230-17 be stricken from the rule making.

-

My second concern is the contract submission requirements in WAC 230-03-xxx titled “Additional information required for sports wagering vendors”, and in WAC 230-06-xxx titled “Submitting sports wagering related contracts and agreements for review”.

Why is this requirement placed on Sport Wagering vendors, when it is not placed on other licensees? I am unaware of any other area where you make licensees submit contracts for review before they are even signed.

I am concerned that by submitting these proprietary business agreements to the state, they will become public records. If you think some Public Records exemption applies, please let me know.

Finally, I am concerned that these sections are written so broadly that it is not clear exactly what range of contracts a vendor would have to submit.

My third area of concern is the Fee Schedule in WAC 230-05-170. For other type of class III vendors, the fee has a minimum and a maximum based on the amount of Gross Receipts. Why is there only a single fixed fee for Sports Wagering Vendors regardless of size or amount of business conducted in the state? Also, the fee for Major SW Vendors is \$85,000, which is 3.5 times the maximum fee charged Manufacturers, who’s fees range from \$1,500 to \$25,000. What is the rational behind that?

Again, thanks for the opportunity to provide input on the proposed rules. I hope my comments are helpful.

Ed Fleisher
General Counsel
Cowlitz Tribal Gaming Authority

NOTICE: This communication may contain confidential, privileged information. Please do not read, copy, or disseminate it unless you are an intended recipient. If you have received it in error, please notify us by e-mail or by calling 360-790-2036. Thank you.

From: john@corridordc.com
To: [Considine, Brian \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)
Cc: ["Jonathan Michaels"](#)
Subject: Comment on WA State Sports Regulation
Date: Thursday, June 3, 2021 10:29:10 AM
Attachments: [image003.png](#)
[INDIANA APPROVED PAYMENT METHODS.docx](#)

External Email

Brian and Ashlie – Thank you for the opportunity to provide feedback on the proposed sports wagering regulations released by your office on May 27th. I am reaching out to you on behalf of Sightline Payments a premiere payments solution provider for the digital and land based gaming industries. CC'd on this email is Jonathan Michaels, SVP of Strategic Developments and Government Affairs at Sightline. His team's expertise is relied on by regulators throughout the U.S., and they work closely with many of the leading sportsbook operators. We hope you will consider Sightline a resource to the WSGC on all matters related to the payments ecosystem.

With respect to the proposed rules we are requesting that the regulation includes defined payment methods for sports bettors, along with regulator flexibility to approve innovative payment solutions as the market evolves. Currently, under *230-17-005 Sports Wagering Definitions* the draft rules define "Sports Wagering Account" as "an electronic account established by a patron for the purpose of sports wagering, including deposits, withdrawals, wagered amounts, payouts on winning wagers, or similar adjustments." We would recommend adding this language to define payment methods that would be acceptable.

A patron's sports wagering account for sports wagering may be funded through the use of:

- 1) a patron's credit or debit card;**
- 2) a patron's deposit of cash or vouchers at a cashiering location approved by the executive director or executive director's designee;**
- 3) a patron's reloadable prepaid card, which has been verified as being issued to the patron and is nontransferable;**
- 4) promotional credit;**
- 5) winnings;**
- 6) adjustments made by the sports wagering operator with documented notification to the patron;**
- 7) ACH transfer, provided that the operator has security measures and controls to prevent ACH fraud regarding failed ACH deposits;**
- 8) wire transfer; or**
- 9) any other means approved by the commission.**

This is regulatory language we have seen in other jurisdictions. Attached is a summary of Indiana's sports wagering rules on payments for you to see as a good example of what state regulators have approved within their rules and regulations.

If you have any questions about this comment, or would like to schedule a time to discuss further, we would be happy to connect. The team at Sightline are happy to be a resource to you!

Appreciate your willingness to get input from industry.

Regards,

John A. Pappas
c. 202-870-7777
www.corridordc.com



INDIANA APPROVED PAYMENT METHODS

Sports Wagering Accounts

"Sports wagering account" means an account established by a sports wagering operator for an individual patron to use for online sports wagering. 68 Ind. Admin. Code 20-448(E) ch. 1, § 22.

A patron sports wagering account required for credit or debit card wagering. A patron may only place a wager via credit or debit card, whether the patron places the wager at a sports wagering lounge, sports wagering kiosk, online, or by a mobile device, if the patron has a sports wagering account with the sports wagering operator. 68 Ind. Admin. Code 20-448(E) ch. 7, § 6.

A patron's sports wagering account for sports wagering may be funded through the use of:

- 1) a patron's credit or debit card;
- 2) a patron's deposit of cash or vouchers at a cashiering location approved by the executive director or executive director's designee;
- 3) a patron's reloadable prepaid card, which has been verified as being issued to the patron and is nontransferable;
- 4) promotional credit;
- 5) winnings;
- 6) adjustments made by the sports wagering operator with documented notification to the patron;
- 7) ACH transfer, provided that the operator has security measures and controls to prevent ACH fraud regarding failed ACH deposits;
- 8) wire transfer; or
- 9) any other means approved by the commission.



STATE OF WASHINGTON
GAMBLING COMMISSION

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

May Gambling Commission Meeting Minutes

Gambling Commission Headquarters

Virtual Meeting

***May 13, 2021**

Commissioners Present:

Bud Sizemore, Chair (Present)

Julia Patterson (Via Teams)

Alicia Levy (Via Teams)

Lauren King (Via Teams)

Kristine Reeves (Via Teams)

Ex Officio Members Present:

Senator Steve Conway (Via Teams)

Representative Shelley Kloba (Via Teams)

Staff Present:

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

Staff Present-Virtual:

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

Public Meeting Call to Order

Chair Sizemore called the virtual meeting to order at 9:36 am. Chair Sizemore asked Interim Director Tina Griffin to call the roll. Chair Sizemore introduced Commissioner Kristine Reeves to everyone, and she gave a brief bio of herself.

Chair Sizemore announced that TVW would be live streaming the meeting. He suggested that out of respect for National Police week, and to recognize the fallen law enforcement officers that have lost their lives since the commission last met, he asked that we observe a moment of silence.

Tab 1

Consent Agenda

Commissioner Levy moved to approve the consent agenda as presented.

Commissioner Patterson seconded the motion.

The motion passed 4:0

Commissioner King had not joined the meeting when the vote was taken.

Tab 2

Stillaguamish Proposed Compact Amendment

Honorable Shawn Yanity, Chair, Stillaguamish Tribal Council, Tina Griffin (Interim

Director, WSGC) and Julie Lies (Tribal Liaison, WSGC) presented the material for this tab.

Chair Yanity thanked the commission for this opportunity. **Interim Director Griffin** explained

* Governor Inslee issued [Proclamation 20-28.4](#) et al that suspended certain Open Public Meeting requirements, including in-person public meetings requirements for this Commission Meeting.

the process and **Tribal Liaison Lies** discussed the details of the Tribe's Compact Amendments. **Chair Yanity** gave a short presentation of the tribe's history and accomplishments. Chair Sizemore inquired about the amount of contributions Stillaguamish Tribe donates. Chair Yanity said they contribute above the amount required in the compact. **Representative Kloba** asked for clarity on the limits that the tribe will put on extension of credit. **TL Lies** said, *"The extension of credit is not designed for extending a few hundred dollars. This is for those customers that don't want to carry a large amount of cash with them. So that there's a minimum that the tribe will set on what they're going to extend, as far as credit, as well as a maximum. The criteria that they talk about is they're going to look at the finances of that person to make sure that they have the credit, basically, to be able to pay back. It's like the credit, the loan. There's also a criteria in there about if they are on a self-exclusion list or they have problem gambling issues, they're not going to be extended credit."*

Commissioner Patterson also had concerns regarding extension of credit. TL Lies commented that the MOU will have the final language in it. Commissioner Patterson said, *"I appreciate your indulging me. I'm just expressing a personal sense that the extension of credit doesn't quite feel right when it comes to gambling. And, on every one of these that we've approved, I've felt that way."*

Senator Conway asked Chair Yanity if the Stillaguamish Tribe operates their own problem gambling program. **Chair Yanity** said, *"we run internally through our behavioral health program access for our tribal members for health, at this time, I don't know if we've got anybody using it. But, with our management team, our Gambling Commission, as well as our council, the concerns with problem gambling is very important. It's something that our staff and our Commission tracks and monitors the best they can, as well as the casinos talk to each other. If you've got a problem gambler that goes from one facility to another, they talk to each other."*

Commissioner Reeves asked if Stillaguamish had any economic data or demographic data that would show how the contributions are being provided in a fair and equitable manner. Chair Yanity reassured Commissioner Reeves that the Commission has access to any contribution data. And, Chair Yanity would be happy to share that data.

Chair Sizemore asked for public comment.

Nancy Watson said, *"I was so impressed by Julia Patterson's comments and it really, as a mother, it really gives my heart to know that we are represented by someone on the Commission that is able to make these, sometimes it seems so exciting to have charitable contributions and to help the tribe, and I love that presentation on the tribe. Thing is we pay a price. And, a big part of the price we pay is that people fall into problem gambling situations that can destroy families. And I was so heartened by her comments and Commissioner Kloba. I'm just very touched by your concern. Thank you."*

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

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

Commissioner King seconded the motion.

Commissioner Patterson – yes

Commissioner King – yes

Commissioner Levy – yes
Commissioner Reeves - yes
Commissioner Sizemore – yes
Senator Conway – yes
Representative Kloba – yes
The motion passed 7:0

Chair Yanity Thanked the Commission for their time.

Tab 3

Petition for Review

Assistant Attorney General Doug Van De Brake represented the Washington State Gambling Commission’s agency staff and **Attorney Ryan Smolinky** represented Loyal Order of Moose Chapter 01925 (LOOM). The licensee LOOM Chapter 01925, through their attorney, filed their Petition for Review of an Administrative Law Judge’s Initial Order upholding Director Trujillo’s Administrative Charges and the penalty to revoke the organization’s gambling licenses. The Commissioners previously received the administrative case record and allowed both parties to present their arguments to the Commissioners during the public meeting.

Following oral argument, Chair Sizemore and Commissioners Patterson, Levy, Reeves and King adjourned the public meeting to a closed session with AAG Suzanne Becker to reach a decision in this matter.

The Commissioners denied LOOM’s petition for review after they returned from their closed session deliberations. They affirmed the administrative law judge’s initial order in its entirety and adopted the initial order as the Commission’s final order.

Tab 4

Defaults

Thomas Lescher, CR 2020-01597 Class III Employee Certification Revocation.

Chair Sizemore asked if Thomas Lescher was in attendance. He was not.

Commissioner Levy moved to approve the final order and revoke the class III employee certification for Thomas Lescher.

Commissioner Patterson seconded the motion.

The motion passed 5:0.

Makoto Childs, CR 2020-01430 Public Card Room License Revocation.

Chair Sizemore asked if Makoto Childs was in attendance. He was not.

Commissioner Levy moved to approve the final order and revoke the Public Card Room License of Makoto Childs.

Commissioner King seconded the motion.

The motion passed. 5:0.

Tab 5

Rule up for Final Action-Updating Rules Regarding Card Games

Ashlie Laydon, Rules Coordinator (RC), presented the materials for this tab. At the July 2020 meeting, Commissioners initiated rule-making to update rules related to card games. At the March 2021 meeting, Commissioners chose to file draft language for further discussion. The language is up for final action.

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

Commissioner Levy moved to approve the proposed rule language for final action and that the rules be effective 31 days after filing with the Code Revisers Office on or before June 14, 2021. Commissioner Patterson seconded the motion.

The motion passed. 5:0

Tab 6

Presentation-Budget Review and Update

Christopher Stanley, Chief Financial Officer (CFO), presented the material in this tab. CFO Stanley gave a presentation on the agency's current economic status with two components: a base budget plus a one-time enhancement. CFO Stanley also included the IT Modernization in the budget. **Senator Conway** asked if the Gambling Commission would coordinate with other state agencies that have gone through a modernization project to assure best practices.

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

Commissioner Patterson moved to adopt the commission's proposed biennial budget and authorize the CFO and/or the Interim Director to make budget adjustments as necessary, consistent with this budget proposal.

Commissioner Levy seconded the motion.

The motion passed. 5:0

Tab 7

Legislative Update

LLM Considine presented the materials for this tab. **LLM Considine** gave a brief wrap up of the legislative session. He thanked Senator Conway and Representative Kloba for their incredible help this session.

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

Chair Sizemore also asked for a Law Enforcement briefing at an upcoming commission meeting. This topic is slated for the August Commission Meeting.

Staff Recognition

Chair Sizemore and **SAS Bill McGregor** recognized Mark Richart for his accomplishments and thanked him for his 20 years of service to Washington and the Gambling Commission.

Public Comment

Chair Sizemore asked for public comment.

Nancy Watson:

"My name is Nancy Watson. I live in the Puget Sound area. I grew up on Fox island and was the daughter of a social worker, so I spent most of my childhood listening to stories about problems in the community of all kind. But I got a MBA in finance and ended up working in business for my entire career. I retired a couple of years ago, and one thing that was really on my mind is that there were children, I call them children, in the family that could be almost as old as 40, and yet had struggled with problems ever since they dropped out of high school. You might have thought I'd lose interest in this topic after someone is having trouble that long, but really, I wanted to get to the bottom of it. I took four people, again, I call them children, but they're not children, they're adults, four kids into my home to see what I can find out about some of the problems in the community. And the problems they had is homelessness, depression, mental depression. Some of them had been incarcerated. Some of them, well, really all of them suffered from substance abuse and poverty. And the one thing they all had in common was using methamphetamines, which is a shocking drug. Now, the reason I'm bringing this to this meeting, because you might wonder, "Well, what in the world could meth addiction have to do with gambling?" And I'll tell you, I've had quite an education for the last couple of years because casinos are a favorite place for methamphetamine addicts to go because they're open all night, and these people are on drugs that make them stay up all night. Of the four kids I'm working with, two of them are problem gamblers. They have very severe problems. They've both been banned for life. What I've learned is that they ban are not enforced. It's just an empty promise that, "Yeah, you come back here we're going to charge you with trespassing." Nothing changes, they just continue to go. It goes on for years like that. The other problem I see is I'm trying to help these kids become self-sufficient, and to getting jobs. And I have one of my, let's call them a ward, one who did get a job and was making money. And what I found was it only took a couple months of working before he would get paid and go to the casino, and then two days, the entire paycheck would be gone. Now, I'll just tell you, I'm supporting these people. They do get food stamps, but I'm supporting them and so it's a matter of considerable interest to me the problem gambling thing because the amounts of money are unbelievable. Now, I've called the help line in Louisiana. I've talked even to the director there. I've called more than once. I've tried to get to step two, where you would talk to a counseling organization. I left a voicemail message. So, I've kind of been wrestling with this for a while, and I just wanted to share it with you guys because we talk about problem gambling and getting counseling for it. There's such a huge percentage of people with problem gambling who are drug addicts. And I wish there was a more polite euphemism for it, but I'm talking about heroin addicts and people who use meth on a daily basis. It's just [inaudible 00:59:41] It's shocking. I hate to say it, it sounds like I'm a crazy person, but it's literally true. So, here's what I wanted to ask the commission to consider. Instead of waiting for people to get to such a severe problem that they can't even get help or go to meetings, I suggest that as you think about problem gambling, you find a way to intervene at the earliest possible stage. Don't wait until it's pathological. If somebody calls on that darn phone, what I'm saying is if they call on the phone, you get yourself a validated assessment instrument, like the Victorian Gambling Screen, like the US South Oaks Gambling Screen. Don't worry about if it's a perfect screen. If somebody calls on the phone, do a full assessment. And I'm telling you, if the people in Louisiana who do these calls, if they don't have time, transfer these people to me. I'll put in a landline so I can do the screen. If we don't start gathering information about these people who have these problems, and we just let them go off in the community, I think we're in big trouble. The next thing I would say is make sure to gather information on what type of gambling is causing the trouble. People who researched this say its slot machines. Now, I know that sounds totally rude that slot machines are the problem, but according to the studies that have been done, slot machines are the number one source of problem gambling. I think the

people Louisiana, when they take these calls, they need to find out from the person themselves what kind of gambling is causing the problem. The last thing I'll say is that there's research being done on quick-start interventions, where you don't go through a big complicated program, but you have brochures, you have workbooks. You have just a quick conversation with someone on the phone to help guide you in the right direction. I mean, again, I would be happy to volunteer to take these calls. I almost think we need to put people in the casino so that they can just be there with something around their neck saying, "Do you think you might have a gambling problem?" And let people just walk up and ask them. That's all I'll say, and I apologize for sounding like my hair's on fire, but I'm telling you the amount of money that I personally have put into casino gambling here in Tacoma over the last couple of years, thousands of dollars. Because when these people blow their paycheck, I am on the hook to care for them. I realize I can turn them back into the street. They would be homeless again. I'm not going to do it. So, I want instead to get the problem gambling issue resolved at its source, not out in the community, but right there where the problem is starting. Thank you very much for your attention."

Commissioner Patterson suggested taking Ms. Watson's concerns to the Problem Gambling Task Force so they can hear her firsthand. Commissioner Patterson also asked if staff could forward the link to the Problem Gambling Task Force quarterly meeting.

