



**WASHINGTON STATE
GAMBLING COMMISSION PUBLIC
MEETING - March 10, 2022**

Gambling Commission Headquarters
Lacey, WA



STATE OF WASHINGTON

GAMBLING COMMISSION

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

Gambling Commission Meeting Agenda

Thursday, March 10, 2022

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

PUBLIC MEETING

<p>Tab 1 9:00 AM</p>	<p>Call to Order <i>Bud Sizemore, Chair</i></p> <p>*Consent agenda (Action)</p> <ul style="list-style-type: none"> • February 7, 2022, Special Commission Meeting Minutes • New Licenses and Class III Employees License • Sports Wagering Vendor Reports <p>Interim Director Report</p> <ul style="list-style-type: none"> • Upcoming 2022 Commission Meetings (Discussion and Possible Action) <p style="text-align: right;"><i>Tina Griffin, Interim Director</i></p>
<p>Tab 2</p>	<p>Problem Gambling Awareness Month</p> <p style="text-align: right;"><i>Julia Patterson, Vice Chair WSGC</i> <i>Tana Russell, Assistant Director Evergreen Council on Problem Gambling</i> <i>Roxane Waldron, Health Care Authority</i></p>
<p>Tab 3</p>	<p>Presentation - Perry Technical Foundation (Action)</p> <ul style="list-style-type: none"> • Raffle Prize Limit Approval <p style="text-align: right;"><i>Tyna Antonson, Special Agent</i> <i>Christine Cote, Perry Tech President</i> <i>Cathy Sterbenz – Vice President of Finance & Administration</i> <i>Jason Lamiquiz – Associate Dean of Education</i> <i>Tressa Shockley, Perry Tech Director of Foundation</i></p>
<p>Tab 4</p>	<p>Presentation – Budget Update</p> <p style="text-align: right;"><i>Kriscinda Hansen, Chief Financial Officer</i></p>
<p>Tab 5</p>	<p>*PETITION FOR RULE CHANGE (Action)</p> <p>Rule Petition to Amend</p> <ul style="list-style-type: none"> • Electronic Pull-Tab System <p style="text-align: right;"><i>Ashlie Laydon, Rules Coordinator</i></p>
<p>Tab 6</p>	<p>*RULE UP FOR FINAL ACTION (Action)</p> <ul style="list-style-type: none"> • Sports Wagering Rules <p style="text-align: right;"><i>Ashlie Laydon, Rules Coordinator</i> <i>Julie Lies, Tribal Liaison</i></p>
<p>Tab 7</p>	<p>Default (Action)</p> <ul style="list-style-type: none"> • Sit N Bull Saloon <p style="text-align: right;"><i>Adam Teal, Interim Legal Manager</i></p>
<p>Tab 8</p>	<p>Legislative Update</p> <p style="text-align: right;"><i>Tommy Oakes, Interim Legislative Liaison</i></p>

Tab 9	Director Hire Update <div style="text-align: right;"><i>Lisa Benavidez, HR 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***



STATE OF WASHINGTON
GAMBLING COMMISSION

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

February Special Gambling Commission Meeting Minutes

Virtual Meeting

*February 7, 2021

Commissioners Present:

Bud Sizemore, Chair (Via Teams)

Julia Patterson (Via Teams)

Kristine Reeves (Via Teams)

Sarah Lawson (Via Teams)

Ex Officio Members Present:

Staff Present – Virtually:

Tina Griffin, Interim Director (ID); Lisa Benavidez, Human Resources Director (HRD); Julie Lies, Tribal Liaison (TL); Ashlie Laydon, Rules Coordinator (RC); Tommy Oakes, Interim Legislative Liaison (ILL); Julie Anderson, Executive Assistant and Suzanne Becker, Assistant Attorney General (AAG)

Chair Sizemore called the virtual meeting to order at 8:35AM and mentioned that TVW would be livestreaming the meeting. ID Griffin called the roll to ensure a quorum. **Chair Sizemore** asked for a moment of silence to acknowledge any law enforcement officers that lost their lives since the commission last met.

Tab 1

Consent Agenda

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

Commissioner Reeves seconded the motion.

The motion passed. 4:0

Interim Director's Report

ID Griffin asked the Commissioners to consider extending the 2018-2022 Strategic Plan to 2023. **Chair Sizemore** asked the Commissioners if they had any questions regarding the progress report or concerns with extending the plan for one more year. Hearing no objections from Commissioners, **Chair Sizemore** announced that the extension was granted.

Tab 2

Petition For Rule Change

Ashlie Laydon, Rules Coordinator presented the materials for this tab. RC Laydon introduced the petitioner, Todd Schuerman, from North Bend Washington and said he is proposing a rule change to allow for online sports betting and iGaming in Washington State. **Todd Schuerman** addressed the Commission and said, "I do see a need, and given the state of it being 2022, where everybody has apps on their phone, the access to sports betting, if you will, iGaming through an

* 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.

app. Obviously, the Legislature works at a much slower speed than the constituents and the residents of the state. As we already know that, as of January 18th, residents in Washington State could still do everything online by utilizing the Oregon online through their lottery with DraftKings.

It's unfortunate that the Washington Legislature, and I do understand that my petition will probably be denied, but at least having it on the record would have hopefully stoked the interests of any other people participating and viewing this Commission's meeting today, that there is a request and there is legitimate, I guess you'd say, interest in having online access to iGaming and sports betting among Washington residents.

I do have to say that I'm remiss that Washington State is missing out on tax revenue due to the shortsighted nature of the Washington Legislature. We're going to miss out on 60 million in tax revenue this year alone, and over a billion dollars over the next 10 years from sports betting alone, not including iGaming, just based off of the figures coming from Louisiana, Arizona that have legalized sports betting within the last year, along with Washington State, but haven't restricted it to only tribal casino, and have opened it up to online access.

With that, I would say that there is a unique access to like FanDuel and DraftKings, where both of them offer fantasy sports. And I would encourage the Commission either to recommend to me to file another petition or to consider voting and approving online access to FanDuel and DraftKings. And the reason why is because fantasy sports is ruled nationally as not gambling. However, the IRS considers the transactions to be part of gambling transactions, even though it is not, according to the Supreme Court, a game of chance. So, it's not illegal to do fantasy sports in Washington State, nor is it in or against our constitution, and we don't need Washington Legislature to approve that. It's just not. The Supreme Court has already decided that the United States. So that has nothing to do with whether the Washington Gambling Commission is restricted to wait on the Legislature.”