Chair Sizemore announced that the Commissioners would go into Executive Session following the meeting and a short break to discuss potential agency litigation with legal counsel, including tribal negotiations. Returning to the public meeting for adjournment purposes only.

Chair Sizemore announced that the June meeting would be two days and full agendas for both days with more details to come.

The May meeting adjourned at 3:07 PM.

There were 85 people that joined the meeting.



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

Index

	<u>PAGE</u>
NONPROFIT ORGANIZATIONS & COMMERCIAL BUSINESSES.....	1-2
MANUFACTURER REPRESENTATIVE	3
NON-PROFIT GAMBLING MANAGER.....	3
SERVICE SUPPLIER REPRESENTATIVE.....	4
CARD ROOM EMPLOYEE	4-8
CLASS III GAMING EMPLOYEES	9-18

PAGES:18

Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 18.



HOUSE-BANKED PUBLIC CARD ROOM REPORT

Licensed and Operating		41			
	City	Commission Approval Date	License Expiration Date	Org #	License #
ALL STAR CASINO	SILVERDALE	Jan 14, 1999	Jun 30, 2021	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, 2021	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, 2021	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, 2021	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, 2021	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, 2021	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, 2021	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, 2021	00-20113	67-00231
ROYAL CASINO	EVERETT	Sep 9, 2010	Jun 30, 2021	00-22130	67-00301
SILVER DOLLAR CASINO/MILL CREEK	BOTHELL	Sep 9, 2010	Jun 30, 2021	00-22131	67-00302
SILVER DOLLAR CASINO/RENTON	RENTON	Sep 9, 2010	Jun 30, 2021	00-22134	67-00305
SILVER DOLLAR CASINO/SEATAC	SEATAC	Sep 9, 2010	Jun 30, 2021	00-22128	67-00299
SLO PITCH PUB & EATERY	BELLINGHAM	Aug 12, 1999	Jun 30, 2021	00-16759	67-00038
THE PALACE	LA CENTER	Apr 9, 1998	Jun 30, 2021	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, 2021	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

LAKE CONNOR PARK
00-05489 01-01873

14320 28TH ST NE
LAKE STEVENS WA 98258

RAFFLE

GLACIER PEAK LACROSSE CLUB
00-24180 02-20884

7401 144TH PL SE
SNOHOMISH WA 98296

JEAN THOMPSON GUILD
00-24760 02-21174

PO BOX 1174
MOUNT VERNON WA 98273

LAKE CONNOR PARK
00-05489 02-02363

14320 28TH ST NE
LAKE STEVENS WA 98258

LAKE STEVENS ARTS & PARKS FOUNDATION
00-24747 02-21169

9917 N DAVIES ROAD
LAKE STEVENS WA 98258

LAKESIDE BOOSTER CLUB
00-23819 02-20679

7218 W KENDICK RD
NINE MILE FALLS WA 99026

MARSHA RIVKIN CENTER FOR OVARIAN CANCER RESEARH
00-23523 02-09595

801 BROADWAY
SEATTLE WA 98122

MORTON LOGGERS JUBILEE
00-23984 02-20763

340 CHERRY LN
MORTON WA 98356

NORTHPORT HIGH SCHOOL ASB
00-17293 02-21176

408 10TH ST
NORTHPORT WA 99157

PINK LEMONADE PROJECT
00-24730 02-21164

1207 WASHINGTON STREET
VANCOUVER WA 98660

WESTSIDE SCHOOL
00-23873 02-20711

3940 41ST AVE SW
SEATTLE WA 98116

PUNCHBOARD/PULL-TAB NONPROFIT

AMERICAN LEGION 00082
00-12033 05-06404

319 S WESTERN AVE
TONASKET WA 98855

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS

PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT

BARANOF RESTAURANT
00-24670 05-21686

8549 GREENWOOD AVE N
SEATTLE WA 98103

CHECKERBOARD TAP ROOM
00-24693 05-21697

1716 E SPRAGUE AVE
SPOKANE WA 99202

EL SARAPE
00-24646 05-21672

4043 MARTIN WAY E
OLYMPIA WA 98506

HOTRODS BAR & GRILL
00-21485 05-20657

108 W MAIN ST
GOLDENDALE WA 98620

PORTHOLE PUB BAR & GRILL
00-24731 05-21706

893 POINT BROWN AVE NW
OCEAN SHORES WA 98569

GAMBLING SERVICE SUPPLIER

CRAB FRAGMENT
00-24764 26-00367

5212 NE 60TH ST
SEATTLE WA 98115

NON HOUSE-BANKED CARD GAME

HOTRODS BAR & GRILL
00-21485 65-07212

108 W MAIN ST
GOLDENDALE WA 98620

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

MANUFACTURER REPRESENTATIVE

BAILEY, RYAN A 23-02770	ARISTOCRAT TECHNOLOGIES INC LAS VEGAS NV 89135
BUNN, JEFFREY L 23-00414	IGT LAS VEGAS NV 89113
HALL, RICKARDO K 23-03199	ARISTOCRAT TECHNOLOGIES INC LAS VEGAS NV 89135
HOSTETTLER, CHRISTOPHER M 23-03196	ARROW/ BINGO KING/ CAPITAL/ CAPIT BROOKLYN OH 44144
HOWARD, JAY-R T 23-01763	AINSWORTH GAME TECHNOLOGY INC LAS VEGAS NV 89118
LANG, JASON L 23-03180	SCIENTIFIC GAMES LAS VEGAS NV 89119
PATTERSON, BRADY S 23-03198	ARIES TECHNOLOGY LLC GROVE OK 74344-6251
PEREZ VELASCO, JESUS M 23-02051	IGT LAS VEGAS NV 89113
PERRY, LELAND A II 23-03201	EVERI GAMES INC. AUSTIN TX 78746
ROBERTS, DANIEL C 23-03194	EVERI GAMES INC. AUSTIN TX 78746
TARPLEY, GARRETT A 23-03195	EVERI PAYMENTS INC LAS VEGAS NV 89113-2175
VANN, STEPHEN D 23-03197	ARISTOCRAT TECHNOLOGIES INC LAS VEGAS NV 89135
VIJAYAKUMAR, LOKESH 23-03200	SCIENTIFIC GAMES LAS VEGAS NV 89119

NON-PROFIT GAMBLING MANAGER

COPELAND, JO ANN K 61-04744	BPOE 01082 HOQUIAM WA 98550
PAULLIN, MYSTI D 61-04748	AMERICAN LEGION 00176 VANCOUVER WA 98686-1442

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

SERVICE SUPPLIER REPRESENTATIVE

BREVIK, CHAD H
63-00970

MAVERICK GAMING
LAS VEGAS NV 89119

KIGHTLINGER, AARON P
63-00864

TECHNICAL SECURITY INTEGRATION
LAKE STEVENS WA 98258

CARD ROOM EMPLOYEE

ACHZIGER, JAMIE M
68-09088

B

LAST FRONTIER
LA CENTER WA 98629-0000

ALVIS, BAILY C
68-36125

B

ZEPOZ
PULLMAN WA 99163

ANKENY-SHADLE, ANTHONY L
68-36114

B

RED DRAGON CASINO
MOUNTLAKE TERRACE WA 9804

BELLAND, AARON L
68-12563

B

THE PALACE
LA CENTER WA 98629

BOCK, CARRIE A
68-35859

B

BUZZ INN STEAKHOUSE/EAST WENAT
EAST WENATCHEE WA 98802

BOWDEN, ALEXANDER F
68-36136

B

WILD GOOSE CASINO
ELLENSBURG WA 98926

BOWLIN, TYLER J
68-36102

B

WILD GOOSE CASINO
ELLENSBURG WA 98926

BROSNAN, JOSEPH T
68-30659

B

NOB HILL CASINO
YAKIMA WA 98902

BURGAMY, RIVER T
68-36118

B

ALL STAR CASINO
SILVERDALE WA 98383

BURKE, ALEXEI J
68-36115

B

CRAZY MOOSE CASINO/PASCO
PASCO WA 99301

CAIN, KAHLIL A
68-35718

B

FORTUNE CASINO - TUKWILA
TUKWILA WA 98168

DAM, THIHUYEN
68-35996

B

ROMAN CASINO
SEATTLE WA 98178

DO, HUNG Q
68-36104

B

LUCKY DRAGONZ CASINO
SEATTLE WA 98178

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

DURHAM, BRANDON K 68-36103	B	ALL STAR CASINO SILVERDALE WA 98383
HIGGINS, SEAN H 68-36134	B	LAST FRONTIER LA CENTER WA 98629-0000
HILL, BRANDON M 68-36122	B	COYOTE BOB'S CASINO KENNEWICK WA 99336
HORTALEZA, AUSTIN N 68-32854	B	ALL STAR CASINO SILVERDALE WA 98383
HUANG, JOHN J 68-36137	B	SILVER DOLLAR CASINO/RENTON RENTON WA 98057
JONES, KEVIN J 68-36117	B	THE PALACE LA CENTER WA 98629
KYSER, MASON A 68-35733	B	BUZZ INN STEAKHOUSE/EAST WENAT EAST WENATCHEE WA 98802
LAM, HAN H 68-36130	B	ROMAN CASINO SEATTLE WA 98178
LAO, CHANSOPHEAPTEPPY 68-35185	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434
LE, BANG C 68-04776	B	RIVERSIDE CASINO TUKWILA WA 98168
LE, HIEP S 68-35995	B	ROMAN CASINO SEATTLE WA 98178
LE, HUONG T 68-35988	B	ROMAN CASINO SEATTLE WA 98178
LEE, MIAE 68-36121	B	FORTUNE POKER RENTON WA 98057
LENGPHOUNPRASEUT, PHIMTHONG 68-08215	B	SILVER DOLLAR CASINO/RENTON RENTON WA 98057
LY, HUY G 68-35997	B	FORTUNE CASINO - TUKWILA TUKWILA WA 98168
MARKILLIE, KATHERINE J 68-36128	B	ALL STAR CASINO SILVERDALE WA 98383

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

MCLEOD, KRISTIAN M 68-36112	B	RED DRAGON CASINO MOUNTLAKE TERRACE WA 9804
MCNEAL, CURTIS D 68-35722	B	HAWKS PRAIRIE CASINO LACEY WA 98516
MEHLMAN, KELLI M 68-36127	B	ZEPPOZ PULLMAN WA 99163
MEISE, MICHELLE K 68-09984	B	JOKER'S CASINO SPORTS BAR & FIEST RICHLAND WA 99352-4122
MENA, ROBERT R 68-34929	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
MERRILL, DUSTIN M 68-35184	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434
MORGAN, JESSEY R 68-36091	B	SILVER DOLLAR CASINO/MILL CREEK BOTHELL WA 98012
MRKVICKA, JENNIFER L 68-36113	B	RED DRAGON CASINO MOUNTLAKE TERRACE WA 9804
NGUYEN, AXEL 68-35990	B	FORTUNE CASINO - TUKWILA TUKWILA WA 98168
NGUYEN, HO B 68-35980	B	FORTUNE CASINO - TUKWILA TUKWILA WA 98168
NGUYEN, HONG T 68-35994	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
NGUYEN, THU S 68-36107	B	MACAU CASINO TUKWILA WA 98188
NGUYEN, TUYEN T 68-36051	B	RIVERSIDE CASINO TUKWILA WA 98168
OUCH, LAY 68-11063	B	SILVER DOLLAR CASINO/RENTON RENTON WA 98057
PHAM, PHUONG T 68-36116	B	RIVERSIDE CASINO TUKWILA WA 98168
PHANIVONG, SAMANTHA T 68-36111	B	CARIBBEAN CARDROOM KIRKLAND WA 98034

PERSON'S NAME
 LICENSE NUMBER

EMPLOYER'S NAME
 PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

REED, JADIENNA S 68-36133	B	CASINO CARIBBEAN YAKIMA WA 98901
RICHARDSON, TRINA L 68-36132	B	CASINO CARIBBEAN YAKIMA WA 98901
ROGERS, RILEY S 68-36072	B	ALL STAR CASINO SILVERDALE WA 98383
RUSSELL, SILAS C 68-36110	B	ALL STAR CASINO SILVERDALE WA 98383
SAN, SAMNANG 68-36093	B	HAWKS PRAIRIE CASINO LACEY WA 98516
SMITH, HEATHER N 68-36120	B	RED DRAGON CASINO MOUNTLAKE TERRACE WA 98043-2461
SOM, SIHEAM 68-10776	B	WIZARDS CASINO BURIEN WA 98166-2524
STEELE, BLAINE I 68-36129	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
STURDEFANT, WILLIAM B 68-36094	B	COYOTE BOB'S CASINO KENNEWICK WA 99336
SVOBODA, TERRY A 68-29199	B	BLACK PEARL RESTAURANT & CARD ROOM SPOKANE VALLEY WA 99206-4719
TERPONE, ZACHARY T 68-36131	B	ALL STAR CASINO SILVERDALE WA 98383
THAO, JOSEPH D 68-24992	B	ROXY'S BAR & GRILL SEATTLE WA 98126
TOURAY, BUBACARR F 68-36109	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
TRINH, MARRY 68-29633	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
TRUONG, HIEU N 68-35985	B	ROMAN CASINO SEATTLE WA 98178

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

ZEV, JAIDEN J
68-34516

B

RED DRAGON CASINO
MOUNTLAKE TERRACE WA 9804

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

CHEHALIS CONFEDERATED TRIBES

DICKSON, KENDRA K
69-50192

ELDERODONNELL, CHARLES D
69-49880

FREYLER, NATHAN E
69-22277

LOEW, KEVIN W
69-50157

MUNGER, ROBERT L
69-50148

NELSON, JARROD S
69-50170

PIPO, ANGELICA T
69-50058

SCULLAWL, TAYLOR D
69-50234

SNIPES, JARROD C
69-26114

YARNELL, KAYLEB A
69-47850

COLVILLE CONFEDERATED TRIBES

BOWMAN, JUSTIN L
69-50213

CHEER-BOYCE, TIFFANY A
69-34376

CHITTICK, PETER A
69-50211

GEORGE, CHRISTOPHER A
69-50020

HOWARD, CODY J
69-50212

NANAMKIN, KAILAH T
69-42072

SMITH, JEREMY J
69-23532

TEJADA-VAZQUEZ, NADIA R
69-50129

COWLITZ INDIAN TRIBE

ALLMENDINGER, BRANDON R
69-50203

ANDERSON, EVE E
69-50077

BARBER, ALEXANDER S
69-50094

BARNETT, KENIDY A
69-50235

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

COWLITZ INDIAN TRIBE

BELLO, DAX T
69-50095

BERHOW, CARSON R
69-49660

CHILD, BENJAMIN S
69-49763

CULP, HARRY E
69-50164

DEBUSE, CHRISTOPHER J
69-50078

EVANS, RONALD S
69-50131

GOVERNALE, CAMERON T
69-50123

HAMILTON, ELIJAH R
69-50093

HAYGOOD, DAVID R
69-50165

JAIME, MELISSA R
69-50166

LEACH, HUNTER M
69-49841

LOMBARD, CAROLINE R
69-29150

LUCORE, MEGAN M
69-50236

MARIOTTI, NOAH A
69-49667

MCGLOTHLIN, JACOB R
69-49864

MEIWES, KIMBERLY D
69-49836

MENGESHA, MOLTOTAL M
69-50186

MOON, MADISEN A
69-49865

MUMFORD, JONATHON L
69-50083

MURPHY, DARRELL V
69-50199

NGUYEN, HOANG A
69-50122

OWEN, BENJAMIN T
69-50076

PHILLIPS, RILEY J
69-50167

PONCE, LORENZO A
69-50135

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

COWLITZ INDIAN TRIBE

SANDOVAL, ZACHARY J
69-50204

SAYADETH, THIENXAY D
69-50081

STRICKLAND, JESSIE L
69-50080

SWEDLUND, HEATHER R
69-50124

SWINDELL, ASHER T
69-50107

TEJEDA, CARLOS M
69-49839

VALLEJO-BUTLER, OPHELIA M
69-49784

VAUGHN, LISA M
69-50079

WALLBERG, MASON A
69-49665

WATSON-SCHONEK, DARCY E
69-49837

WELLS, JACKSON C
69-49840

KALISPEL TRIBE

BLUFF, DAVID S
69-27429

CRAM, SARA M
69-50120

GARCIA, ALYSS C
69-50185

HAYS, ANTHONY W
69-50184

HUNTER, RYAN J
69-50216

ROBINSON, SARAH R
69-50158

ROSKAM-SWIGER, DONALD E
69-50194

SKINNER, SYDNEY R
69-50119

TOLBERT, CATHRINE A
69-22447

YELVINGTON, REECE D
69-50217

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

LUMMI NATION

GRAHAM, DARTHANIEL E
69-50228

MUCKLESHOOT INDIAN TRIBE

CALLON, JESSICA
69-14770

CHAU, LUONG V
69-50163

COLVIN, JUSTIN T
69-50222

JERRY, JEANNE M
69-50105

LEWIS, CHRISTINE A
69-50106

LOPEZ-COBB, AMERVIS
69-50223

PAULSEN RAMOS, STEPHANIE N
69-42785

NISQUALLY INDIAN TRIBE

CULP, JAIED H
69-50221

FARRELL, SHANIAH R
69-50115

GABLE, TYLER J
69-50261

GOMES, MATTHEW W
69-50260

LAFAELE, WILLIAM N
69-50159

MILLER, SAMMANTHA L
69-35871

PARISIEN, TODD A JR
69-50160

SHEAFFER, ASHLEA M
69-50114

SIMON, DEREK M
69-50113

NOOKSACK INDIAN TRIBE

GERLACH, ADAM C
69-50243

ROBERTS, ANGELINA L
69-50098

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

PORT GAMBLE S'KLALLAM TRIBE

AYOTTE, PHILLIP M
69-50188

ECKEL, JOHNATHAN D
69-50141

GIFFEY, IAN C
69-50189

KIRK, JENNIFER M
69-50067

MOQUIN, KENNETH F
69-50190

OLD COYOTE-BAGLEY, JOHNATHAN S
69-47161

OLSON, SHANNON L
69-38738

SING, VALERIE R
69-50142

TUIPALA, FA'AMAINI P
69-50143

WATERS, COLIN J
69-50191

PUYALLUP TRIBE OF INDIANS

ANDERSON, TIMOTHY J
69-50247

AZUL, MARK D
69-50181

BALI, SUMESH S
69-50172

BURGIN, TATAIONA T
69-50241

CHONG, JUNE
69-50249

CORNYN, MAARTIN J
69-50239

DELANEY, KARMA V
69-50227

DRAPER, ALMA C
69-50152

EIDSON, JACOB A
69-50153

FREEMAN, DAVID A
69-50226

HASLEBACHER, HAYLEY N
69-50270

IVIE, ELLOTT C
69-21868

JACKSON, KATHAN L
69-50240

JAMES, GINEAVA J
69-50231

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

PUYALLUP TRIBE OF INDIANS

JENSEN, KAYLA R
69-50230

KONG, PHEAKDEY
69-50182

LARSON, PATRICK J JR
69-37525

LOTHER, TY L
69-50248

MCCULLOUGH, MELANIE A
69-50178

MORENO, BENITO J
69-50173

NAVA-JAMES, MICHEAL A
69-50180

NUTH, PETER R
69-50179

OEUN, RADTANEY P
69-50171

PEDEN, LILLIANA V
69-50238

PEREIRA, GISELLE F
69-50269

PERRINE, CANDICE L
69-43218

ROBINSON-CHAMBERS, LORENZO R
69-50174

ROSBURG, MICHELLE E
69-50151

SCHMIDT, BENJAMIN L JR
69-50225

SIAU, MATTHEW A
69-50208

SMITH, DONALD L
69-50207

SMITH, GARY C
69-50196

SPATES, KHAN D
69-50272

TURNER, PERRY J
69-50149

WANG, BING S
69-50150

WELLINGTON, MARY E
69-50198

WROLSON, JEFFREY E
69-05859

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SNOQUALMIE TRIBE

BEERMAN, ANDREW D
69-50175

PALMER, PATRICK D
69-50138

STEMPKOWSKI, NATHTIDA A
69-50126

ZHANG, HUI M
69-50176

SPOKANE TRIBE

BUFFALO, KEANU W
69-50168

COMMUNAL, CRAIG S
69-50127

DAVIS, CODY M
69-50195

JALBERT, AMY C
69-50054

MARCEAU, VICTORIA G
69-50162

SMITH, GEORGIA L
69-39917

TOMEIO, ANANIAPUM K
69-50169

TREVINO, DAMIEN K
69-50055

WILLIAMS, BRIANNA E
69-50128

SQUAXIN ISLAND TRIBE

ADAMS, JUSTIN M
69-50219

ALEXANDER, LUCIA G
69-18319

BELL, ANTHONY A
69-50118

CHRISTENSEN, CARLA
69-50187

COX, MONICA M
69-50252

FISK, MELINDA G
69-50161

GLENN, THERESA S
69-41541

GUERRERO, SEAN L
69-50242

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SQUAXIN ISLAND TRIBE

GUSKE, ASHLEY N
69-50108

MARTIN, SOPHIE L
69-50096

MATTO, RAJDEV K
69-49978

MCKENZIE, MARCUS J
69-50229

MILLER, SHAUNNA D
69-31892

REYES, JASON A
69-50218

STEARNS, CARMEN M
69-50084

WEBB, AUSTIN M
69-50155

YOUNG, KARIN R
69-18465

STILLAGUAMISH TRIBE

BRYAN, DAKOTA K
69-43739

DEAN, BRIANNA D
69-50250

DELGADO, VANNESSA R
69-50251

HOWARD, DEEGAN B
69-50145

HUETT, CAROLYN E
69-50144

MOSES, MEGHANN L
69-50233

OTTER, HENRY D III
69-50146

VIGUERIE, MORGAN D
69-50183

WILLIAMS, JESSE H
69-50232

SUQUAMISH TRIBE

ARMSTRONG, MICHAEL J
69-18645

BEAVER, CHRISTOPHER P JR
69-50237

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SUQUAMISH TRIBE

CLARKE, CAMERON E
69-50147

CROW, HAILEY R
69-50210

DE GOUVEIA, AGOSTINHO H
69-50154

MCINTYRE, JAYNA R
69-17794

VARONA, KENDRICK P
69-50268

VERZOSA, ARTHUR
69-23545

SWINOMISH INDIAN TRIBAL COMMUNITY

BILLY, JACOB K
69-50112

SKILBECK, ZACHARY T
69-50209

SWORTZ, JOHN J
69-04155

THE TULALIP TRIBES

HAYES, STEPHANE L
69-38320

HENRY, KALEY L
69-46568

MOSES, AUDENE R
69-50136

PINGREE, MAILE B
69-50134

SPENCER-DAVIS, DAUNTE S
69-50133

VEGA-SIMPSON, YESSENIA L
69-50139

YOUNG, CRISTINA M
69-36654

ZACKUSE, JANA K
69-50132

UPPER SKAGIT INDIAN TRIBE

FARLOW, BRADLEY K
69-50066

GAHAN, RICHARD G
69-50099

HANSON, MICHELLE R
69-50220

HOWELL, CODY L
69-50121

DATE: 05/24/2021

Page 18 of 18

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

UPPER SKAGIT INDIAN TRIBE

KIMBLE, DANIEL J JR
69-50156



**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

June 3, 2021

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

FROM: Brian Considine, Legal and Legislative Manager
Legal and Records Division

**SUBJECT: In Re Matter of 2010 Toyota Tundra – Case No. 2018-00771
Petition for Review
June 11, 2021 Commission Meeting**

Commission Staff, through Assistant Attorney General Chad Standifer, filed a Petition for Review of the Administrative Law Judge’s Initial Order granting Claimant Francisco Cuevas-Suarez’s Summary Judgment Motion and finding that the Commission improperly seized to forfeit a 2010 Toyota Tundra.

Copies of the Administrative Law Judge’s Initial Order, Commission Staff’s Petition for Review, and Claimant’s Response to Commission Staff’s Petition for Review are in your Commission meeting packet. For reference, the administrative case record, including any audio recordings, was provided to you electronically on May 24, 2021 for your review and consideration of the record prior to our June 11, 2021 public meeting.

Lastly, Commission Staff requested, and received, a continuance to file their Petition for Review. Chair Sizemore’s order granting the continuance is included in the packet attached to this memo.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

BEFORE THE WASHINGTON STATE GAMBLING COMMISSION

In the Matter of:

2010 Toyota Tundra WA license
B89545L
WVIN 5TFDYF11AX122611

Defendant in Rem,

FRANCISCO CUEVAS-SUAREZ

Claimant.

AGENCY NO. 2018-00669
OAH DOCKET NO. 07-2018-GMB-
00063

ORDER GRANTING EXTENSION
OF TIME

On February 17, 2021, an Administrative Law Judge at the Office of Administrative Hearings (OAH) issued the Initial Order in this matter. A petition for review of an initial order must be filed with the Gambling Commission within 20 days of the date of service of the initial order per WAC 230-17-090. The deadline to file a petition for review in this matter is March 9, 2021.

On March 8, 2021, Commission staff requested a 15-day extension of time to file a Petition for Review. The motion is based on the need for additional time as Commission staff have not received the agency record from OAH. Commission staff requests the additional time to obtain and review the agency record so that it may fully brief the issues in the Initial Order.

As of the time this Order was issued, Claimant Cuevas-Suarez did not file a response to the motion for extension.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

A continuance may be granted for good cause shown. WAC 230-17-135. The agency record is necessary for both parties to fully brief the issues as required in WAC 230-17-090. Therefore there is good cause for a continuance.

Therefore, the Commission staff's Motion for Extension is GRANTED. The Commission's staff's Petition for Review is due **March 24, 2021**. Claimaint Cuevas-Suarez's Reply is due **April 23, 2021**.

DATED this 9th day of March, 2021.



BUD SIZEMORE – CHAIR

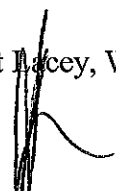
1 **CERTIFICATE OF SERVICE**

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

4 CHARLES R STEINBERG
5 STEINBERG LAW FIRM, P.S.
6 323 NORTH MILLER STREET
7 WENATCHEE, WA 98801

8 CHAD C. STANDIFER
9 JENNIFER HERNANDEZ
10 OFFICE OF THE ATTORNEY GENERAL
11 PO BOX 40100
12 OLYMPIA, WA 98504-0100

13 EXECUTED this 17 day of March, 2021, at Lacey, Washington.

14 
15 _____
16 Ashlie Laydon
17 Rules Coordinator
18
19
20
21
22
23
24
25
26

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

BEFORE THE WASHINGTON STATE GAMBLING COMMISSION

In the Matter of:

GMB No. 2018-00771

2010 Toyota Tundra WA license
B89545L
VIN 5TFDYF11AX122611

OAH No. 07-2018-GMB-00063

**GAMBLING COMMISSION STAFF'S
PETITION FOR REVIEW**

Defendant in Rem,

FRANCISCO CUEVAS-SUAREZ

Claimant.

I. INTRODUCTION

Gambling Commission Staff (Commission Staff) submits this Petition for Review of the Administrative Law Judge's Initial Order Granting Appellant's Motion for Summary Judgment (Initial Order). Commission staff properly exercised their authority under the Gambling Act when they served a forfeiture notice on a truck belonging to claimant Francisco Cuevas-Suarez (Cuevas-Suarez). Cuevas-Suarez pled guilty to professional gambling second degree and money laundering. His guilty plea was the culmination of a three and a half year investigation regarding the claimant conducting illegal sports wagering from his business, including accepting sixty-two sports wagers from undercover special agents. Evidence of the claimant's illegal sports wagering operation and criminal convictions are sufficient to uphold a forfeiture of the claimant's 2010 Toyota Tundra (Tundra) because it was used to facilitate his illegal sports wagering operation.

1 The administrative law judge erred by disregarding the Gambling Act’s forfeiture standard, and
2 instead finding that a forfeiture is proper only where personal property is “solely” devoted to
3 illegal gambling activity. Commission Staff therefore respectfully requests that the Commission
4 reject the unsupported legal conclusions made in the Initial Order, and find that the Tundra
5 should be forfeited.

6 **II. PROCEDURAL HISTORY**

7 Following its investigation of illegal gambling activity in the Wenatchee area,
8 Commission Staff seized Cuevas-Suarez’s 2010 Toyota Tundra on April 26, 2018. Mr. Cuevas-
9 Suarez submitted a claim for the vehicle, and the matter was referred to the Office of
10 Administrative Hearings for a hearing. The matter was continued several times due to a separate
11 but related criminal matter involving Cuevas-Suarez in Chelan County Superior Court.
12 Following Cuevas-Suarez’s guilty plea in that matter, Commission Staff moved for summary
13 judgment in this matter on September 14, 2020, as no material facts were in dispute. Cuevas-
14 Suarez filed a response to the motion for summary judgment on October 9, 2020, and
15 Commission Staff filed a reply in support of its motion on October 29, 2020. Oral argument was
16 held on the motion on December 22, 2020. On February 17, 2021, an Initial Order was issued
17 by Administrative Law Judge TJ Martin, reversing the seizure of the vehicle.

18 **III. ISSUE**

19 Should the Commission reverse the Initial Order and affirm the forfeiture of the Tundra,
20 where the evidence, including admissions made by Cuevas-Suarez, demonstrates the vehicle was
21 used to facilitate Cuevas-Suarez’s illegal sports wagering operation?

22 **IV. SUMMARY OF FACTS**

23 In September 2014, an investigation was initiated by Commission Staff to determine
24 whether illicit betting activity on Mexican (LIGA-MX) soccer matches was occurring in the
25 greater Wenatchee area. During Commission Staff’s investigation, Joe G. Torres (Torres) was
26 identified as a primary facilitator of the operation, in which individuals would place weekly illicit

1 bets on the LIGA-MX soccer matches, pick up weekly betting sheets listing all the participants
2 and their selections for that weeks' matches, and obtain payouts if they were a weekly winner.
3 Declaration (Decl.) of Special Agent Egon Dezihan, Ex. 1 at 9.¹ During the operation of this
4 illegal betting organization, Torres directed the actions of others, including Cuevas-Suarez. *Id.*
5 Torres withheld a significant amount of the money wagered each week as his fee or "Vig." *Id.*
6 Commission Staff's investigation took several years, involved the execution of dozens of search
7 warrants, the analysis of extensive financial records, numerous physical surveillances, and
8 utilized an undercover officer and an undercover agent to engage in numerous interactions with
9 individuals in the organization running the illicit betting operation. *Id.*

10 Cuevas-Suarez was the owner and operator of Futbol-Era soccer store, located at 6 South
11 Mission Street, Wenatchee, Washington. Decl. of Dezihan, Ex. 1 at 10; Decl. of AAG Jennifer
12 Hernandez, Ex. 4 at 1. During the investigation, the Futbol-Era soccer store was a known location
13 where individuals could place weekly illicit bets on the LIGA-MX soccer matches, pick up
14 weekly betting sheets listing selections for weekly matches, and obtain payout if they were a
15 weekly winner. Decl. of Dezihan, Ex. 1 at 10.

16 From September 16, 2014 through April 25, 2018, activity related to illicit betting on the
17 LIGA-MX soccer matches occurred at the Futbol-Era soccer store on at least 62 separate
18 occasions. Decl. of Dezihan, Ex. 1 at 10. On the majority of those 62 occasions, an undercover
19 officer and/or undercover agent entered the Futbol-Era soccer store and placed illicit bets and/or
20 picked up weekly betting sheets from Cuevas-Suarez, his spouse Mireya Gutierrez, other known
21 family members, or other unknown individuals hired by Cuevas-Suarez to operate the store in
22 his absence. *Id.*

23 Cuevas-Suarez is the owner of a 2010 Toyota Tundra, having purchased it in 2010. Decl.
24 of Hernandez, Ex. 3 at 66. Cuevas-Suarez drove either the Tundra or another vehicle to the

25 ¹ Citations in the Summary of Facts are made to both the Declaration of Special Agent Egon Dezihan and
26 accompanying exhibits, and to the Declaration of Assistant Attorney General (AAG) Jennifer Hernandez, and
accompanying exhibits, filed in this matter in conjunction with the Commission Staff's Motion for Summary Judgment.

1 Futbol-Era soccer store during the relevant time period. *Id.*, Ex. 1 at 66; Ex. 4 at 1-2. During
2 Commission Staff's investigation of this matter, Special Agent Dezihan observed the Tundra in
3 front of the store on at numerous occasions, including November 20, 2014, July 13, 2015,
4 September 24, 2015, October 12, 2015, November 24, 2015, September 30, 2016, November 10,
5 2016, November 18, 2016, November 22, 2016, January 20, 2017, March 13, 2017, April 28,
6 2017, May 31, 2017, September 5, 2017, September 20, 2017, October 19, 2017, October 25,
7 2017, October 27, 2017, November 14, 2017, November 21, 2017, February 13, 2018,
8 February 22, 2018, and February 23, 2018. Decl. of Dezihan, Ex. 1 at 17, 21, 23, 25, 27, 34- 37,
9 42, 48, 53, 54, 57-61, 63, 65, 66.

10 Acting in an undercover capacity, Special Agent Dezihan obtained betting sheets and
11 placed bets on the LIGA-MX soccer matches at the Futbol-Era Store through Cuevas-Suarez and
12 others. While the Tundra was parked at the Futbol-Era Store, Special Agent Dezihan either
13 received a betting sheet or placed a bet with Cuevas-Suarez on November 24, 2015,
14 September 30, 2016, November 18, 2016, January 20, 2017, March 13, 2017, April 28, 2017,
15 September 5, 2017, September 20, 2017, October 19, 2017, October 25, 2017, October 27, 2017,
16 November 14, 2017, November 21, 2017, February 13, 2018, and February 23, 2018. Decl. of
17 Dezihan, Ex. 1 at 27, 34, 36-37, 42, 48, 53, 5761, 63, 64, 66. During discovery in this matter,
18 Cuevas-Suarez admitted to having accepted bets on days that he drove the Tundra to the Futbol-
19 Era Store. Decl. of Hernandez, Ex. 4 at 3, Decl. of Hernandez Ex. 3 225-228. On January 12,
20 2017, Special Agent Dezihan was told by Cuevas-Suarez that he had won a bet, but that Cuevas-
21 Suarez didn't have the cash to pay him his winnings because it was at home. Decl. of Dezihan,
22 Ex. 1 at 39.