Commissioner Patterson expressed her concerns for the addictive issues associated with online gambling. **Commissioner Reeves** asked the petitioner to clarify his statement about Washington resident’s ability to participate in online gambling through an Oregon platform. Mr. Schuerman confirmed that Washington residents can participate in online gambling using an Oregon platform. **Commissioner Reeves** asked Staff to investigate this further and asked for a follow up at a future meeting.

Public Comment

No Public Comment

Commissioner Reeves moved to deny the petition in writing on the basis that the petition would require a statutory amendment.

Commissioner Patterson seconded the motion.

The motion passed 4:0.

Tab 3

Legislative Update

Tommy Oakes, Interim Legislative Liaison presented the materials for this tab. **ILL Oakes** gave a short update on the 2022 legislation session. He updated the Commissioners on the law enforcement bills that effected the agency. He thanked the Commissioners, Ex Officios and Representative Goodman for their help. **Chair Sizemore** asked if anyone had any questions. **Commissioners Patterson and Reeves** complimented ILL Oakes and thanked him for his hard work and dedication while learning the legislative process.

Tab 4

Director Hire Update

Lisa Benavidez, Human Resources Director presented the material for this tab. HRD Benavidez reported that on January 20th Commissioners Patterson, Levy, Lawson, and Reeves met for a Special Meeting to conduct second interviews for the Director position. The Commissioners decided to move one candidate forward for further consideration and gave authorization to HRD Benavidez to engage in background checks and negotiations. HRD Benavidez hopes to have the references check completed this week. After reference checks are completed, HRD Benavidez will contact the candidate for further negotiations. Once that step is completed, she will bring the information forward to the Commissioners for decision on making an appointment. This will occur at an upcoming meeting. **Commissioner Patterson** asked if the Gambling Commission will be able to make a formal announcement at the next Commission meeting. **HRD Benavidez** replied, she hopes to have everything completed and ready for the March Commission meeting.

Commissioner Reeves inquired on the possibility of reviewing the background checks, polygraph, and psychological evaluation before the candidate is moved forward. **HRD Benavidez** replied, that the plan was not to do anything other than reference checks.

Commissioner Reeves expressed her concerns and reiterated what she thought was the motion from the Special Commission meeting.

AAG Becker explained that this specific topic could not be discussed in detail at the current meeting and if the Commissioners wanted to, they could call another Special Meeting to discuss this topic further.

Vice Chair Patterson asked HRD Benavidez what the timeline would be to conduct a full background check including all three of the aspects polygraph, psychological exams, and reference checks. **HRD Benavidez** explained that scheduling the psychological exam takes about two to three weeks. She indicated that best case scenario, it would take a month to schedule conduct and receive reports back.

Public Comment

Todd Schuerman, North Bend stated, “ *I am curious how the gambling commission justifies its limitations with the Legislature regarding online gambling and fantasy sports betting done online through CBS, ESPN, and other programs. Is it because social media and companies of that esteem just is because they offer a free entry or... Somehow, it's just not illegal for Washington State residents to participate in those programs that do offer cash prizes and*

rewards? So, I'm just curious on how the Commission is either limited or affected by those avenues.”

Chair Sizemore reminded **Todd Schuerman** that gambling is prohibited in the state of Washington unless expressly granted.

No further comments were provided.

The public meeting adjourned at 9:25AM and **Chair Sizemore** adjourned the meeting to Executive Session to discuss potential agency litigation with legal counsel, including tribal negotiations. He announced Executive Session should take approximately three and a half hours.

Executive Session adjourned at 11:45 AM.

There were 61 people in attendance.



COMMISSION APPROVAL LIST
(New Licenses & Class III Gaming Employees)
March 2022

Index

	<u>PAGE</u>
NONPROFIT ORGANIZATIONS & COMMERCIAL BUSINESSES.....	1-2
DISTRIBUTOR REPRESENTATIVE	3
MANUFACTURER REPRESENTATIVE	3-4
CALL CENTER REPRESENTATIVE.....	4
MAJOR SPORTS WAGERING REPRESENTATIVE.....	4-6
NON-PROFIT GAMBLING MANAGER	6
SERVICE SUPPLIER REPRESENTATIVE.....	6
CARD ROOM EMPLOYEE	7-9
CLASS III GAMING EMPLOYEE	10-17

PAGES:17

Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 17.