23 Cuevas-Suarez admitted to having participated in the illegal soccer gambling ring by
24 allowing bets to be placed at his store, and to having received free bets in exchange from
25 Joe Torres. Decl. of Hernandez, Ex. 1 at 10, Ex. 3 at 79-83, 131-32; Ex. 4 at 2. During discovery
26 in this matter, Cuevas-Suarez clarified that he accepted 30-80 bets in the \$10.00 price range per

1 week, between 5-10 \$25.00 bets per week, and on occasion a \$100.00 bet. Decl. of Hernandez,
2 Ex. 4 at 2. He also clarified that he would use the Futbol-Era cash register to make change for
3 the bets placed at his store. *Id.* at 3.

4 Cuevas-Suarez admitted to obtaining free bets from Torres as compensation for using the
5 Futbol-Era store to receive bets. Decl. of Dezihan, Ex. 1 at 206. He also stated that he accepted
6 bets to bring business into his store, as he wanted his business to grow and hoped individuals
7 placing bets would also purchase at least one item from the store. Decl. of Dezihan, Ex. 1 at 207;
8 Decl. of Hernandez, Ex. 3 at 80-81. Cuevas-Suarez initially indicated that he received 1 to 6 free
9 bets per week from Torres as compensation during the soccer season. Decl. of Hernandez, Ex. 4
10 at 2. Cuevas-Suarez later clarified he would receive one \$10 bet for every twenty bets placed,
11 and one \$25 bet for every twenty or twenty-five \$25 bets placed at his store. *Id.*, Ex. 3 at 131-32.
12 Torres confirmed Cuevas-Suarez's receipt of free bets during his own deposition. *Id.*, Ex. 5 at
13 78-79.

14 Commission Staff seized the Tundra on April 26, 2018. Decl. of Dezihan, Ex. 1 at 207.
15 Special Agent Dezihan obtained a report regarding the Tundra's approximate value from the
16 National Automobile Dealers Association (NADA). *Id.*, Ex. 2. The NADA report estimated the
17 value of the Tundra, as of May 11, 2018, as between \$17,150 and \$22,975. *Id.*

18 On March 4, 2020, Torres pled guilty to three counts of Professional Gambling in the
19 First Degree and three counts of Money Laundering, and a felony judgment and sentence was
20 entered in Chelan County Superior Court. Decl. of Hernandez, Ex. 6, Ex. 7. On May 20, 2020,
21 Cuevas-Suarez pled guilty to one felony count of Professional Gambling in the Second Degree
22 and one felony count of Money Laundering, for the time period of September 1, 2014, to
23 April 30, 2018, and a judgment and sentence was entered in Chelan County Superior Court.
24 Decl. of Hernandez, Ex. 1. Ex. 2. Cuevas-Suarez made the following statement as part of his
25 guilty plea:
26

1 I participated in the Mexican Soccer Liga gambling transactions, including selling
2 some of them out of my store location. I did it to help boost jersey sales. I also made
change and paid off a ticket using a bank account from the store.

3 Decl. of Hernandez, Ex. 1 at 10. Cuevas-Suarez clarified during his deposition that his reference
4 to “ticket” in his guilty plea related to a payment to Special Agent Dezihan for a winning bet
5 placed by Special Agent Dezihan during the undercover operation, using a check Cuevas-Suarez
6 drew from his store bank account. *Id.*, Ex. 3 at 222-224.

7 V. ARGUMENT

8 A. A Vehicle May Be Forfeited When Used “In Any Manner” To Facilitate Illegal Gambling

9 1. The Commission should apply the plain language of the statute in affirming 10 the forfeiture of the vehicle.

11 Commission Staff seek to forfeit the Tundra, as authorized by RCW 9.46.231(1). The
12 forfeiture of the Tundra is consistent with the statutory authority granted to the Commission by
13 the Legislature. RCW 9.46.231(1) provides that personal property is subject to seizure and
14 forfeiture, including:

15 (c) **All conveyances, including aircraft, vehicles, or vessels, that are used, or**
16 **intended for use, in any manner to facilitate** the sale, delivery, receipt, or
17 operation of any gambling device, or **the promotion or operation of a**
professional gambling activity . . . (Emphasis added).

18 Consequently, when someone operates an illegal gambling scheme, they forfeits “all” vehicles
19 used, “in any manner,” in furtherance of that scheme. RCW 9.46.231(1)(c). By involving his
20 vehicle in criminal activity over a four-year time period, Cuevas-Suarez put the vehicle in legal
21 jeopardy of being forfeited.

22 Cuevas-Suarez’s professional gambling activity occurred at his soccer store from
23 September 1, 2014, to April 30, 2018. During that extended time period, Cuevas-Suarez admitted
24 to regularly driving the Tundra to the store. By doing so, Cuevas-Suarez used the Tundra in a
25 manner that facilitated the promotion or operation of gambling activity, pursuant to
26 RCW 9.46.231(1)(c). That Initial Order, however, concluded that a vehicle may only be forfeited

1 where it is used “solely” for the purpose of promoting illegal gambling activity. That conclusion
2 misinterprets the statute, and is wrong.

3 ALJ Martin’s decision found that the vehicle was not used to transport persons “solely”
4 for the purpose of perpetuating illegal gambling. Initial Order, Conclusion of Law 5.13. The
5 word “solely,” however, is not found in RCW 9.46.231(1)(c). That statute does not restrict
6 forfeitures to circumstances where a vehicle is *exclusively* devoted to illegal gambling activity.
7 By inserting the word “solely,” ALJ Martin misconstrued RCW 9.46.231(1)(c), improperly
8 substituting a higher standard in place of the one set forth in statute.

9 The interpretation of the statute put forth by the Initial Order should be reversed by this
10 Commission, as contrary to the plain language and purpose of the Gambling Act’s forfeiture
11 provisions. RCW 9.46.231(1)(c) does not require that a vehicle be purchased for, or devoted
12 entirely to, illegal gambling, as implied by the Initial Order. Indeed, if that were the case, few (if
13 any) vehicles used in some manner to facilitate illegal gambling could ever be forfeited, as most
14 vehicles are used in multiple ways by their owners. The statute requires only that a vehicle was
15 used in *some* manner to facilitate illegal gambling. Here, the Tundra was used by Cuevas-Suarez
16 to facilitate the promotion and operation of professional gambling activity, as he admitted.

17 In reversing the Initial Order, the Commission should apply the plain language of
18 RCW 9.46.231(1)(c). “We may discern the plain meaning of nontechnical statutory terms from
19 their dictionary definitions.” *State v. Kintz*, 169 Wn.2d 537, 547, 238 P.3d 470 (2010). Merriam-
20 Webster defines “facilitate” to mean “to make easier” or “to help bring about”. *See*
21 <https://www.merriam-webster.com/dictionary/facilitate> (last visited on February 25, 2021).
22 Cuevas-Suarez drove the Tundra to a location where he promoted illegal gambling activity on a
23 regular basis, including on days when bets were placed through him and his family. Decl. of
24 Dezihan, Ex. 1 at 27, 34, 37, 42, 48, 53, 57-61, 63, 66. Applying the plain meaning of the statute,
25 the use of the Tundra facilitated—or put differently, made easier or helped bring about—gambling
26 activity.

1 The misguided interpretation put forth in the Initial Order also fundamentally disregards
2 the purposes of the Gambling Act. The purpose of the Gambling Act is to limit “the nature and
3 scope of gambling activities . . . by strict regulation and control.” RCW 9.46.010. “All factors
4 incident to the activities authorized in this chapter shall be closely controlled, and the provisions
5 of this chapter shall be liberally construed to achieve such end.” RCW 9.46.010. To enable the
6 Commission to accomplish these purposes, the Gambling Act grants the agency broad statutory
7 authority. *See ZDI Gambling, Inc. v. State ex rel. Washington State Gambling Com’n*, 151 Wn.
8 App. 788, 808-09, 214 P.3d 938 (2009). Included in that broad authority is the ability to forfeit
9 a wide variety of gambling devices, conveyances, books, records, materials, moneys, and
10 tangible, intangible, and real property used in furtherance of illegal gambling, or acquired in
11 whole or in part with proceeds traceable to illegal gambling. *See* RCW 9.46.231. “[N]o property
12 rights” exist in such items. RCW 9.46.231(1). The forfeiture of the Tundra is consistent with
13 these purposes set forth in the Gambling Act.

14 **2. The Commission should disregard facts not relevant to a forfeiture analysis.**

15 Cuevas-Suarez admitted to all material facts supporting the forfeiture of his vehicle.
16 Nevertheless, he contends the forfeiture should be denied, relying on facts that have no relevance
17 to this proceeding. This Commission should disregard those facts as not applicable to
18 determining whether a forfeiture is proper under RCW 9.46.231(1)(c).

19 Cuevas-Suarez argued below that his vehicle was not an “actual” instrument used directly
20 in gambling activity, in the same manner as, for example, a betting slip is. The statute does not,
21 however, require that a piece of personal property be so integrated in the day-to-day operations
22 of the gambling enterprise.² Rather, where someone participates in an illegal gambling scheme,
23 he or she forfeits property used “in any manner” in furtherance of that scheme.
24 RCW 9.46.231(1)(c).

25 ² It nevertheless appears likely that the Tundra *was* used to transport gambling proceeds, given the
26 admission by Cuevas-Suarez he kept cash related to the illegal gambling scheme at his home. Decl. of Dezihan,
Ex. 1 at 39.

1 Cuevas-Suarez also contends the forfeiture of his Tundra is overly harsh. He points to
2 his limited income, and to a purported decline in his soccer store business due to the current
3 economic climate. The Legislature, however, has not charged the Commission with analyzing
4 these factors when determining whether a forfeiture is proper. Cuevas-Suarez made the choice
5 to put his vehicle in jeopardy when he regularly drove it to a location where he operated an illegal
6 gambling scheme. Indeed, Cuevas-Suarez intertwined the legitimate and illegitimate portions of
7 his business from the outset of the gambling scheme, as Cuevas-Suarez began his participation
8 in the scheme to promote merchandise sales at his store. Decl. of Hernandez, Ex. 1 at 10. Cuevas-
9 Suarez now faces the consequences of that decision, and his belated attempt to shield his vehicle
10 from forfeiture by pointing to his current financial situation should be disregarded.

11 In summary, Cuevas-Suarez's regular use of the Tundra to drive to a location where he
12 conducted an illegal professional gambling operation, easily satisfies the statutory standard of a
13 vehicle being used "in any manner" in furtherance of such activity. Commission Staff met their
14 burden of demonstrating that the vehicle is subject to forfeiture, pursuant to RCW 9.46.231(1)(c).
15 The Initial Order, which grafts upon forfeiture proceedings a burden of proof found nowhere in
16 the statute, should be reversed.

17 **B. Modifications Should Be Made to the Initial Order**

18 Based on the foregoing reasons, and as explained further below, Commission Staff
19 respectfully requests the following changes to the Initial Order:

20 Commission Staff requests that the Commission **strike Finding of Fact 4.25**. Relying
21 on a self-serving, unsupported, declaration from Cuevas-Suarez, the Initial Order assumes that
22 the forfeiture of the Tundra has created a hardship on Cuevas-Suarez. The Initial Order also
23 states that *other* vehicles belonging to Cuevas-Suarez were not forfeited without any explanation
24 as to why that fact is significant to this matter. Cuevas-Suarez's potentially stressed financial
25 situation is simply not relevant. Also not relevant is whether other vehicles belonging to Cuevas-
26 Suarez could have been forfeited. Any such findings should be stricken from the decision.

1 Commission Staff requests that the Commission **strike Finding of Fact 4.26** and related
2 **Conclusion of Law 5.13**. These aspects of the decision note a lack of evidence regarding betting
3 slips and proceeds from illegal gambling being transported in the Tundra. Commission Staff did
4 not allege such facts, which are not relevant to this particular forfeiture. Therefore, any lack of
5 evidence relating to these facts is not germane to the outcome.

6 Commission Staff requests that the Commission **strike** the following conclusions of law:
7 **Conclusions of Law 5.9, 5.10, and 5.12**. These conclusions of law rely on a number of facts
8 irrelevant to this proceeding, including the use of the vehicle prior to 2014, whether Cuevas-
9 Suarez used the vehicle for other purposes besides in furtherance of illegal gambling, and
10 whether the vehicle was purchased with gambling proceeds or with an intent to use the vehicle
11 for an illegal purpose. Each of these conclusions of law rely on facts not alleged by Commission
12 Staff and that are not germane to the outcome, and should be stricken from the decision.

13 Finally, Commission Staff requests that the Commission make the following
14 **modifications** to the **Conclusions of Law 5.8, 5.14, and 5.15**:

15 5.8 ~~The Gambling Commission Staff contends the Appellant used the 2010~~
16 ~~Toyota Tundra in furtherance of gambling activity, in particular, to transport~~
~~himself to and from his business, where he took illegal bets.~~

17 5.14 Based on these facts, the Gambling Commission Staff has ~~failed to~~
18 ~~established~~ the Appellant, Francisco Cuevas-Suarez, used his 2010 Toyota Tundra
19 as an instrument to facilitate the promotion or operation of professional gambling
20 activity, consistent with RCW 9.46.231(1)(c).

21 5.15 The Gambling Commission Staff's 'Notice of Seizure and Intended
22 Forfeiture,' dated April 26, 2018, is **REVERSED AFFIRMED**.

23 ///

24 ///


25 ///

1 **VI. CONCLUSION**

2 For the above stated reasons, Commission Staff respectfully requests that the
3 Commission reject the Administrative Law Judge’s incorrect legal decision and instead affirm
4 the forfeiture of the 2010 Toyota Tundra, including making the modifications to the Initial Order
5 described above.

6 DATED this 24th day of March, 2021.

7 **ROBERT W. FERGUSON**
8 Attorney General

9 
10 _____
11 **CHAD C. STANDIFER, WSBA #29724**
12 **JENNIFER HERNANDEZ, WSBA #36131**
13 Assistant Attorneys General
14 Attorneys for Washington State
15 Gambling Commission Staff
16
17
18
19
20
21
22
23
24
25
26

1 **DECLARATION OF SERVICE**

2 I certify that I arranged for service a true and correct copy of this document for delivery
3 on all parties or their counsel of record on the date below as follows:

4 CHARLES R. STEINBERG
5 STEINBERG LAW FIRM, P.S.
6 323 NORTH MILLER STREET
7 WENATCHEE, WA 98801

Copy via electronic mail per eService
Agreement: charles@ncwlaw.com;
trey@ncwlaw.com;
subreena@ncwlaw.com

ABC/Legal Messenger

8 I declare under penalty of perjury under the laws of the state of Washington that the
9 foregoing is true and correct.

10 DATED this 24th day of March, 2021, at Olympia, Washington.

11 
12 _____
13 MARLENA MULKINS
14 Legal Assistant

BEFORE THE WASHINGTON STATE GAMBLING COMMISSON

IN RE:

2010 Toyota Tundra WA License No.
B89545L / VIN Number
5tFDYF11AX122611
Defendant in Rem

GMB No. 2018-00771

OAH Docket No. 07-2018-GMB=00063

REPLY TO PETITION FOR REVIEW

FRANCISCO CUEVAS-SUAREZ,
Owner of the Vehicle and Claimant.
Defendant(s)

Comes now FRANCISCO CUEVAS-SUAREZ and replies to the GAMBLING
COMMISSION's Staff Petition for review.

Mr. Cuevas-Suarez respectfully requests the Commission affirm the Order of the
Washington State Office of Administrative Hearings, which reversed the Gambling
Commission's Initial Notice of Seizure and Intended Forfeiture, the effect of which returns the
2010 Toyota Tundra, purchased in 2009 with insurance settlement proceeds and income from
Francisco's business back to Francisco Cuevas-Suarez.

The decision must be upheld because the Gambling Commission Staff has no proof Mr.
Cuevas Suarez used the Toyota Tundra to transport gambling proceeds, gambling tickets, or
anything related to gambling. The Toyota Tundra was used to transport Mr. Francisco Suarez to
and from work, and for family purposes.

REPLY TO PETITION FOR REVIEW 1

The Steinberg Law Firm
Charles R. Steinberg
323 N Miller Street
Wenatchee, WA 98801
(509) 662-3202 Phone
(509) 662-5221 Fax

1 The Gambling Commission Staff identified Joe Torres (Torres) as the primary person
2 taking weekly illegal bets on the LIA-MX soccer matches. *Dec. of Dezihan: Pg. 2.*

3 Torres directed the action of others, including the Appellant, Francisco Cuevas-Suarez,
4 to take illegal bets. *Dec. of Dezihan: Pg. 2.*

5 Francisco Cuevas owns and operates the Futbol-Era soccer store, located in Wenatchee,
6 Washington. *Dec. of Dezihan: Pg. 2.*

7 From September 16, 2014 to April 25, 2018, the Appellant [Francisco Cuevas-Suarez], his
8 spouse and other store employees, took illegal bets on LIGA-MX soccer matches at his Futbol-
9 Era soccer store, on at least 62 occasions, turning the bets over to Torres. *Dec of Dezihan: Pg. 2.*

10 ***Undisputed Facts regarding the Seizure of the Appellant's 2010 Toyota Tundra.***

11 On December 19, 2009, Francisco Cuevas Suarez purchased a 2010 Toyota Tundra. The
12 vehicle was purchased from an insurance settlement and income from the Appellant's business.

13 *Declaration of Francisco Cuevas-Suarez in Opposition to Summary Judgment (Dec. Cuevas-*
14 *Suarez): Pg. 1-2; Lines 23-6 and Exhibit A.* He used the 2010 Toyota Tundra for 'his personal
15 family use, and to drive it to work and back. He and his wife, and their two minor children live
16 in Wenatchee, and having a four wheel drive vehicle is necessary for the winters in this
17 climate.' *Dec. of Cuevas- Suarez: Pg. 2; Line12-14.* During the period of illegal gambling
18 activity, the Appellant either drove the Toyota Tundra or another family vehicle to and from his
19 residence to his soccer store. *Dec. of Dezihan: Pg. 2 and Ex. 1.* During the Gambling
20 Commission Staff's investigation, Gambling Commission agents observed the Appellant's
21 Toyota Tundra at his soccer store at least 23 times. *Dec. of Dezihan: Pg. 2 and Ex. 1.*

1 During the Gambling Commission Staff's investigation, Gambling agents were able to place
2 illegal bets, at least 14 times, at the [Cuevas'] soccer store. *Dec. of Dezihan: Pg. 3 and Ex. 1.*

3 On April 26, 2018, the Washington State Gambling Commission seized Francisco Cuevas-
4 Suarez's 2010 Toyota Tundra. *Dec. of Cuevas-Suarez: Pg. 1; Line 19-21 and Dec. of Dezihan:*
5 *Pg. 3 and Ex. 1.* As of May 11, 2018, the Appellant's Toyota Tundra was valued between
6 \$17,150 and \$22,975. *Dec. of Dezihan: Pg. 3 and Ex. 2.* Mr. Cuevas has two, other vehicles, a
7 2007 Toyota Camry and a 2001 Dodge van. Both vehicles have excessive mileage and neither
8 have four-wheel drive. *Dec. of Cuevas-Suarez: Pg. 3: Line 5-8.*

9 Seizure of the 2010 Toyota Tundra has created a 'hardship on [Cuevas's] family' due to
10 economic conditions stemming from COVID-19. *Dec. of Cuevas-Suarez: Pg. 2-3; Line 15-4.*

11 Cuevas and his family will likely fall below the 2020 Federal Poverty Level guidelines for a
12 family of four, due to the Appellant's limited income due to COVID-19 and its resulting
13 economic downturn to his soccer store business. *Dec. of Cuevas-Suarez: Pg. 3; Line 17-22.* On
14 May 21, 2018, Cuevas-Suarez submitted a claim to the Washington State Gambling
15 Commission for return of his Toyota Tundra. On May 20, 2020, the Cuevas plead guilty to one
16 felony count of Professional Gambling in the Second Degree and one felony count of Money
17 Laundering for his actions between September 1, 2014 and April 30, 2018. He was sentenced in
18 Chelan County Superior Court to an \$800.00 fine and 20 days of confinement on each count,
19 which could be served concurrent, via work crew. *Dec. of Cuevas- Suarez: Pg. 3-4; Line 23-2*
20 *and attached 'Exhibit B' and Dec. of Hernandez: Exs. 1 & 2.*

22 In his guilty plea statement, the Appellant acknowledged:
23
24

1 “I participated in the Mexican Soccer Liga gambling transaction, including selling some of them
2 out of my store location. I did it to help boost jersey sales. I also made change and paid off a
3 ticket using a bank account from the store.”

4 *Dec. of Hernandez: Ex. 1.*

5 Further, the Cuevas provided, ‘I made a big mistake in telling them I would sell tickets for the
6 Mexican Liga Soccer matches, and I will pay for that the rest of my life’. *Dec. of Cuevas-*
7 *Suarez: Pg. 4; Line 3-4.*

8 The Office of Administrative Hearings further found that:

9 The Gambling Commission Staff seized the Appellant’s 2010 Toyota Tundra, but did not seize
10 either of the Appellant’s two other vehicles he used to drive to and from his residence to his
11 soccer store.

12 Aside from driving his Toyota Tundra to and from his residence to his soccer store, no evidence
13 exists in the record demonstrating the Appellant ever used the vehicle to transport betting slips,
14 money received from the illegal gambling activity or to transport people as a part of the illegal
15 gambling activity. Record of Decision, paragraph 4.26.

16 Based on the foregoing, and a plain reading of RCW 9.46.231(1)(c), the decision should be
17 affirmed, and the 2010 Tundra should be immediately returned to this family.

18
19 RCW 9.46.231 ‘Gambling devices, real and personal property- Seizure and forfeiture’
20 (1)(c) establishes:

21 (1) The following are subject to seizure and forfeiture and no property right exists in
22 them:...

23 (c) All conveyances, including aircraft, **vehicles**, or vessels, that are **used, or intended for use,**
24 **in any manner to facilitate** the sale, delivery, receipt, or operation of any gambling device, or
25 **the promotion or operation of a professional gambling activity...(Emphasis Added).**

1 The Gambling Commission Staff contends the Appellant used the 2010 Toyota Tundra in
2 furtherance of gambling activity. Namely, to transport himself to and from his business, where
3 illegal bets were taken.

4 However, the record supports that Cuevas-Suarez drove the Toyota Tundra to and from
5 his residence to his business prior to 2014, when the gambling activity began. He purchased the
6 vehicle for family and personal uses in 2009 with proceeds of an insurance settlement and his
7 business income. Id. He continued to use the vehicle in the same manner afterward.

8 No evidence exists in the record that CUEVAS SUAREZ used the vehicle outside the scope of
9 driving to and from his residence to his place of business.

10 The vehicle was a vehicle used to transport the owner. It was not the actual instrumentality used
11 in the crime, like the betting slips.” *App’s Response: Page 11; Lines 3-6.*

12 No evidence in the record the vehicle was purchased with gambling proceeds or purchased with
13 the intent to use the vehicle as a part of illegal gambling activities. Francisco Cuevas Suarez
14 purchased the vehicle in 2010, four years before such illegal gambling activities commenced.

15 Again, No evidence in the record to show the Appellant used the Toyota Tundra to transport
16 and/or carry betting slips, gambling proceeds or to transport persons solely for the purposes of
17 perpetuating illegal gambling activity.

18 Applying the plain language of the statute, the vehicle should be returned to the family.

19
20
21 Additionally, in order to preserve our arguments, The Washington State Legislature has
22 not amended the statute to keep current in constitutional jurisprudence. In the case of *Timbs vs.*
23 *Indiana*, the Supreme Court of the United States reversed a forfeiture of a Land Rover Sport

24 Utility Vehicle that was used to transport heroin when it was purchased with proceeds of an

1 insurance policy. The U S Supreme court held that the excessive fines clause of the US
2 Constitution invalidated the forfeiture of the Land Rover, given the cruel and unusual
3 punishments/excessive fine, which was incorporated into the 14th amendment, and made
4 applicable to the States in *Timbs vs. Indiana* 139 S. Ct. 682, (2019), and we also believe it
5 violates the Washington State Constitution prohibition on Excessive Fines at Section 14.

6 In the *Timbs* case, Id., Mr. Timbs pleaded guilty to dealing in a controlled substance and
7 conspiracy to commit theft. The trial court sentenced him to one year of home detention, and
8 five years probation. He was also required to pay fees and costs totaling \$1,203.00. At the time
9 of his arrest, the state of Indiana also seized his Land Rover SUV, which he had purchased with
10 monies from an insurance policy. The vehicle was valued at about \$42,000.00. The state of
11 Indiana brought a forfeiture proceeding, in rem, charging that the vehicle had been used to
12 transport heroin. Mr. Timbs argued that it violated the excessive fines clause of the Eighth
13 Amendment to the United States Constitution, and it was applicable to the States by the
14 Fourteenth Amendment.

15 Justice Ruth Bader-Ginsburg, writing for the Court held that: “Like the Eighth
16 Amendment’s proscriptions of “cruel and unusual punishment” and “[e]xcessive bail,” the
17 protection against excessive fines guards against abuses of government’s punitive or criminal-
18 law-enforcement authority. This safeguard, we hold, is “fundamental to our scheme of ordered
19 liberty,” with “dee[p] root[s] in [our] history and tradition.” *McDonald v. Chicago*, 561 U. S.
20 742, 767, 130 S. Ct. 3020, 177 L. Ed. 2d 894 (2010)(internal quotation marks omitted; emphasis
21 deleted). The Excessive Fines Clause is therefore incorporated by the Due Process Clause of the
22 Fourteenth Amendment.

1 In Justice Thomas' concurrence, Timbs Id. at pages 691-698, he states the purpose of the
2 Excessive Fines Clause, and its history:

3 The Excessive Fines Clause "was taken verbatim from the English Bill of Rights of
4 1689," United States v. Bajakajian, 524 U. S. 321, 335, 118 S. Ct. 2028, 141 L. Ed. 2d 314
5 (1998), which itself formalized a longstanding English prohibition on disproportionate fines.

6 The Charter of Liberties of Henry I, issued in 1101, stated that "[i]f any of my barons or men
7 shall have committed an offence he shall not give security to the extent of forfeiture of him
8 money, as he did in the time of my father, or of my brother, but *according to the measure of the*
9 *offence so shall he pay . . .*" Sources of English Legal and Constitutional History ¶8, p. 50 (M.
10 Evans & R. Jack eds. 1984) (emphasis added). Expanding this principle, Magna Carta required
11 that "amercedments (the medieval predecessors of fines) should be proportioned to the offense
12 and that they should not deprive a wrongdoer of his livelihood," Bajakajian, supra, at 335, 118
13 S. Ct. 2028, 141 L. Ed. 2d 314:

14 "A free man shall be amerced for a small fault only according to the measure thereof, and for a
15 great crime according to its magnitude, saving his position; and in like manner, a merchant
16 saving his trade, and a villein saving his tillage, if they should fall under Our mercy." Magna
17 Carta, ch. 20 (1215), in A. Howard, Magna Carta: Text & Commentary 42 (rev. ed. 1998).
18 Similar clauses levying amercedments "only in proportion to the measure of the offense" applied
19 to earls, barons, and clergymen. Chs. 21-22, *ibid*. One historian posits that, due to the
20 prevalence of amercedments and their use in increasing the English treasury, "[v]ery likely there
21 was no clause in Magna Carta more grateful to the mass of the people than that about
22 amercedments." Pleas of the Crown for the County of Gloucester xxxiv (F. Maitland ed. 1884).
23 The principle was reiterated in the First Statute of Westminster, which provided that no man
24 should "be amerced, without reasonable cause, and according to the quantity of his Trespass." 3
25 Edw. I, ch. 6 (1275). The English courts have long enforced this principle. In one early case, for

1 example, the King commanded the bailiff “to take a moderate amercement proper to the
2 magnitude and manner of th[e] offense, according to the tenour of the Great Charter of the
3 Liberties of England,” and the bailiff was sued for extorting “a heavier ransom.” *Le*
4 *Gras v. Bailiff of Bishop of Winchester*, Y. B. Mich. 10 Edw. II, pl. 4 (1316), reprinted in 52
5 Selden Society 3, 5 (1934); see also *Richard Godfrey’s Case*, 11 Co. Rep. 42a, 44a, 77 Eng.
6 Rep. 1199, 1202 (1615) (excessive fines are “against law”).

7 ...
8 “Freedom from excessive fines” was considered “indisputably an ancient right of the subject,”
9 and the Declaration of Rights’ indictment against James II “charged that during his reign judges
10 had imposed excessive fines, thereby subverting the laws and liberties of the kingdom.”

11 Schwoerer. 90.

12 Article 10 of the Declaration declared “[t]hat excessive Bayle ought not [*695] to be
13 required nor excessive fynes imposed nor cruel and unusuall Punishments inflicted.” *Id.*, at 297.
14 Shortly after the English Bill of Rights was enacted, Parliament addressed several excessive
15 fines imposed before the Glorious Revolution. For example, the House of Lords overturned a
16 £30,000 fine against the Earl of Devonshire as “excessive and exorbitant, against Magna Charta,
17 the common right of the subject, and against the law of the land.” *Case of Earl of Devonshire*,
18 11 State Trials 1354, 1372 (K. B. 1687). Although the House of Lords refused to reverse the
19 judgments against Titus Oates, a minority argued that his punishments were “contrary to Law
20 and ancient Practice” and violated the prohibition on “excessive Fines.” *Harmelin v. Michigan*,
21 501 U. S. 957, 971, 111 S. Ct. 2680, 115 L. Ed. 2d 836 (1991); *Trial of Oates*, 10 State Trials
22 1080, 1325 (K. B. 1685). The House of Commons passed a bill to overturn Oates’s conviction,
23 and eventually, after a request from Parliament, the King pardoned Oates. *Id.*, at 1329-1330.

1 Writing a few years before our Constitution was adopted, Blackstone—“whose works
2 constituted the preeminent authority on English law for the founding
3 generation,” Alden v. Maine, 527 U. S. 706, 715, 119 S. Ct. 2240, 144 L. Ed. 2d 636 (1999)—
4 explained that the prohibition on excessive fines contained in the English Bill of Rights “had a
5 retrospect to some unprecedented proceedings in the court of king’s bench.” 4 W. Blackstone,
6 Commentaries 372 (1769). Blackstone confirmed that this prohibition was “only declaratory . . .
7 of the old constitutional law of the land,” which had long “regulated” the “discretion” of the
8 courts in imposing fines. *Ibid.*

9 In sum, at the time of the founding, the prohibition on excessive fines was a longstanding right
10 of Englishmen.

11 B

12 “As English subjects, the colonists considered themselves to be vested with the same
13 fundamental rights as other Englishmen,” McDonald, 561 U. S., at 816, 130 S. Ct. 3020, 177 L.
14 Ed. 2d 894 (opinion of Thomas, J.), including the prohibition on excessive fines. *E.g.*, J.

15 Dummer, A Defence of the New-England Charters 16-17 (1721) (“The Subjects Abroad claim
16 the Privilege of *Magna Charta*, which says that no Man shall be fin’d above the Nature of his
17 Offence, and whatever his Miscarriage be, a *Salvo Contentamento suo* is to be observ’d by the
18 Judge”). Thus, the text of the Eighth Amendment was ““based directly on . . . the Virginia

19 Declaration of Rights,’ which ‘adopted verbatim the language of the English Bill of
20 Rights.’” Browning-Ferris Industries of Vt., Inc. v. Kelco Disposal, Inc., 492 U. S. 257, 266,
21 109 S. Ct. 2909, 106 L. Ed. 2d 219 (1989) (quoting Solem v. Helm, 463 U. S. 277, 285, n. 10,
22 103 S. Ct. 3001, 77 L. Ed. 2d 637 (1983)); see Jones v. Commonwealth, 5 Va. 555, 557

23 (1799) (opinion of Carrington, J.) (explaining that the clause in the Virginia Declaration of

24
25
REPLY TO PETITION FOR REVIEW 9

The Steinberg Law Firm
Charles R. Steinberg
323 N Miller Street
Wenatchee, WA 98801
(509) 662-3202 Phone
(509) 662-5221 Fax

1 Rights embodied the traditional legal understanding that any “fine or amercement ought to be
2 according to the degree of the fault and the estate of the defendant”).

3 When the States were considering whether to ratify the Constitution, advocates for a
4 separate bill of rights emphasized the need for an explicit prohibition on excessive fines
5 mirroring the English prohibition. In colonial times, fines were “the drudge-horse of criminal
6 justice,” “probably the most common form of punishment.” L. Friedman, *Crime and*
7 *Punishment in American History* 38 (1993). To some, this fact made a constitutional prohibition
8 on excessive fines all the more important. As the well-known Anti-Federalist Brutus argued in
9 an essay, a prohibition on excessive fines was essential to “the security of liberty” and was “as
10 necessary under the general government as under that of the individual states; for the power of
11 the former is as complete to the purpose of requiring bail, imposing fines, inflicting
12 punishments, . . . and seizing . . . property . . . as the other.” Brutus II (Nov. 1, 1787), in *The*
13 *Complete Bill of Rights* 621 (N. Cogan ed. 1997).

14 Similarly, during Virginia’s ratifying convention, Patrick Henry pointed to Virginia’s
15 own prohibition on excessive fines and said that it would “depart from the genius of your
16 country” for the Federal Constitution to omit a similar prohibition. *Debate on Virginia*
17 *Convention* (June 14, 1788), in *3 Debates on the Federal Constitution* 447 (J. Elliot 2d ed.
18 1854). Henry continued: “[W]hen we come to punishments, no latitude ought to be left, nor
19 dependence put on the virtue of representatives” to “define punishments without this
20 control.” *Ibid.*

22 Governor Edmund Randolph responded to Henry, arguing that Virginia’s charter was “nothing
23 more than an investiture, in the hands of the Virginia citizens, of those rights which belonged to

1 British subjects.” *Id.*, at 466. According to Randolph, “the exclusion of excessive bail and fines .
2 . . . would follow of itself without a bill of rights,” for such fines would never be imposed absent
3 “corruption in the House of Representatives, Senate, and President,” or judges acting “contrary
4 to justice.” *Id.*, at 467-468.