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS

RAFFLE

ANNIE WRIGHT SCHOOLS
00-20689 02-08677

827 NORTH TACOMA AVENUE
TACOMA WA 98403

FVHS BOOSTER CLUB
00-23919 02-20735

12300 NE FOURTH PLAIN BLVD SUITE E
VANCOUVER WA 98682

ST JOSEPH CHURCH
00-00569 02-00389

214 N 4TH ST
YAKIMA WA 98901

TACOMA ROTARY 8 FOUNDATION
00-19399 02-08383

4961 MAIN ST
TACOMA WA 98407

THUNDER DOME CAR MUSEUM
00-24822 02-21210

1920 GARRETT ST
ENUMCLAW WA 98022

AMUSEMENT GAMES NONPROFIT

NAPAVINE HIGH SCHOOL ASB
00-23416 03-20752

404 4TH AVE NE
NAPAVINE WA 98565

PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT

LONG BEACH TAVERN
00-24827 05-21731

305 PACIFIC AVE S
LONG BEACH WA 98631

PASTIME BAR & GRILL
00-24851 05-21741

119 W MAIN AVE
RITZVILLE WA 99169

WATER HOLE PUB
00-24848 05-21740

15716 MAIN ST E
SUMNER WA 98390

MAJOR SPORTS WAGERING VENDOR

NYX DIGITAL GAMING (USA), LLC
10-00054 81-00005

6601 BERMUDA ROAD
LAS VEGAS NV 89119

SPORTS INFORMATION SERVICES LIMITED
10-00024 81-00006

3RD FLOOR 75 QUANTUM HOUSE
TA'XBIEX XBX1120

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS

MID-LEVEL SPORTS WAGERING VENDOR

NYX DIGITAL GAMING (USA), LLC
10-00054 82-00012

6601 BERMUDA ROAD
LAS VEGAS NV 89119

SPORTS INFORMATION SERVICES LIMITED
10-00024 82-00013

3RD FLOOR 75 QUANTUM HOUSE
TA'XBIEX XBX1120

SWISH ANALYTICS WASHINGTON INC.
10-00184 82-00016

300 BROADWAY SUITE 8
SAN FRANCISCO CA 94133

ANCILLARY SPORTS WAGERING VENDOR

NYX DIGITAL GAMING (USA), LLC
10-00054 83-00004

6601 BERMUDA ROAD
LAS VEGAS NV 89119

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

DISTRIBUTOR REPRESENTATIVE

HART, TYLER J
22-01303

3RD GENERATION DISTRIBUTING LLC
TUMWATER WA 98501

MEISTER, BRIAN A
22-01234

NRT TECHNOLOGIES INC
LAS VEGAS NV 89118

MANUFACTURER REPRESENTATIVE

AGUILAR, EVERARDO
23-02600

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

ALEJANDRO, MARK K
23-02964

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

BYRNE, PATRICIA E
23-03351

ACRES MANUFACTURING COMPANY
LAS VEGAS NV 89113

DE CALDAS, JESSE B
23-03350

EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175

DUNCAN, STEVEN A
23-03337

AGS LLC
LAS VEGAS NV 89118

IRBY, TYLER R
23-03343

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

MARTINEZ, DANIELLE E
23-02923

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

PEREZ, GABRIEL
23-03342

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

RASHID, IHAB N
23-03340

IGT
LAS VEGAS NV 89113

REYNOLDS, SCOTT A
23-02371

IGT
LAS VEGAS NV 89113

RODRIGUEZ, KARLA I
23-03349

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

SIMS, ERIK J
23-03344

PASSPORT TECHNOLOGY USA INC
GLENDALE CA 91203

SINEWAY, ROBERT M
23-03338

SCIENTIFIC GAMES
LAS VEGAS NV 89119

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

MANUFACTURER REPRESENTATIVE

THOMPSON, DANIEL I JR
23-02679

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

WISSING, TIMOTHY J
23-03345

IGT
LAS VEGAS NV 89113

CALL CENTER REPRESENTATIVE

DOMINIK, SHIRLEY E
32-00059

INCEPT CORPORATION
CANTON OH 44718

NEFF, ASHLIE R
32-00058

INCEPT CORPORATION
CANTON OH 44718

SPIKES, TAMMY R
32-00057

INCEPT CORPORATION
CANTON OH 44718

VIEL, JASMINE O
32-00060

INCEPT CORPORATION
CANTON OH 44718

MAJOR SPORTS WAGERING REPRESENTATIVE

ADEBIYI, OLUKAYODE O
33-00241

NYX DIGITAL GAMING (USA), LLC
LAS VEGAS NV 89119

ARPADFFY, ZOLTAN
33-00239

NYX DIGITAL GAMING (USA), LLC
LAS VEGAS NV 89119

BANDA, JOSE L
33-00243

SPORTS INFORMATION SERVICES
LIMITED TA'XBIEX XBX1120

CRICHLLOW, DAVID A
33-00160

NYX DIGITAL GAMING (USA), LLC
LAS VEGAS NV 89119

D'AMICO, LOUIS J
33-00147

BETFRED SPORTS
LAS VEGAS NV 89119

DERMARKAR, ROBERT F
33-00246

NYX DIGITAL GAMING (USA), LLC
LAS VEGAS NV 89119

EGAN, REED W
33-00145

BETFRED SPORTS
LAS VEGAS NV 89119

GRIFFIN, RODNEY L
33-00232

CAESARS SPORTSBOOK
LAS VEGAS NV 89118

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

MAJOR SPORTS WAGERING REPRESENTATIVE

HAY, SHEENA P
33-00153

BETFRED SPORTS
LAS VEGAS NV 89119

HAYDEN, PHILLIP M
33-00149

BETFRED SPORTS
LAS VEGAS NV 89119

HILL, MARK P
33-00229

FANDUEL SPORTSBOOK
LOS ANGELES CA 90045

HOFFMANN, MICHAEL R
33-00231

CAESARS SPORTSBOOK
LAS VEGAS NV 89118

HOLLAND, RICO A
33-00228

FANDUEL SPORTSBOOK
LOS ANGELES CA 90045

HU, HONG
33-00100

NYX DIGITAL GAMING (USA), LLC
LAS VEGAS NV 89119

JENSEN, MATTHEW J
33-00148

BETFRED SPORTS
LAS VEGAS NV 89119

JOHNSON, MICHELLE P
33-00251

IGT
LAS VEGAS NV 89113

KENNEDY, RYAN S
33-00155

NYX DIGITAL GAMING (USA), LLC
LAS VEGAS NV 89119

MARINO, MICHAEL T
33-00142

NYX DIGITAL GAMING (USA), LLC