5 For all the debate about whether an explicit prohibition on excessive fines was necessary in the
6 Federal Constitution, all agreed that the prohibition on excessive fines was a well-established
7 and fundamental right of citizenship. When the Excessive Fines Clause was eventually
8 considered by Congress, [***29] it received hardly any discussion before “it was agreed to by a
9 considerable majority.” 1 Annals of Cong. 754 (1789). And when the Bill of Rights was ratified,
10 most of the States had a prohibition on excessive fines in their constitutions.

11 Early commentary on the Clause confirms the widespread agreement about the fundamental
12 nature of the prohibition on excessive fines. Justice Story, writing a few decades before the
13 ratification of the Fourteenth Amendment, explained that the Eighth Amendment was “adopted,
14 as an admonition to all departments of the national government, to warn them against such
15 violent proceedings [**27] , as had taken place in England in the arbitrary reigns of some of the
16 Stuarts,” when “[e]normous fines and amercements were . . . sometimes imposed.” 3 J. Story,
17 Commentaries on the Constitution of the United States §1896, pp. 750-751 (1833). Story
18 included the prohibition on excessive fines as a right, along with the “right to bear arms” and
19 others protected by the Bill of Rights, that “operates, as a qualification upon powers, actually
20 granted by the people to the government”; without such a “restrict[ion],” the government’s
21 “exercise or [**697] abuse” of its power could be “dangerous to the people.” *Id.*, §1858, at 718-
22 719.
23

1 Chancellor Kent likewise described [***30] the Eighth Amendment as part of the “right of
2 personal security . . . guarded by provisions which have been transcribed into the constitutions
3 in this country from *magna carta*, and other fundamental acts of the English Parliament.” 2 J.
4 Kent, *Commentaries on American Law* 9 (1827). He understood the Eighth Amendment to
5 “guard against abuse and oppression,” and emphasized that “the constitutions of almost every
6 state in the Unio[n] contain the same declarations in substance, and nearly in the same
7 language.” *Ibid.* Accordingly, “they must be regarded as fundamental doctrines in every state,
8 for all the colonies were parties to the national declaration of rights in 1774, in which the . . .
9 rights and liberties of English subjects were peremptorily claimed as their undoubted inheritance
10 and birthright.” *Ibid.*; accord, W. Rawle, *A View of the Constitution of the United States of*
11 *America* 125 (1825) (describing the prohibition on excessive fines as “founded on the plainest
12 principles of justice”).

13 C

14 The prohibition on excessive fines remained fundamental at the time of the Fourteenth
15 Amendment. In 1868, 35 of 37 state constitutions “expressly prohibited excessive fines.” *Ante.*
16 at _____, 203 L. Ed. 2d, at 18. Nonetheless, as the Court notes, abuses of fines
17 continued, [***31] especially through the Black Codes adopted in several States. *Ante.*, at _____ -
18 _____, 203 L. Ed. 2d, at 17-18. The “centerpiece” of the Codes was their “attempt to stabilize the
19 black work force and limit its economic options apart from plantation labor.” E. Foner,
20 *Reconstruction: America’s Unfinished Revolution 1863-1877*, p. 199 (1988). Under the Codes,
21 “the state would enforce labor agreements and plantation discipline, punish those who refused to
22 contract, and prevent whites from competing among themselves for black workers.” *Ibid.* The
23

1 Codes also included “antienticement” measures punishing anyone offering higher wages to an
2 employee already under contract.” *Id.*, at 200.

3 The 39th Congress focused on these abuses during its debates over the Fourteenth Amendment,
4 the Civil Rights Act of 1866, and the Freedmen’s Bureau Act. During those well-publicized
5 debates, Members of Congress consistently highlighted and lamented the “severe penalties”
6 inflicted by the Black Codes and similar measures, Cong. Globe, 39th Cong., 1st Sess., 474
7 (1866) (Sen. Trumbull), suggesting that the prohibition on excessive fines was understood to be
8 a basic right of citizenship.

9 For example, under Mississippi law, adult “freedmen, free negroes and mulattoes” “without
10 lawful employment” faced \$50 in fines and 10 days’ imprisonment for vagrancy. Reports of
11 Assistant Commissioners of Freedmen, and Synopsis of Laws on Persons of Color in Late Slave
12 States, S. Exec. Doc. No. 6, 39th Cong., 2d Sess., §2, p. 192 (1867). Those convicted had five
13 days to pay or they would be arrested and leased to “any person who will, for the shortest period
14 of service, pay said fine and forfeiture and all costs.” §5, *ibid.* Members of Congress criticized
15 such laws “for selling [black] men into slavery in punishment of crimes of the slightest
16 magnitude.” Cong. Globe, 39th Cong., 1st Sess., 1123 (1866) (Rep. Cook); see *id.*, at 1124 (“It
17 is idle to say these men will be protected by the States”).
18

19 Similar examples abound. One congressman noted that Alabama’s “aristocratic and anti-
20 republican laws, almost reenacting slavery, among other harsh inflictions impose . . . a fine of
21 fifty dollars and six months’ imprisonment on any servant or laborer (white or black) who
22 loiters away his time or is stubborn or refractory.” *Id.*, at 1621 (Rep. Myers). He also noted that
23 Florida punished vagrants with “a fine not exceeding \$500 and imprison[ment] for a term not
24

1 exceeding twelve months, or by being sold for a term not exceeding twelve months, at the
2 discretion of the court.” *Ibid.* At the time, such fines would have been ruinous for laborers.
3 Cf. *id.*, at 443 (Sen. Howe) (“A thousand dollars! That sells a negro for his life”).
4 These and other examples of excessive fines from the historical record informed the Nation’s
5 consideration of the Fourteenth Amendment. Even those opposed to civil-rights legislation
6 understood the Privileges or Immunities Clause to guarantee those “fundamental principles”
7 “fixed” by the Constitution, including “immunity from . . . excessive fines.” 2 Cong. Rec. 384-
8 385 (1874) (Rep. Mills); see also *id.*, at App. 241 (Sen. Norwood). And every post-1855 state
9 constitution banned excessive fines. S. Calabresi & S. Agudo, Individual Rights Under State
10 Constitutions When the Fourteenth Amendment Was Ratified in 1868, 87 Texas L. Rev. 7, 82
11 (2008). The attention given to abusive fines at the time of the Fourteenth Amendment, along
12 with the ubiquity of state excessive-fines provisions, demonstrates that the public continued to
13 understand the prohibition on excessive fines to be a fundamental right of American citizenship.
14 The right against excessive fines traces its lineage back in English law nearly a millennium, and
15 from the founding of our country, it has been consistently recognized as a core right worthy of
16 constitutional [***34] protection. As a constitutionally enumerated right understood to be a
17 privilege of American citizenship, the Eighth Amendment’s prohibition on excessive fines
18 applies in full to the States. Justice Thomas Concurring, *Timbs vs. Indiana*, 139, S.Ct. at 691-
19 698.
20

21 This family is barely above poverty level. See Declaration of Francisco Cuevas. As a
22 result of an undercover investigation by the State of Washington Gambling Commission,
23 Francisco Cuevas plead guilty to the crimes of Professional Gambling Second Degree, and
24 Money Laundering. He was sentenced by the Chelan County Court to pay \$500.00 as a Victim

1 Assessment, and costs and fees in the amount of \$300.00 for a total monetary obligation of
2 \$800.00. He was also sentenced to 20 days confinement on each count, which would be served
3 concurrently, and could be served on work release. The Gambling Commission is trying to
4 forfeit the family's only 4 wheel drive vehicle. Per statute, at RCW 9.46.231(b)(8) the property
5 forfeited is to be used exclusively by government for expansion of their enforcement activity.
6 (8) The seizing law enforcement agency shall retain forfeited property and net proceeds
7 exclusively for the expansion and improvement of gambling-related law enforcement activity.
8 Money retained under this section may not be used to supplant preexisting funding sources.

9 The vehicle was not the actual instrumentality used in the crime, like the betting slips.
10 The Washington State Statute of a blanket seizure of any instrumentality violates the Excessive
11 Punishments Clause, especially as applied to the Suarez's Toyota Tundra. The Tundra has a
12 family transportation purpose which is necessary in Wenatchee, Washington winters.

13 In the case of *City of Seattle vs Long* 13Wn App 2d 709 (2020) The court stated the Eighth
14 Amendment to the United States Constitution provides, "Excessive bail shall not be required,
15 nor excessive fines imposed, nor cruel and unusual punishments inflicted." The amendment's
16 purpose, apart from the bail clause, is to limit the government's power to punish. Austin v.
17 United States, 509 U.S. 602, 609, 113 S. Ct. 2801, 125 L. Ed. 2d 488 (1993). The Fourteenth
18 Amendment's due process clause makes the Eighth Amendment's excessive fines clause
19 applicable to the states. Timbs v. Indiana, _____ U.S. _____, 139 S. Ct. 682, 687, 203 L. Ed. 2d 11
20 (2019). When determining how the Eighth Amendment affects a specific civil in rem forfeiture,
21 courts address two questions: "(1) Does the forfeiture constitute punishment, and (2) if so, is
22 that punishment excessive?" Tellevik v. Real Property Known as 6717 100th Street S.W., 83
23 Wn. App. 366, 372, 921 P.2d 1088 (1996). The party challenging the constitutionality of a
24 forfeiture bears the burden of demonstrating an Eighth Amendment violation

1 in. United States v. Jose, 499 F.3d 105, 108 (1st Cir. 2007). In evaluating excessiveness, “[t]he
2 touchstone of the constitutional inquiry under the Excessive Fines Clause is the principle of
3 proportionality: The amount of the forfeiture must bear some relationship [***25] to the gravity
4 of the offense that it is designed to punish.” United States v. Bajakajian, 524 U.S. 321, 334, 118
5 S. Ct. 2028, 141 L. Ed. 2d 314 (1998). Thus, a punitive forfeiture violates the Eighth
6 Amendment if it is “grossly disproportional to the gravity of a defendant's offense.” Bajakajian,
7 524 U.S. at 334.

8 If the [*731] value of the fine or forfeiture is within the range prescribed by the legislative
9 body, a strong presumption exists that a forfeiture is constitutional. United States v. Seher, 562
10 F.3d 1344, 1371 (1st Cir. 2009).

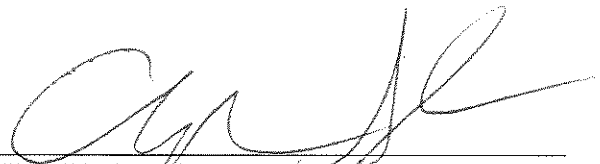
11 Applying those standards to these facts, given that the Sentencing Court only sentenced Mr.
12 Suarez to \$800.00 in fines and 20 days of confinement for each count, to serve concurrently, and
13 could be served on work release, we submit that forfeiting their 2010 Tundra is an excessive
14 fine and punishment, and prohibited by the State and Federal Constitutions. We request, like in
15 Magna Carta of 1215, to fall upon your mercy, and affirm the decision below.

16 “A free man shall be amerced for a small fault only according to the measure thereof, and for a
17 great crime according to its magnitude, saving his position; and in like manner, a merchant
18 saving his trade, and a villein saving his tillage, if they should fall under Our mercy.” Magna
19 Carta, ch. 20 (1215), in A. Howard, Magna Carta: Text & Commentary 42 (rev. ed. 1998).”

20 Dated this __23rd__ Day of April, 2021.
21
22
23
24

25 REPLY TO PETITION FOR REVIEW 16

The Steinberg Law Firm
Charles R. Steinberg
323 N Miller Street
Wenatchee, WA 98801
(509) 662-3202 Phone
(509) 662-5221 Fax



CHARLES R. STEINBERG, WSBA No. 23980
Attorney for FRANCISCO CUEVAS-SUAREZ

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

REPLY TO PETITION FOR REVIEW 17

The Steinberg Law Firm
Charles R. Steinberg
323 N Miller Street
Wenatchee, WA 98801
(509) 662-3202 Phone
(509) 662-5221 Fax

**WASHINGTON STATE
OFFICE OF ADMINISTRATIVE HEARINGS**

In the matter of:

Francisco Cuevas-Suarez,

Appellant.

Docket No. 07-2018-GMB-00063

INITIAL ORDER

Agency: Washington State Gambling
Commission
Agency No. 2018-00771

Language Access Notice

English

This document has important information about your hearing. If you do not appear or take other action, you could lose important rights. Please call 1-800-845-8830 if you need help understanding this document.

Spanish

Este documento contiene información importante sobre su audiencia. Si usted no se presenta o no toma otra acción, usted podría perder derechos importantes. Por favor llame al 1-800-845-8830 si usted necesita ayuda para entender este documento.

1. ISSUES:

1.1. Whether the Gambling Commission is authorized to seize and forfeit the 2010 Toyota Tundra, owned by Francisco Cuevas-Suarez, based on Revised Code of Washington (RCW) 9.46.231?

2. ORDER SUMMARY:

2.1. Francisco Cuevas-Suarez did not use his 2010 Toyota Tundra as an instrument to facilitate the promotion or operation of professional gambling activity, in violation of RCW 9.46.231. The Gambling Commission Staff's 'Notice of Seizure and Intended Forfeiture', dated April 26, 2018, is **REVERSED**.

3. EVIDENTIARY HEARING:

- 3.1. Hearing Date: December 22, 2020
- 3.2. Admin. Law Judge: TJ Martin
- 3.3. Appellant: Francisco Cuevas-Suarez (Appellant)
- 3.3.1. Representative: Charles R. Steinberg, Attorney
- 3.3.2. Witnesses: Appellant did not call any witnesses

- 3.4. Agency: Washington State Gambling Commission Staff
(Gambling Commission Staff)
- 3.4.1. Representatives: Jennifer Hernandez, Assistant Attorney General
And Chad Standifer, Assistant Attorney General
- 3.4.2. Witnesses: Gambling Commission Staff did not call any witnesses.
- 3.5. Exhibits: Documents 1 through 10, submitted as a part of
'Commission Staff's Motion for Summary Judgment' and
'Appellant's 'Memorandum of Law in Opposition
to Summary Judgment'.

4. FINDINGS OF FACT:

The following facts are found by a 'preponderance of the evidence':

Jurisdiction-

- 4.1. On April 26, 2018, the Washington State Washington State Gambling Commission Staff (Gambling Commission Staff), seized from Francisco J. Cuevas-Suarez, a 2010 Toyota Tundra, via a 'Notice of Seizure and Intended Forfeiture'.
- 4.2. On May 21, 2018, the Appellant, Francisco J. Cuevas-Suarez, filed a claim, seeking the return of his 2010 Toyota Tundra.