LAS VEGAS NV 89119

MCLAUHLAN, ANDREW
33-00152

BETFRED SPORTS
LAS VEGAS NV 89119

MEEHAN, JOSEPH
33-00242

SPORTS INFORMATION SERVICES
LIMITED TA'XBIEX XBX1120

MORGANS, KEVIN B
33-00224

BETFRED SPORTS
LAS VEGAS NV 89119

NOBLE, JAMES S
33-00247

NYX DIGITAL GAMING (USA), LLC
LAS VEGAS NV 89119

PARAVE, WILLIAM J
33-00244

SPORTS INFORMATION SERVICES
LIMITED TA'XBIEX XBX1120

PETERSEN, BRODIE J
33-00150

BETFRED SPORTS
LAS VEGAS NV 89119

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

MAJOR SPORTS WAGERING REPRESENTATIVE

PROSSER, JACOB T
33-00245

SPORTS INFORMATION SERVICES
LIMITED TA'XBIEX XBX1120

RIEMER, WILLIAM D
33-00240

IGT
LAS VEGAS NV 89113

RODRIGUEZ, LUISITO A
33-00143

BETFRED SPORTS
LAS VEGAS NV 89119

TUTINO, MARK J
33-00154

BETFRED SPORTS
LAS VEGAS NV 89119

NON-PROFIT GAMBLING MANAGER

DEBUS, KATHY M
61-04783

FOE 00068/REPUBLIC
REPUBLIC WA 99166

DELEON, FELIX S
61-04714

FOE 02229
TOPPENISH WA 98948

DERENTHAL, AMY L
61-04782

SENIOR CENTER/WEST SEATTLE
SEATTLE WA 98116-4235

GALEN, AMY J
61-04778

FOE 00195
SNOHOMISH WA 98290

HILLHOUSE, CALLIE A
61-04784

FOE 00068/REPUBLIC
REPUBLIC WA 99166

MITCHELL, DAVID P
61-04738

AMERICAN LEGION 00141
LANGLEY WA 98260

QUINN, TERRI M
61-04781

FOE 00026
WALLA WALLA WA 99362-3035

SERVICE SUPPLIER REPRESENTATIVE

IVEY, JOHSUA
63-01025

NORTH AMERICAN VIDEO
BRICK NJ 08723

GHIM, DOYOUNG D
63-01027

SALISHAN-MOHEGAN LLC
VANCOUVER WA 98660

TAN, HONGXING
63-01026

MAVERICK WASHINGTON
KIRKLAND WA 98034

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

AH-YEN, AKESA C 68-36584	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434
BLANDOV, BRASON M 68-36567	B	FORTUNE CASINO - TUKWILA TUKWILA WA 98168
CARPENTER, BAILEY T 68-36598	B	HAWKS PRAIRIE CASINO LACEY WA 98516
CASTANEDA, CARLOS V 68-03835	B	JAMESTOWN SALOON ARLINGTON WA 98223
CHEN, XUE F 68-30147	B	MACAU CASINO TUKWILA WA 98188
CHEUNG, WAI ON 68-36579	B	RIVERSIDE CASINO TUKWILA WA 98168
CHOUM, BRITTANY B 68-36602	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434
EDWARDS, JAMIE L 68-36574	B	BLACK PEARL RESTAURANT & CARD ROOM SPOKANE VALLEY WA 99206-4719
GRAVES, MARIANNE M 68-36576	B	BLACK PEARL RESTAURANT & CARD ROOM SPOKANE VALLEY WA 99206-4719
GUTHERIDGE, NOHELANI M 68-30610	B	CASINO CARIBBEAN YAKIMA WA 98901
HAM, JOSHUA D 68-36601	B	GOLDIES SHORELINE CASINO SHORELINE WA 98133
HO-HURN, ANH-HONG T 68-36586	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
HOLDEN, DAVID L III 68-36582	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
HOUK, DEREK J 68-30181	B	BLACK PEARL RESTAURANT & CARD ROOM SPOKANE VALLEY WA 99206-4719
HUANG, XIAOOIONG 68-36581	B	RIVERSIDE CASINO TUKWILA WA 98168
JOHNSON, MEGAN B 68-36585	B	WILD GOOSE CASINO ELLENSBURG WA 98926

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

LAMOTHE, MATTHEW P 68-36577	B	BLACK PEARL RESTAURANT & CARD ROOM SPOKANE VALLEY WA 99206-4719
LANGWORTHY, FLORENCE R 68-28770	B	ALL STAR CASINO SILVERDALE WA 98383
LE, BOON L 68-36593	B	LILAC LANES & CASINO SPOKANE WA 99208-7393
LI, SI MEI 68-36580	B	RIVERSIDE CASINO TUKWILA WA 98168
LOPEZ, FERNANDO 68-36571	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434
LYNCH, TYLER A 68-36578	B	RIVERSIDE CASINO TUKWILA WA 98168
MALONE, CARMEN A 68-07879	B	GOLDIES SHORELINE CASINO SHORELINE WA 98133
MATTSON, JUSTIN J 68-36568	B	COYOTE BOB'S CASINO KENNEWICK WA 99336
MCCLENDON, KHALIE M 68-36572	B	HAWKS PRAIRIE CASINO LACEY WA 98516
MCCOSKERY, MICHAEL S 68-36594	B	ALL STAR CASINO SILVERDALE WA 98383
NELSON, GREGORY E 68-16986	B	GOLDIES SHORELINE CASINO SHORELINE WA 98133
NEWKIRK, JAMIE E 68-36560	B	CASINO CARIBBEAN YAKIMA WA 98901
NGUYEN, THACH N 68-30816	B	HAWKS PRAIRIE CASINO LACEY WA 98516
OLSON, BAILEIGH B 68-36600	B	MACAU CASINO LAKEWOOD WA 98499-4457
PACE, CELESTE A 68-31005	B	CASINO CARIBBEAN YAKIMA WA 98901
PAL, BOPHAPHORN 68-36575	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

PATTERSON, MAILE L 68-24905	B	CLEARWATER SALOON & CASINO EAST WENATCHEE WA 98802
PHOU, VANESSA B 68-36573	B	GOLDIES SHORELINE CASINO SHORELINE WA 98133
PIERCE, AMY L 68-30920	B	RIVERSIDE CASINO TUKWILA WA 98168
ROM, CHANNY 68-36595	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499
SCHWENKE, CHARLES V 68-36570	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
TA, MENG L 68-22870	B	RIVERSIDE CASINO TUKWILA WA 98168
TARPEY, PATRICK F 68-36590	B	GOLDIES SHORELINE CASINO SHORELINE WA 98133
VETH, SOPHAL 68-31614	B	MACAU CASINO LAKEWOOD WA 98499-4457
VIEN, PATRICIA A 68-36564	B	SILVER DOLLAR CASINO/RENTON RENTON WA 98057
VOELKER, RYAN J 68-36592	B	LILAC LANES & CASINO SPOKANE WA 99208-7393