Illegal Gambling Activity-

- 4.3. No dispute of fact exists in the present case.
- 4.4. In September 2014, the Washington State Gambling Commission Staff (Gambling Commission Staff) began an investigation regarding illegal betting activity on Mexican (LIA-MX) soccer matches in the Wenatchee, Washington area. *Declaration of Special Agent Egon Dezihan in Support of Commission Staff's Motion for Summary Judgment (Dec. of Dezihan): Page (Pg.) 1 and Exhibit (Ex.) 1.*
- 4.5. The Gambling Commission Staff identified Joe Torres (Torres) as the primary person taking weekly illegal bets on the LIA-MX soccer matches. *Dec. of Dezihan: Pg. 2.*
- 4.6. Torres directed the action of others, including the Appellant, Francisco Cuevas-Suarez, to take illegal bets. *Dec. of Dezihan: Pg. 2.*
- 4.7. The Appellant owns and operates the Futbol-Era soccer store, located in Wenatchee, Washington. *Dec. of Dezihan: Pg. 2.*
- 4.8. From September 16, 2014 to April 25, 2018, the Appellant, his spouse and other store employees, took illegal bets on LIGA-MX soccer matches at his Futbol-Era soccer store, on at least 62 occasions, turning the bets over to Torres. *Dec of Dezihan: Pg. 2.*

Undisputed Facts regarding the Seizure of the Appellant's 2010 Toyota Tundra-

- 4.9. On December 19, 2009, the Appellant purchased a 2010 Toyota Tundra. The vehicle was purchased from an insurance settlement and income from the Appellant's business. *Declaration of Francisco Cuevas-Suarez in Opposition to Summary Judgment (Dec. Cuevas-Suarez): Pg. 1-2; Lines 23-6 and Exhibit A.*
- 4.10. The Appellant intended the vehicle for 'my personal family use, and to drive it to work and back. My wife and I, and our two minor children live in Wenatchee, and having a four wheel drive vehicle is necessary for the winters in our climate.' *Dec. of Cuevas-Suarez: Pg. 2; Line12-14.*
- 4.11. During the period of illegal gambling activity, the Appellant either drove the Toyota Tundra or another family vehicle to and from his residence to his soccer store. *Dec. of Dezihan: Pg. 2 and Ex. 1.*
- 4.12. During the Gambling Commission Staff's investigation, Gambling Commission agents observed the Appellant's Toyota Tundra at his soccer store at least 23 times. *Dec. of Dezihan: Pg. 2 and Ex. 1.*
- 4.13. During the Gambling Commission Staff's investigation, Gambling agents were able to place illegal bets, at least 14 times, at the Appellant's soccer store. *Dec. of Dezihan: Pg. 3 and Ex. 1.*
- 4.14. The Appellant was able to place numerous frees bets from Torres in exchange for use of the store as a location where illegal gambling bets could be made. *Dec. of Dezihan: Pg. 3 and Ex. 1.*
- 4.15. On April 26, 2018, the Washington State Gambling Commission seized Francisco Cuevas-Suarez's 2010 Toyota Tundra. *Dec. of Cuevas-Suarez: Pg. 1; Line 19-21 and Dec. of Dezihan: Pg. 3 and Ex. 1.*
- 4.16. As of May 11, 2018, the Appellant's Toyota Tundra was valued between \$17,150 and \$22,975. *Dec. of Dezihan: Pg. 3 and Ex. 2.*
- 4.17. The Appellant has two, other vehicles, a 2007 Toyota Camry and a 2001 Dodge van. Both vehicles have excessive mileage and neither have four-wheel drive. *Dec. of Cuevas-Suarez: Pg. 3: Line 5-8.*
- 4.18. Seizure of the Appellant's 2010 Toyota Tundra has created a 'hardship on my family' due to economic conditions stemming from COVID-19. *Dec. of Cuevas-Suarez: Pg. 2-3; Line 15-4.*
- 4.19. The Appellant and his family will likely fall below the 2020 Federal Poverty Level guidelines for a family of four, due to the Appellant's limited income due to COVID-19 and its resulting economic downturn to his soccer store business. *Dec. of Cuevas-Suarez: Pg. 3; Line 17-22.*

- 4.20. On May 21, 2018, Cuevas-Suarez submitted a claim to the Washington State Gambling Commission for return of his Toyota Tundra.
- 4.21. On May 20, 2020, the Appellant plead guilty to one felony count of Professional Gambling in the Second Degree and one felony count of Money Laundering for his actions between September 1, 2014 and April 30, 2018. He was sentenced in Chelan County Superior Court to an \$800.00 fine and 20 days of confinement on each count, which could be served concurrent, via work crew. *Dec. of Cuevas-Suarez: Pg. 3-4; Line 23-2 and attached 'Exhibit B' and Dec. of Hernandez: Exs. 1 & 2.*
- 4.22. In his guilty plea statement, the Appellant acknowledged:
- I participated in the Mexican Soccer Liga gambling transaction, including selling some of them out of my store location. I did it to help boost jersey sales. I also made change and paid off a ticket using a bank account from the store.
- Dec. of Hernandez: Ex. 1.*
- 4.23. Further, the Appellant provided, 'I made a big mistake in telling them I would sell tickets for the Mexican Liga Soccer matches, and I will pay for that the rest of my life'. *Dec. of Cuevas-Suarez: Pg. 4; Line 3-4.*
- 4.24. On September 1, 2020, the Commission Staff and Appellant Ramon Gutierrez, reached a 'Settlement Agreement' (Settlement). The Settlement resolved all issues of the present appeal, with the exception of the seizure of the Appellant's 2010 Toyota Tundra.
- 4.25. The Gambling Commission Staff seized the Appellant's 2010 Toyota Tundra, but not seize either of the Appellant's two other vehicles he used to drive to and from his residence to his soccer store.
- 4.26. Aside from driving his Toyota Tundra to and from his residence to his soccer store, no evidence exists in the record demonstrating the Appellant ever used the vehicle to transport betting slips, money received from the illegal gambling activity or to transport people as a part of the illegal gambling activity.

[Continued]

5. CONCLUSIONS OF LAW:

Based upon the facts above, the undersigned administrative law judge makes the following conclusions:

Jurisdiction-

5.1. The Office of Administrative Hearings (OAH) has jurisdiction over the persons and subject matter of this case under Revised Code of Washington (RCW) 9.46.140(2)&(4), Washington Administrative Code (WAC) 230-17-025 and Chapters 34.05 and 34.12 RCW.

Appellant's Constitutional Arguments-

5.2. Appellant contends forfeiture of the 2010 Toyota Tundra constitutes an excessive fine which would violate the Eighth Amendment and prohibited by Washington State Constitution Article 1, Section 14.

5.3. An administrative court lacks jurisdiction to decide Constitutional questions. *Bare v. Gorton*, 84 Wn.2d 380 (1974), *Prisk v. City of Poulsbo*, 46 Wn.App. 793 (1987).

5.4. An administrative tribunal is without expressed authority to determine the constitutionality of a statute or the implementation and/or enforcement of that statute and/or regulation. *Yakima County Clean Air Authority v. Glascam Builders, Inc.*, 85 Wn.2d 255, 257, 534 P.2d 33 (1975).

5.5. As a result, this administrative tribunal does not have the expressed authority to determine the constitutionality of whether the Gambling Commission Staff's seizure and forfeiture of the Appellant's 2010 Toyota Tundra constitutes an 'excessive penalty'. Only Article III courts hold such jurisdiction to decide such a Constitutional issue.

2010 Toyota Tundra-

5.6. No dispute of material fact exists in the present case. Rather, the present matter involves an issue of law. Namely, whether the Appellant's 2010 Toyota Tundra, seized by the Gambling Commission Staff, is an 'instrument' used to facilitate professional gambling, as defined by RCW 9.46.231(1)(c).

[Continued]

5.7. RCW 9.46.231 'Gambling devices, real and personal property- Seizure and forfeiture' (1)(c) establishes:

(1) The following are subject to seizure and forfeiture and no property right exists in them:...

(c) All conveyances, including aircraft, **vehicles**, or vessels, that are **used, or intended for use, in any manner to facilitate** the sale, delivery, receipt, or operation of any gambling device, or **the promotion or operation of a professional gambling activity... (Emphasis Added).**

5.8. The Gambling Commission Staff contends the Appellant used the 2010 Toyota Tundra in furtherance of gambling activity, in particular, to transport himself to and from his business, where he took illegal bets.

5.9. However, the record supports the Appellant drove the Toyota Tundra to and from his residence to his business prior to 2014, before the illegal gambling activity began. The Appellant continued to use the vehicle in the same manner after.

5.10. No evidence exists in the record the Appellant used his vehicle outside the scope of driving to and from his residence to his place of business.

5.11. Appellant argues, in its 'Response', "Further, while we agree that the vehicle was an instrumentality used in the gambling, it was just that, a vehicle used to transport the owner. It was not the actual instrumentality used in the crime, like the betting slips." *App's Response: Page 11; Lines 3-6.*

5.12. No evidence in the record the vehicle was purchased with gambling proceeds or purchased with the intent to use the vehicle as a part of illegal gambling activities. The Appellant purchased the vehicle in 2010, four years before such illegal gambling activities commenced.

5.13. No evidence in the record establishes the Appellant used the Toyota Tundra to transport and/or carry betting slips, gambling proceeds or to transport persons solely for the purposes of perpetuating illegal gambling activity.

5.14. Based on these facts, the Gambling Commission Staff has failed to establish the Appellant, Francisco Cuevas-Suarez, used his 2010 Toyota Tundra as an instrument to facilitate the promotion or operation of professional gambling activity, consistent with RCW 9.46.231(1)(c).

5.15. The Gambling Commission Staff's 'Notice of Seizure and Intended Forfeiture', dated April 26, 2018, is **REVERSED**.

[Continued]

6. INITIAL ORDER:

THS ADMINISTRATIVE TRIBUNAL ORDERS;

6.1. Francisco Cuevas-Suarez did not use his 2010 Toyota Tundra as an instrument to facilitate the promotion or operation of professional gambling activity, in violation of RCW 9.46.231. The Gambling Commission Staff's 'Notice of Seizure and Intended Forfeiture', dated April 26, 2018, is **REVERSED**.

Issued from Tacoma, Washington on the date of mailing.



TJ Martin
Administrative Law Judge
Office of Administrative Hearings

CERTIFICATE OF SERVICE ATTACHED

PETITION FOR REVIEW

Any party to this proceeding may file a Petition for Review of this initial order. The written petition for review must be mailed to the Washington State Gambling Commission at:

Washington State Gambling Commission
PO Box 42400
Olympia, WA 98504

The petition for review must be received by the Commission within twenty (20) days from the date this initial order was mailed to the parties. A copy of the petition for review must be sent to all parties of record. The petition for review must specify the portions of the initial order with which the party disagrees, and must refer to the evidence in the record which supports the party's position. The other party's reply must be received at the address above, and served on all parties of record, within thirty (30) days from the date the petition for review was mailed.

Any party may file a cross appeal. Parties must file cross appeals with the Washington State Gambling Commission within ten days of the date the petition for review was filed with the Washington State Gambling Commission. Copies of the petition or cross appeal must be served on all other parties or their representatives at the time the petition or appeal is filed.

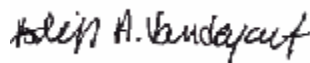
CERTIFICATE OF SERVICE FOR OAH DOCKET NO. 07-2018-GMB-00063

I certify that true copies of this document were served from Tacoma, Washington via Consolidated Mail Services upon the following as indicated:

Francisco Cuevas-Suarez 2126 Citation Loop Wenatchee, WA 98801 Appellant	<input checked="" type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Campus Mail <input type="checkbox"/> E-mail
Charles R. Steinberg, Attorney Steinberg Law Firm, P.S. 323 North Miller Street Wenatchee, WA 98801 Appellant Representative	<input checked="" type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Campus Mail <input checked="" type="checkbox"/> E-mail: charles@ncwlaw.com trey@ncwlaw.com subreena@ncwlaw.com
Jennifer Hernandez, AAG Office of The Attorney General MS: 40100 PO Box 40100 Olympia, WA 98504-0100 Agency Representative	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Campus Mail <input checked="" type="checkbox"/> E-mail Jennifer.Hernandez@atg.wa.gov GCEEF@atg.wa.gov jordan.nimon@atg.wa.gov
Ashlie Laydon Gambling Commission MS: 42400 PO Box 42400 Olympia, WA 98504-2400 Agency Contact	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Campus Mail <input checked="" type="checkbox"/> E-mail ashlie.laydon@wsgc.wa.gov legal@wsgc.wa.gov

Date: Wednesday, February 17, 2021

OFFICE OF ADMINISTRATIVE HEARINGS



Ashleigh Vandeyacht
 Legal Assistant 2



STATE OF WASHINGTON
GAMBLING COMMISSION

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

June 11, 2021

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

FROM: Adam Teal, Staff Attorney
Legal and Records Division

SUBJECT: Martin Siergiey, CR 2021-00309
Final Order – June 11, 2021 Commission Meeting

Martin Siergiey has a gambling certification authorizing Class III Employee activity for the Stillaguamish Tribe of Indians. His certification expires on June 11, 2021.

A WSGC Special Agent began an investigation into Class III certification holder Martin Siergiey upon being notified by Stillaguamish Tribal Gaming Agency (STGA) that Siergiey was facing pending criminal charges. As part of the investigation, the Agent requested certified copies of the pleadings for Siergiey's case, Whatcom County Superior Court Case No. 21-1-00191-37. The Declaration for Probably Cause for the case showed that Siergiey is being charged with two crimes: Attempted Murder in the First Degree and Drive by Shooting. According to that document, Siergiey drove to the victim's home and accused the victim of raping Siergiey's wife; Siergiey then began shooting at the victim, hitting the victim in the thigh with a bullet. On February 26, 2021 the STGA provided the WSGC with a Personnel Termination Notice for Siergiey.

Former Director Trujillo issued Siergiey a Notice of Administrative Charges on March 29, 2021, by regular and certified mail to his last known address on file. Pursuant to WAC 230-17-010, a response was required to be received by the Commission by April 21, 2021. To date, the Commission has received no communication from Siergiey.

Martin Siergiey's failure to respond to the charges or timely request a hearing is a waiver of Siergiey's right to a hearing in Case No. CR 2021-00309. You may take final action against his gambling certification. Siergiey is currently being charged with two separate crimes involving physical harm to individuals, and thus poses a threat to the effective regulation of gambling, per RCW 9.46.075(1) and (9), WAC 230-03-085(9), and V.C.(1) of the Stillaguamish Tribal-State Gaming Compact. Based on his conduct, Siergiey cannot show by clear and convincing evidence that he is qualified to keep his gambling certification. Therefore, staff recommends that the Commission sign the proposed final order and revoke Martin Siergiey's Class III Employee certification, Number 69-23072.

1
2
3
4
5
6
**STATE OF WASHINGTON
GAMBLING COMMISSION**

7 In the Matter of:

NO. CR 2021-00309

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
MARTIN D SIERGIEY,
License No. 69-23072,

FINAL ORDER OF THE
GAMBLING COMMISSION

Class III Employee.

This matter having come before the Washington State Gambling Commission (Commission) on June 11, 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 Martin Siergiey gambling certification No. 69-23072 authorizing Class III Employee activity for the Stillaguamish Indian Tribe.

2. This certification, which expires on June 11, 2021, was issued subject to Siergiey's compliance with state gambling laws, Commission rules, and the Stillaguamish Tribal-State Gaming Compact.

3. Siergiey has held this certification since 2007.

4. A WSGC Special Agent was assigned to investigate Class III Certification holder Martin Siergiey's criminal history after being notified by the Stillaguamish Tribal Gaming Agency (STGA) about a pending criminal charge against Siergiey. As part of her investigation, the Agent requested certified copies of the pleadings in Siergiey's case.

1 5. The Agent began reviewing the certified copies of the pleadings for Whatcom
2 County Superior Court case number 21-1-00191-37 upon receipt. The Information for the case
3 outlined that on February 22, 2021, Siergiey was charged with two crimes: Attempted Murder
4 in the First Degree, a class A felony, and Drive By Shooting, a class B felony.

5 6. The Declaration of Probable Cause outlines that on February 19, 2021, the victim
6 of the crime was standing outside of his residence when Siergiey drove up to him. Siergiey
7 rolled down his window and accused the victim of raping his wife in November; Siergiey then
8 began firing a gun at him from his vehicle.

9 7. The victim tried to flee from Siergiey, eventually entering a neighbor's home.
10 When at the neighbor's home, the victim realized that he had been shot in his upper right thigh.
11 Later, when he was seen by medical professionals, they were able to determine that the bullet
12 had entered through the back of his upper right thigh, and exited out of the front.

13 8. During the investigation, law enforcement found that a third-party complaint had
14 been filed against the victim on November 19, 2020, alleging that he had raped Siergiey's wife.
15 Siergiey's wife did not cooperate with the investigation, nor did she confirm the allegations made
16 in the complaint. As a result, the victim was never contacted about the complaint, and the case
17 was closed.

18 9. Upon discovering this information, the victim was shown a photo line-up, in
19 which he positively identified Siergiey. Siergiey then turned himself into the Whatcom County
20 Sheriff's Office on February 20, 2021.

21 10. On February 26, 2021, the STGA provided the WSGC with a Personnel
22 Termination Notice (PTN) for Siergiey. In issuing the PTN, Siergiey's name became unlinked
23 from employment with the Stillaguamish Tribe.

24 11. On March 4, 2021, the Agent provided copies of the certified court documents to
25 STGA, and notified them that she was recommending that Siergiey's certification be revoked.
26

1 It is hereby **ORDERED** that Martin Siergiey's gambling certification, Number 69-
2 23072, is **REVOKED**.

3
4 DATED this 11th day of June, 2021.

5
6 _____
BUD SIZEMORE, Chair

_____ JULIA PATTERSON, Vice Chair

7
8 _____
ALICIA LEVY

_____ LAUREN KING

9
10
11 _____
KRISTINE REEVES

NOTICE

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

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

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

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

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

Washington State Gambling Commission
Legal and Records Division
4565 7th Avenue S.E., Lacey, WA
P.O. Box 42400
Olympia, WA 98504-2400

Doug Van de Brake
Attorney General's Office
1135 Washington St. SE
P.O. Box 40100
Olympia, WA 98504-0100

CERTIFICATE OF SERVICE

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

MARTIN SIERGIEY
904 BAKER ST
BELLINGHAM WA 98229

EXECUTED this ____ day of June, 2021, at Lacey, Washington.

Ashlie Laydon
Rules Coordinator



**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

June 11, 2021

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

FROM: Adam Teal, Staff Attorney
Legal and Records Division

**SUBJECT: Big Bottom Roadhouse, CR 2020-00878
Final Order – June 11, 2021 Commission Meeting**

Big Bottom Roadhouse (BBR) has two gambling licenses authorizing Punchboard/Pull-Tab and Nonhouse-Banked Card Room activities at its Randle, Washington location. The licenses expire on June 30, 2021.

BBR submitted its annual license renewal to the WSGC; as part of the licensing process, a WSGC Staff Member ran a routine criminal history check on its owner. That criminal history review revealed that BBR's President and sole owner, Dennis Kenfield, had pending criminal charges. A WSGC Special Agent requested certified copies of the pleadings for the pending cases. The Agent determined that Kenfield had pending charges for Felony Harassment, Unlawful Imprisonment, and Assault 4th Degree in Pierce County Superior Court, Cause No. 20-1-00938-7. Further, it was discovered that Kenfield was found guilty of Assault 4th Degree in Pierce County District Court, Cause No. 8ZC000607, on May 10, 2019. That conviction was never reported to the WSGC.