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

CHEHALIS CONFEDERATED TRIBES

ANDERSON, SHAWN L
69-51726

FRAUSTO CORONA, REYNALDA G
69-51957

FUENTES, ISAIAS
69-51850

GLEASON WHEELER, DUANE E
69-51852

GLEASON, JESSE W
69-36828

JACK, GEORGE H
69-51851

RILEY, BLAKE G
69-51847

ROSBAUGH, MARLIN E
69-51846

SHERRILL, GREGORY L
69-51849

SINEK, PAUL M
69-51884

COLVILLE CONFEDERATED TRIBES

BEASON, KATRENA G
69-51876

CHAVEZ, KATI
69-51879

COTTER, LYNDA K
69-51878

DEVEREAUX, SKYE P
69-51875

HANWAY, KAYCI D
69-49039

LAMBERT, DAWN M
69-33272

ORDAZ-MENDOZA, LUIS M
69-51877

COWLITZ INDIAN TRIBE

ACTKINSON, NICOLE M
69-51857

BEASSIE, CHRISTINA E
69-51926

CALIENDO, RIEANNA J
69-51870

CLEMENT, GERALD R
69-51823

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

COWLITZ INDIAN TRIBE

COOK, BRITNEY A
69-51825

CUNNINGHAM, SCOTT A
69-46085

CURTIN, MARY C
69-51931

DAVIS, ELYNDA A
69-51914

ELTING, SHEILA A
69-51903

FEROGLIA, ANTONIO M
69-51934

GORMAN, SAMANTHA M
69-51932

HALICUS, PAUL J
69-51873

HAMMOND, TERESA A
69-51937

MCOUOWN, BETHANY V
69-51933

OLINGER, ARTHUR D
69-51854

ROSS, AARON N
69-51824

VILHAUER, DANNY L
69-51915

WAGGONER, TRAVIS G
69-51841

WILLOCK, LISA R
69-51858

YBARRA, AARON M
69-51892

YELLOWEYES-RIPOYLA, LEOTIE N
69-41748

KALISPEL TRIBE

ADAMS, MIKAELA R
69-51941

CALZADA, AUSTIN T
69-51895

DIXON, DARRELL J
69-51829

DOOLING, SHANNON A
69-51752

ELLENBERGER, EVERETT J
69-13822

GIRARDOT, FRANCIS X
69-51944

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

KALISPEL TRIBE

GUHLKE, DANA N
69-51775

MALPASS, CARRIE C
69-51894

MURPHY, BRENDAN A
69-51855

PARKER, LAKYN E
69-51927

ROCHA, ADRIANNA M
69-51828

RUPERT, TAYSHA L
69-51943

SONNABEND, JERAMIE C
69-51893

LUMMI NATION

FRAJMAN, SELENA L
69-51791

GALLEON, JAYLORD B
69-51832

IUKES, ALEXIS C
69-44483

JOHNSON, KAMRON M
69-51833

PALOMBA, ANTHONY M
69-51936

SHEPHERD, BRANDI G
69-47625

WATTS, CHRISTINA R
69-39123

MUCKLESHOOT INDIAN TRIBE

BERNS, JEFFREY A
69-51889

CAPOEMAN, BENJAMIN R SR
69-51886

COUSINS, CHRISTOPHER J
69-51890

ERLENBUSH, DEREK A
69-51887

GIAUQUE, JORDAN B
69-42554

HALDEMAN, GEORGE F JR
69-36084

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

MUCKLESHOOT INDIAN TRIBE

KEELINE, ROBERT M SR
69-06946

KEMAI, EASSON A
69-51888

LEE, IVY
69-51891

THISSELL, JEANNIE L
69-51930

NISQUALLY INDIAN TRIBE

CRUZ, CRISTIAN A
69-51907

FIELD-BORODIN, TINA S
69-39818

JOHNS, RUSSELL C JR
69-49253

NGUYEN, JAIME L
69-51920

PORTER, JERRY R II
69-51908

SANDERS, JOHN A
69-30967

SIBREE, KAHLIL H
69-51922

SMITH, JAREAD
69-51906

NOOKSACK INDIAN TRIBE

CARLMARK, RYAN K
69-51874

MARTINEZ-FLORES, EVA
69-51863

STAUS, CALYSSA
69-51842

PORT GAMBLE S'KLALLAM TRIBE

CARRUTH, RACHEL I
69-51818

CASTILLO, DESIREE G
69-51819

RIDENOUR, KEILANIE D
69-51820

SCHAMBRON, DONNA J
69-51822

TUCKER, JENNIFER R
69-51897

WION, JACOB W
69-51821

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

PORT GAMBLE S'KLALLAM TRIBE

ZENICK, ANDREW R
69-51898

PUYALLUP TRIBE OF INDIANS

CHRISTIAN-CLARK, PAULAD
69-51923

D'APRILE, JENNIFER O
69-51902

DUPLANTIER, BRIJIDA D
69-18431

FLEMING, AARON G
69-51924

FLORES, BILLY C
69-51901

FLORES, JAMES P
69-45230

MATAGI, AARON J
69-51848

OLSEN, ASHLEY C
69-51921

ROE, SARAH M
69-51965

SCOTT, JOSHUA E
69-51919

SHINES, ALIYAH S
69-51900

THOMAS-TURNER, ASHLYN E
69-51918

YIN, SOKHOEUN
69-43227

QUINAULT NATION

BECK, ALLAN J
69-51866

HOCEK, JAROSLAV
69-51861

STANKOWSKI, JOSEPH F
69-51860

SKOKOMISH TRIBE

CARPENTER, RUSSELL J
69-09769

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SNOQUALMIE TRIBE

BAPTISTE, LIDAWATI
69-51867

BARCO-FABELA, BRANDON
69-51928

EVANS, ALEXANDREA D
69-39584

KUMAR, PARAS
69-51929

STOKES, SCOT
69-51868

TAN, YIMIN
69-51869

ZARAGOZA, JAMES M
69-32702

SPOKANE TRIBE

ANGSTROM, TYLER J
69-51904

DOTSON, JACQUELYN D
69-51881

GRIMM, NICHOLE L
69-51843

JOHNSON, NATHAN E
69-43528

KENNEDY, ROBIN R
69-51882

MURFIN, BROOKE M
69-51883

OLMSTEAD, TONYA J
69-51949

SCHLIEP, CASSANDRA N
69-43594

SKENANDORE, THOMAS C
69-20455

STEVENS, AUSTIN M
69-51856

SWIGER, REBECCA N
69-51853

WALSH, ALAINA N
69-51917

WATLAMETT, ALVINA D
69-43893

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SQUAXIN ISLAND TRIBE

BEVERIDGE, RACHAEL L
69-51865

BROWN, ROBERT I
69-51773

CODY, HEATHER E
69-51859

CURTIS, BRETT
69-51862

DUNKUM, DAVID O
69-51834

KEYPORT, SCOTT E
69-23300

LEK, JULIE
69-51827

LINGLE, FRANKLIN E
69-40146

MCLAURIN, DARRIUS D
69-51782

RIVERA, ANTONIO A
69-10570

SMITH, BAKITA A
69-51935

TRINIDAD, MARTY J
69-51690

WARNER, BRAD D
69-51880

SUQUAMISH TRIBE

BELL, ZOE N
69-51948

BOURNER, COREY O
69-51966

DELACRUZ, JOEL
69-51899

HALLOCK, BRYON M
69-31008

LEWIS OYA, BARDOW M
69-51946

PINZA, JOSEPH A
69-46693

REILLY, JOHN A
69-51905

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SWINOMISH INDIAN TRIBAL COMMUNITY