Former Director Trujillo issued BBR a Notice of Administrative Charges on August 14, 2020, by regular and certified mail to its last known address on file. Pursuant to WAC 230-17-010, a response was required to be received by the Commission by September 7, 2020. To date, the Commission has not received a Request for Hearing from BBR.

BBR's failure to respond to the charges or timely request a hearing is a waiver of BBR's right to a hearing in Case No. CR 2020-00878. You may take final action against its gambling license. BBR's President and sole owner was both convicted of Assault 4th Degree and charged with Felony Harassment, Unlawful Imprisonment, and Assault 4th Degree, all crimes involving physical harm to another. BBR failed to report any of these cases to the WSGC, in violation of WAC 230-06-085(1). Based on its conduct, BBR cannot show by clear and convincing evidence that it is qualified to keep its gambling license. Therefore, staff recommends that the Commission sign the proposed final order and revoke Big Bottom Roadhouse's Punchboard/Pull-Tab and Nonhouse-Banked Card Room licenses, Numbers 05-21524 and 65-07482.

1
2
3
4
5
6
**STATE OF WASHINGTON
GAMBLING COMMISSION**

7 In the Matter of:

NO. CR 2020-00878

8
9
10
11
BIG BOTTOM ROADHOUSE,
License Nos. 05-21524, 65-07482,

FINAL ORDER OF THE
GAMBLING COMMISSION

Licensee.

12 This matter having come before the Washington State Gambling Commission
13 (Commission) on June 11, 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 Big Bottom Roadhouse
17 (BBR) Licenses No. 05-21524 and 65-07482 authorizing Punchboard/Pull-Tab and Nonhouse-
18 Banked Card Room activities at its Randle, Washington location.

19 2. These licenses, which expire on June 30, 2021, were issued subject to BBR's
20 compliance with state gambling laws and Commission rules.

21 3. BBR has been licensed since 2018.

22 4. Licensee Big Bottom Roadhouse submitted its annual license renewal with the
23 WSGC. As part of the licensing process, a WSGC Staff Member ran a routine criminal history
24 check through the Judicial Access Brower System (JABS)¹.

25
26
¹ JABS is a program run by the Washington State Court System that keeps a record of court actions
occurring throughout Washington State's Municipal, District, and Superior Courts.

1 5. The Staff Member discovered that Dennis Kenfield, the President and sole owner
2 of BBR, had pending criminal charges. Upon discovering the pending charges, a WSGC Special
3 Agent was assigned to further investigate the charges.

4 6. The Special Agent requested, and eventually received, certified copies of the
5 court documents filed for the first case, Pierce County Superior Court Case No. 20-1-00938-7,
6 which was filed on March 3, 2020.

7 7. A review of the pleadings show that on or about February 29, 2020, police
8 responded to a call from Karen Davidian, the estranged wife of Dennis Kenfield, alleging that
9 there was a physical fight between the parties. Karen Davidian is listed as the Gambling
10 Manager (of both Punchboard/Pull-tab and Card Room activities) for BBR.

11 8. Davidian had gone to their home, where only Kenfield was residing, in order to
12 retrieve some items. When at the home, the parties got into an argument about the paperwork
13 for their pending divorce. When Davidian tried to leave, Kenfield grabbed her by the shirt and
14 pushed her repeatedly, forcing her to the ground.

15 9. When Davidian said she was going to call the police, Kenfield told her she
16 wouldn't be able to do so, because she would be dead. According to Davidian, Kenfield had
17 previously made multiple threats to her life, the most recent coming the day before when he
18 appeared at her place of work.

19 10. As a result of this incident, Kenfield has been charged with Felony Harassment
20 (intimate partner), Unlawful Imprisonment (intimate partner), and Assault in the Fourth Degree
21 (intimate partner). As part of the criminal case, a Domestic Violence No-Contact Order was also
22 put into place, forbidding Kenfield from knowingly coming within 500 feet of Davidian, her
23 residence, school, and workplace.

24 11. Case No. 20-1-00938-7 is still pending. Kenfield has not yet reported the charges
25 to the WSGC as of the filing of these Administrative Charges.
26

1 12. In addition to the Pierce County Superior Court case, two additional cases were
2 found listing Kenfield as the Defendant. Both cases, 8ZC000607 and XZC000614, were filed
3 in Pierce County District Court.

4 13. According to the Criminal Complaint filed in 8ZC000607, on February 17, 2018,
5 Kenfield arrived at the home of his two adult sons. At the time, Kenfield had not spoken with
6 his sons in two years.

7 14. Kenfield began knocking on the door, asking about tools that he had lent the sons
8 two years prior. Kenfield left after being asked to, but returned to the home, parking his truck
9 so that it blocked the sons' driveway.

10 15. When Kenfield's son Casey went outside to ask to have the truck moved,
11 Kenfield responded by spitting in his face, grabbing him by the hair, and hitting him in the head.
12 When police arrived, a scratch was visible on Casey's head.

13 16. On May 10, 2019, Kenfield was found guilty of Assault 4th Degree – Domestic
14 Violence in cause number 8ZC000607. Kenfield never reported this conviction to the WSGC.

15 17. As a result of the conviction, a two-year No-Contact Order was put into place,
16 forbidding Kenfield from contacting his son Casey, as well as preventing Kenfield from coming
17 within 500 feet of Casey's residence, school, or workplace.

18 18. The second Pierce County District Court case, XZC000614, was filed on March
19 4, 2020. In the Criminal Complaint, it is alleged that Kenfield violated the No-Contact Order
20 entered in case number 8ZC000607, preventing Kenfield from contacting his son, Casey.

21 19. According to the Complaint, on February 25, 2020, Casey heard a truck approach
22 his gate. When Casey left his house, he saw Kenfield stop his truck in front of the gate. Kenfield
23 yelled at Casey "My groomer lives down there, dumb ass", and drove away.

24 20. Casey took video footage of the incident and provided it to the police. The video
25 provided confirmed Casey's claim that Kenfield had violated the No-Contact Order.

26 21. Case XZC000614 is still pending. Kenfield has not yet reported

1 the charges to the WSGC as of the filing of these Administrative Charges.

2 22. Former Director David Trujillo issued administrative charges on August 12, 2020
3 alleging that Big Bottom Roadhouse's actions constituted a violation of WAC 230-06-085(1),
4 (8), and (9)(a) and (b). Further, that BBR could not show by clear and convincing evidence that
5 it was qualified for licensure as required by RCW 9.46.153(1), and that its actions warranted
6 revocation of its license pursuant to RCW 9.46.075(1), (7), (8) and (9) and WAC 230-03-085(1),
7 (8), and (9)(a) and (b).

8 23. BBR was sent the charges by regular and certified mail on August 12, 2020 to the
9 last address the Gambling Commission had on file.

10 24. Pursuant to WAC 230-17-010, a response was required to be received by the
11 Commission by September 7, 2020. To date, the Commission has not received a Request for
12 Hearing from BBR.

13 II. CONCLUSIONS OF LAW

14 1. Big Bottom Roadhouse received proper notice of the Notice of Administrative
15 Charges within three days of August 14, 2020 via First Class Mail, pursuant to RCW 34.05.440,
16 RCW 34.05.434, WAC 230-17-020, WAC 230-17-010, and WAC 10-08-210.

17 2. The Commission can take final action against Big Bottom Roadhouse's gambling
18 licenses under Case Number CR 2020-00878 pursuant to RCW 9.46.075, RCW 34.05.440(1),
19 RCW 34.05.461, and WAC 230-03-085.

20 3. Big Bottom Roadhouse's licenses should be revoked under Case Number CR
21 2020-00878 pursuant to RCW 9.46.075, RCW 9.46.153(1), RCW 34.05.440(1), RCW
22 34.05.461, and WAC 230-03-085.

23 III. ORDER

24 This matter having come before the Commission at its June 11, 2021, Commission
25 meeting, the Commissioners having heard arguments, been given the chance to review the
26 administrative record, and being fully advised in this matter, now therefore:

1 It is hereby **ORDERED** that Big Bottom Roadhouse's gambling licenses, Numbers 05-
2 21524 and 65-07482, are **REVOKED**.

3
4 DATED this 11th day of June, 2021.

5
6 _____
BUD SIZEMORE, Chair

_____ JULIA PATTERSON, Vice Chair

7
8 _____
ALICIA LEVY

_____ LAUREN KING

9
10 _____
11 KRISTINE REEVES

1
2
3 **NOTICE**

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

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

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

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

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

20 Washington State Gambling Commission
21 Legal and Records Division
22 4565 7th Avenue S.E., Lacey, WA
23 P.O. Box 42400
24 Olympia, WA 98504-2400

25 Doug Van de Brake
26 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 BIG BOTTOM ROADHOUSE
5 26109 9TH AVE CT E
6 SPANAWAY WA 98387

7 EXECUTED this ____ day of June, 2021, at Lacey, Washington.

8
9
10 _____
11 Ashlie Laydon
12 Rules Coordinator
13
14
15
16
17
18
19
20
21
22
23
24
25
26



STATE OF WASHINGTON
GAMBLING COMMISSION

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

June 11, 2021

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

FROM: Adam Teal, Staff Attorney
Legal and Records Division

**SUBJECT: Tony Holroyd, CR 2021-00073
Final Order – June 11, 2021 Commission Meeting**

Tony Holroyd has a gambling license authorizing Public Card Room Employee activity; his license is not currently linked to an employer. His license expires on November 11, 2021.

On January 12, 2021, a WSGC Special Agent was assigned to conduct a post licensing review of Public Card Room Employee licensee Tony Holroyd. In his application, Holroyd did not directly answer whether he had ever been charged with a crime, been convicted, been jailed, or been placed on probation; Holroyd did list four separate charges and dates, although two of them were for civil infractions. The Special Agent's investigation determined that Holroyd had been found guilty in three separate criminal cases in Washington. In addition, the Agent found that Holroyd had three separate criminal convictions in Arizona, Maryland, and Florida. Of the multiple criminal convictions discovered, one was for theft and two were crimes of physical harm to individuals.

Former Director Trujillo issued Holroyd a Notice of Administrative Charges on March 24, 2021, by regular and certified mail to his last known address on file. Pursuant to WAC 230-17-010, a response was required to be received by the Commission by April 15, 2021. To date, the Commission has received no communication from Holroyd.

Tony Holroyd's failure to respond to the charges or timely request a hearing is a waiver of Holroyd's right to a hearing in Case No. CR 2021-00073. You may take final action against his gambling license. Holroyd failed to properly disclose his criminal history on his WSGC license application; a criminal history that includes convictions for theft and crimes of physical harm to individuals. In doing so, Holroyd is in violation of RCW 9.46.075(3), (4) and (7) and WAC 230-03-085(2). Based on his conduct, Holroyd cannot show by clear and convincing evidence that he is qualified to keep his gambling license. Therefore, staff recommends that the Commission sign the proposed final order and revoke Tony Holroyd's Public Card Room Employee license, Number 68-35889.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

**STATE OF WASHINGTON
GAMBLING COMMISSION**

In the Matter of:

NO. CR 2021-00073

TONY HOLROYD,
License No. 68-35889,

FINAL ORDER OF THE
GAMBLING COMMISSION

Licensee.

This matter having come before the Washington State Gambling Commission (Commission) on June 11, 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 Tony Holroyd License No. 68-35889 authorizing Public Card Room Employee activity; Holroyd’s license is not currently linked to a House-Banked Card Room.

2. This license, which expires on November 11, 2021, was issued subject to Holroyd’s compliance with state gambling laws and Commission rules.

3. Holroyd has been licensed since 2020.

4. On January 12, 2021, a WSGC Special Agent was assigned licensee Tony Holroyd’s file in order to conduct a post licensing review, and to investigate potentially undisclosed criminal history.

5. Holroyd had submitted his Card Room Employee (CRE) application on November 12, 2020. As part of the CRE application that all applicants are required to submit,

1 Holroyd was required to answer whether he has ever: a) Forfeited bail or paid a fine over \$25,
2 b) Been arrested, c) Been charged with a crime, d) Been convicted, e) Been jailed, and/or f) Been
3 placed on probation. If an applicant answers “Yes”, they must provide an explanation of, and
4 the final disposition of, the charges¹.

5 6. In his application, Holroyd did not mark either box indicating “Yes” or “No”, he
6 has a criminal history. However, in the four boxes immediately below the question, Holroyd
7 outlined four criminal charges:

- 8 a. Auto Theft from 1978, with the Outcome “Probation”,
- 9 b. Illegal U-Turn from 1985, with the Disposition “Dismissed”,
- 10 c. “B & E” from 2001, with the Outcome “Probation”, and,
- 11 d. Speeding from 1984, with the Disposition “Payeed [sic]”.

12 7. The Special Agent conducted a routine criminal history check through the
13 Judicial Access Browser System (JABS)². The JABS search revealed three criminal cases that
14 occurred in Washington; in all three cases, Holroyd was found guilty:

- 15 a. Theft - Third Degree in Federal Way Municipal Court, Cause No.
16 CA0023073.
- 17 b. Two Counts of Burglary - Second Degree in King County Superior Court,
18 Cause No. 02-1-00017- 3KNT.
- 19 c. Residential Burglary in King County Superior Court, Cause No. 02-1-
20 05740-0 KNT³.

21
22
23 ¹ All applicants are required to sign the Oath of Applicant, which reads, “I declare under penalty of
24 perjury, under the laws of the State of Washington, that all information provided in this application is true and
25 complete to the best of my knowledge. I understand that untruthful, misleading, or incomplete answers whether
26 through misrepresentation, concealment, inadvertence, or mistake, are cause for denial of an initial application or
revocation of any gambling license...”

² JABS is a system run by the Washington State Court System that keeps a record of court actions
occurring in the Municipal, District, and Superior Courts of Washington.

³ It is unclear as to whether or not this is the “B & E” that Holroyd listed on his application. However,
the case was not filed in 2001, and the events that led to the conviction occurred in 2002.

1 8. The Agent’s review of Holroyd extended past Washington, which showed that he
2 had four additional criminal charges including:

- 3 a. A 2007 felony conviction for aggravated assault in Arizona.
- 4 b. A 1989 conviction for Assault with Intent to Maim in Maryland.
- 5 c. A 1984 conviction for Burglary in Florida.

6 9. The Agent also discovered that Holroyd has been found to use various aliases,
7 including Andrew A. Kirkland.

8 10. On January 13, 2021, the Agent contacted Michael McCarthy at Riverside
9 Casino, Holroyd’s employer at the time, and explained the information that Holroyd had failed
10 to disclose on his application.

11 11. On January 15, 2021, the WSGC received a Personnel Termination Notification
12 from Riverside Casino showing that Holroyd’s employment had been terminated that day.

13 12. Former Director David Trujillo issued administrative charges on March 24, 2021
14 alleging that Holroyd’s actions constituted a violation of RCW 9.46.075(3) and (7) and WAC
15 230-03-085(2). Further, that Holroyd could not show by clear and convincing evidence that he
16 was qualified for licensure as required by RCW 9.46.153(1), and that his actions warranted
17 revocation of his license pursuant to RCW 9.46.075(1), (4) and (8) and WAC 230-03-085(1),
18 (8), and (9)(a), (b), (c) and (d).

19 13. Holroyd was sent the charges by regular and certified mail on March 24, 2021 to
20 the last address the Gambling Commission had on file.

21 14. Pursuant to WAC 230-17-010, a response was required to be received by the
22 Commission by April 15, 2021. To date, the Commission has received no communication from
23 Holroyd.

24 //

25 //

1 **II. CONCLUSIONS OF LAW**

2 1. Tony Holroyd received proper notice of the charges within three days of March
3 24, 2021 via regular and certified mail, pursuant to RCW 34.05.413 RCW 34.05.434, WAC 230-
4 17-005, WAC 230-17-010, and WAC 10-08-130.

5 2. The Commission can take final action against Tony Holroyd’s gambling license
6 under Case Number CR 2021-00073 pursuant to RCW 9.46.075, RCW 34.05.440(1), RCW
7 34.05.461, and WAC 230-03-085.

8 3. Tony Holroyd’s license should be revoked under Case Number CR 2021-00073
9 pursuant to RCW 9.46.075, RCW 9.46.153(1), RCW 34.05.440(1), RCW 34.05.461, and WAC
10 230-03-085.

11 **III. ORDER**

12 This matter having come before the Commission at its June 11, 2021, Commission
13 meeting, the Commissioners having heard arguments, been given the chance to review the
14 administrative record, and being fully advised in this matter, now therefore:

15 It is hereby **ORDERED** that Tony Holroyd’s gambling license, Number 68-35889, is
16 **REVOKED.**

17 DATED this 11th day of June, 2021.

18
19
20 _____
BUD SIZEMORE, Chair

_____ JULIA PATTERSON, Vice Chair

21
22 _____
ALICIA LEVY

_____ LAUREN KING

23
24 _____
KRISTINE REEVES

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 7th 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

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:

TONY HOLROYD
318 2ND AVE EXT S
SEATTLE WA 98104

EXECUTED this ____ day of June, 2021, at Lacey, Washington.

Ashlie Laydon
Rules Coordinator