DEMERY, ASHLEY N
69-51845

GOURLEY, ANNELIESA
69-31096

LONDON, JESSICA J
69-51864

THE TULALIP TRIBES

CASASOLA, LIBNI E
69-51787

COLLIERS, JERLY B
69-51790

COOMBES, TALETHA A
69-37493

ESPITIA, ANGELITA R
69-51871

FRYBERG, WILLIAM L
69-30817

HO, HAI H
69-45226

KULATUNGE, MANDINU K
69-51912

MANLEY, LAURI R
69-51910

RIOS DONIS, CHRISTOFER J
69-51911

RUSHER, JACOB B
69-51913

TRUONG, ANNA M
69-51817

WILLIAMS, GERRY D
69-35393

WILLIAMS, LUKAS A
69-51909

UPPER SKAGIT INDIAN TRIBE

WORLEY, BRAD N
69-51896

YAKAMA NATION

ICE, MICHAEL C
69-51947

IRVING, MICHAEL T JR
69-16493



**Washington State Gambling Commission
Pre-Licensing Report
Major, Mid-Level, and Ancillary Sports Wagering Vendor**

**Part I
Licensing/Organization Information**

Type of Approval Major Sports Wagering Vendor License Mid-Level Sports Wagering Vendor License Ancillary Sports Wagering Vendor License	Premises/Trade Name/Address NYX Digital Gaming (USA), LLC 6601 Bermuda Road Las Vegas, NV 89119
Date of Application September 17, 2021	

APPLICANT INFORMATION

Name NYX Digital Gaming (USA), LLC	License Application # 10-00054	Business Phone # (702) 532-7700
Address 6601 Bermuda Road Las Vegas, NV 89119		

ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION

Description/Class	Exp. Date	License Number(s)
Major Sports Wagering Vendor License	12/31/2022	81-00005
Mid-Level Sports Wagering Vendor License	12/31/2022	82-00012
Ancillary Sports Wagering Vendor License	12/31/2022	83-00004

COMMISSION STAFF

Licensing Specialist Elizabeth O'Hara	Special Agents Lisa Saila Donna Khanhasa
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Background/Structure

General Information:

NYX Digital Gaming (USA), LLC, also known as SG Digital (NYX), is a wholly-owned subsidiary of Scientific Games Corporation, a publicly traded company. NYX plans to provide the following services in Washington:

Major Sports Wagering Vendor:

- A manufacturer or distributor of a sports wagering system(s)
- Providing bookmaking services
- Providing sports wagering risk management services

Mid-Level Sports Wagering Vendor:

- Sports wagering account management, including Software-as-a-Service (SaaS) products

Ancillary Sports Wagering Vendor:

- Mobile payment processing for use in mobile sports wagering
- Know your customer or identity verification for use in mobile sports wagering

Organizational/Ownership Structure:

NYX Digital Gaming (USA), LLC

Title	Name	Ownership
CEO	Jordan Levin	0%
CFO	Alexander Ambrose	0%
Owner	Scientific Games Corporation	100%

Scientific Games Corporation* (as of November 24, 2021)

Title	Name	Ownership
President/CEO, Director	Barry Cottle	0%
EVP, CLO	James Sottile, IV	0%
EVP, Group CEO, Gaming	Matthew Wilson	0%
EVP, Group CEO, Lottery	Patrick McHugh	0%
SVP, CCO	Stephen Richardson	0%
SVP, Chief Accounting Officer	Michael Winterscheidt	0%
CFO	Constance (Connie) James	0%
Director	James (Jamie) Odell	0%
Director	Antonia (Toni) Korsanos	0%
Director	Hamish McLennan	0%
Director	Michael Regan	0%
Director	Virginia (Ginny) Shanks	0%
Director	Timothy Throsby	0%
Director	Maria Vullo	0%
Director	Kneeland Youngblood	0%
Inst. Investor	Caledonia (Private) Investments Pty Ltd.	9.6%
Inst. Investor	Fine Capital Partners, LP	9.3%
Inst. Investor	Vanguard Group, Inc.	9.5%
Inst. Investor	BlackRock, Inc.	10.5%
Shareholders	Other Shareholders below 5% (non-substantial interest)	61.1%
Total		100%

*Scientific Games Corporation is publicly traded on NASDAQ under the symbol "SGMS."

Openbet Limited (owner of intellectual property)

Title	Name	Ownership
Director and Secretary	Jordan Levin	0
Ultimate Owner**	Scientific Games Corporation	100%

**Openbet Limited is a wholly owned subsidiary of OpenBet Technologies, which is a wholly-owned subsidiary of NYX Gaming Group, LLC, which is a wholly-owned subsidiary of Bally Gaming and Systems UK Limited, which is a wholly-owned subsidiary of SG Gaming, Inc., which is a wholly-owned subsidiary of the ultimate parent company, Scientific Games Corporation. Openbet Limited develops and owns the intellectual property for the sports wagering software that NYX uses. Openbet Limited does not need to be separately license in accordance with WAC 230-03-234.

Don Best Sports Corporation (provides data to NYX)

Title	Name	Ownership
President	Jordan Levin	0
Ultimate Owner***	Scientific Games Corporation	100%

***Don Best Sports Corporation (Don Best) is a wholly-owned subsidiary of SG Gaming, Inc., which is a wholly-owned subsidiary of the ultimate parent company, Scientific Games Corporation. Don Best provides the data for the sports wagering software that NYX uses. Don Best does not need to be separately license in accordance with WAC 230-03-234.

Affiliated Companies:

NYX Digital Gaming (USA), LLC's sister company, SG Gaming, Inc., doing business as Scientific Games, is currently licensed as a Manufacturer, Distributor, and Ancillary Sports Wagering Vendor.

Other Jurisdictions Licensed:

NYX Digital Gaming (USA), LLC is licensed in several jurisdictions, including Indiana, Mississippi, Nevada, New Jersey, and Pennsylvania.

**Part II
Licensing Investigations Summary**

Special Agents from the Commission's Licensing and Regulation Unit conducted a criminal history and financial investigation focusing on funding sources and beneficiaries for suitability in accordance with RCW 9.46 and WAC 230. The investigation included verifying the ownership structure and reviewing financial and business records. The investigation found:

- No unreported people or businesses involved (i.e. substantial interest holders);
- No undisclosed ownership or undisclosed involvement in other activities/businesses;
- No disqualifying administrative history;
- All funding sources were disclosed; and
- All substantial interest holders qualify to hold a license.

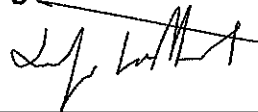
Source of Funds:

The company's source of funds for the pre-licensing process came from cash on hand from operations.

**Part III
Staff Recommendations**

Based upon the criminal history and financial background investigations, staff recommends licensing NYX Digital Gaming (USA), LLC, also known as SG Digital, with a Major Sports Wagering Vendor License, Mid-Level Sports Wagering Vendor License, and Ancillary Sports Wagering Vendor license.

Prepared By
Jennifer LaMont, Agent in Charge
Licensing Unit

Signature


Date
February 28, 2022



**Washington State Gambling Commission
Pre-Licensing Report
Major Sports Wagering Vendor**

**Part I
Licensing/Organization Information**

Type of Approval Major Sports Wagering Vendor License Mid-Level Sports Wagering Vendor License	Premises/Trade Name/Address Sports Information Services Limited 3rd Floor, 75 Quantum House Abate Rigord St Ta' Xbiex, Malta XBX1120
Date of Application March 26, 2021	

APPLICANT INFORMATION

Name Sports Information Services Limited	License Application # 10-00024	Business Phone # 44-7717-838498
Address 3rd Floor, 75 Quantum House Abate Rigord St Ta' Xbiex, Malta XBX1120		

ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION

Description/Class	Exp. Date	License Number(s)
Major Sports Wagering Vendor License	12/31/2022	81-00006
Mid-Level Sports Wagering Vendor License	12/31/2022	82-00013

COMMISSION STAFF

Licensing Specialist Rose Guzman	Special Agents Julie Sullivan Edward Ward
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Kambi

Background/Structure

General Information:

Sports Information Services Limited applied for a new Major Sports Wagering Vendor license because they will be providing substantial sports wagering services to Tribes, they are a manufacturer of sports wagering systems, provide bookmaking services and provide risk management services. They also applied for a new Mid-Level Sports Wagering Vendor license for providing integrity monitoring services, data to set odds and services related to the compilation, furnishing or storage of data used in sports wagering.

Organizational/Ownership Structure:

Sports Information Services Limited

Title	Name	% Ownership
CEO	Bengt "Kristian" Nylén	0%
CFO	David Kenyon	0%
CTO	Kristopher Saw	0%
COO	Erik Logdberg	0%
Director	Henry Dimech	0%
Shareholder	Kambi Group Plc	99.99%
Shareholder	Kambi Malta Limited	0.001%
	Total	100%

Kambi Group plc

Title	Name	% Ownership
CEO	Bengt "Kristian" Nylén	2.33%
CFO	David Kenyon	< 1%
CTO	Kristopher Saw	< 1%
COO	Erik Logdberg	< 1%
Director	Bengt "Anders" Strom	0%
Chairman	Lars Stugemo	< 1%
Director	Patrick Lars Clase	< 1%
Director	Johanna "Marlene" Forsell	< 1%
Shareholder	Veralda Investment Limited	17.36%
Shareholder	Various non substantial interest public shareholders	80.31%
	Total	100%

Kambi Group plc is listed on First Growth Market at Nasdaq Stockholm under KAMBI and governed by the Maltese Stock Exchange Rules. As a company registered in Malta, the shares are not tradeable on the Maltese market. Ownership is as of October 3, 2021.

Veralda Investment Limited

Title	Name	% Ownership
Director	Bengt Anders Strom	0%
Shareholder	Veralda AB	100%
	Total	100%

Veralda AB

Title	Name	% Ownership
Director	Patrick Lars Clase	0
Shareholder	Bengt Anders Strom	100%
	Total	100%

Kambi has multiple service companies within their group organization structure set up to employ Kambi personnel and conduct back-office activities in each of the relevant jurisdictions. The service companies

do not have any decision-making authority in relation to SIS. The services are provided through an inner company agreement with Kambi Services Limited who maintains the central functions for the group. Kambi Services Limited does not provide any sports wagering services to SIS. Additional entities in the Kambi group ownership structure that have been identified as those that provide sports wagering services to SIS so SIS can offer sports wagering services in Washington State are:

Kambi Sweden AB

Title	Name	% Ownership
COO, Director	Erik Logdberg	0
CEO	Bengt "Kristian" Nylen	0
CFO	David Kenyon	0
CTO	Kris Saw	0
Shareholder	Kambi Group plc	100%
	Total	100

Global Technology and Sports Ltd

Title	Name	% Ownership
CEO	Bengt "Kristian" Nylen	0%
COO	Erik Logdberg	0%
CFO	David Kenyon	0%
CTO	Kris Saw	0%
Director	Henry Dimech	0%
Shareholder	Kambi Group plc	100%
	Total	100

Kambi USA, Inc.

Title	Name	% Ownership
CFO, President, Director	David Kenyon	0
CEO	Bengt "Kristian" Nylen	0
COO	Erik Logdberg	0
CTO	Kris Saw	0
Shareholder	Kambi Group plc	100%
	Total	100

Other Jurisdictions Licensed:

SIS is currently licensed several jurisdictions in the U.S. including, New Jersey, Colorado, Michigan, and Pennsylvania.

Special Agents from the Commission's Licensing Unit conducted a criminal history and financial investigation focusing on funding sources and beneficiaries for suitability in accordance with RCW 9.46 and WAC 230. The investigation included verifying the ownership structure, reviewing financial and business records, and conducting interviews. The investigation found:

- No unreported people or businesses involved (i.e., substantial interest holders).
- No undisclosed ownership or undisclosed involvement in other activities/businesses.
- No disqualifying administrative history.
- All funding sources were disclosed; and
- All substantial interest holders qualify to hold a license.

Source of Funds:

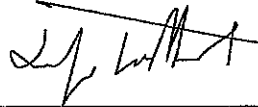
The company's source of funds for the pre-licensing process came from cash on hand.

**Part III
Staff Recommendations**

Based upon the criminal history and financial background investigations, staff recommends licensing Sports Information Services Limited with a Major Sports Wagering Vendor license and a Mid-Level Sports Wagering Vendor license.

Prepared By
Jennifer LaMont, Agent in Charge
Licensing Unit

Signature



Date
February 28, 2022



Washington State Gambling Commission
Pre-Licensing Report
Mid-Level Sports Wagering Vendor

Part I
Licensing/Organization Information

Type of Approval Mid-Level Sports Wagering Vendor License	Trade Name/ Premises Address Swish Analytics Washington, Inc. 300 Broadway, Suite 8 San Francisco, CA 94133
Date of Application November 23, 2021	

APPLICANT INFORMATION

Name Swish Analytics Washington, Inc.	License Application # 10-00184	Business Phone # (415) 742-2087
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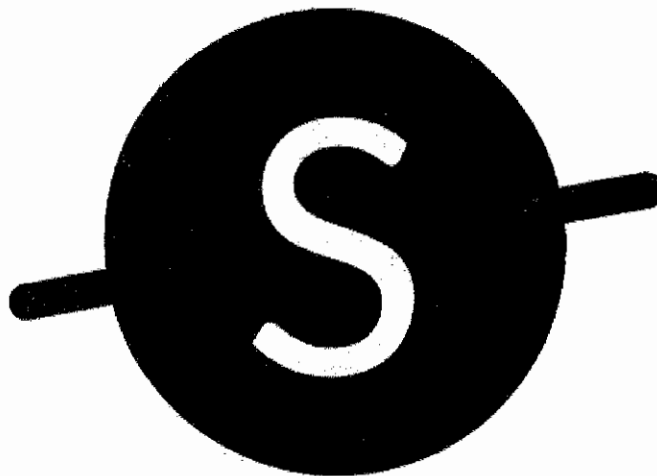
Mailing Address
300 Broadway, Suite 8
San Francisco, CA 94133

ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION

Description/Class Mid-Level Sports Wagering Vendor License	Exp. Date 12/31/2022	License Number(s) 82-00016
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COMMISSION STAFF

Licensing Specialist Michelle Davis	Special Agents Donna Khanhasa Lisa Salla
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Swish Analytics

Background/Structure

General Information:

Swish Analytics, Inc. was incorporated in December 2013.

Swish Analytics Washington, Inc. is a newly formed entity to provide sports wagering services in Washington State. It has applied for a Mid-Level Sports Wagering Vendor license to provide services related to the compilation, furnishing, or storage of data for use in sports wagering.

Organizational/Ownership Structure:

Swish Analytics Washington, Inc.

Title	Name	% Ownership
President/CEO	Joseph (Joe) Hagen	0%
Treasurer/CFO	Corey Beaumont	0%
Secretary	Robert Skoff II	0%
Shareholder	Swish Analytics US, Inc.	100%
	Total	100%

Swish Analytics US, Inc.

Title	Name	% Ownership
President/CEO	Joseph (Joe) Hagen	0%
Treasurer/CFO	Corey Beaumont	0%
Secretary	Robert Skoff II	0%
Shareholder	Swish Analytics, Inc.	100%
	Total	100%

Swish Analytics, Inc.

Title	Name	% Ownership (voting shares)
CEO/Director	Joseph (Joe) Hagen	33.152%
Treasurer/CFO	Corey Beaumont	18.701%
Secretary/Director	Robert Skoff II	33.152%
Director	Cole Van Nice	0%
Director	Yash Patel	0%
Other Shareholders	Various other non-substantial interest holders	14.995%
	Total	100%

Other Jurisdictions Licensed:

Swish Analytics is licensed in several jurisdictions, including Indiana, Pennsylvania, Louisiana, New Jersey, Wyoming, Virginia, Colorado, Arizona, Illinois, and Michigan.

Part II
Licensing Investigations Summary

Special Agents from the Commission's Licensing and Regulation Units conducted a criminal history and financial investigation focusing on funding sources and beneficiaries for suitability in accordance with RCW 9.46 and WAC 230. The investigation included verifying the ownership structure, reviewing financial and business records. The investigation found:

- No unreported people or businesses involved (i.e., substantial interest holders).
- No undisclosed ownership or undisclosed involvement in other activities/businesses.
- No disqualifying administrative history.
- All funding sources were disclosed; and
- All substantial interest holders qualify to hold a license.

Source of Funds:

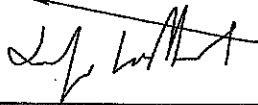
The company's source of funds for the licensing process came from its parent company, Swish Analytics, Inc.

Part III
Staff Recommendations

Based upon the criminal history and financial background investigations, staff recommends licensing Swish Analytics Washington, Inc. with a Mid-Level Sports Wagering Vendor license.

Prepared By
Jennifer LaMont, Agent in Charge
Licensing Unit

Signature



Date
February 28, 2022



HOUSE-BANKED PUBLIC CARD ROOM REPORT

Licensed and Operating		40			
	City	Commission Approval Date	License Expiration Date	Org #	License #
ALL STAR CASINO	SILVERDALE	Jan 14, 1999	Jun 30, 2022	00-18357	67-00058
BLACK PEARL RESTAURANT & CARD ROOM	SPOKANE VALLEY	Jan 10, 2013	Sep 30, 2022	00-22440	67-00321
BUZZ INN STEAKHOUSE/EAST WENATCHEE	EAST WENATCHEE	Oct 10, 2002	Dec 31, 2022	00-11170	67-00183
CARIBBEAN CARDROOM	KIRKLAND	Nov 14, 2019	Sep 30, 2022	00-24515	67-00343
CASINO CARIBBEAN	KIRKLAND	Nov 14, 2019	Sep 30, 2022	00-24512	67-00341
CASINO CARIBBEAN	YAKIMA	Nov 14, 2019	Sep 30, 2022	00-24513	67-00342
CHIPS CASINO/LAKEWOOD	LAKEWOOD	Apr 8, 1999	Dec 31, 2022	00-17414	67-00020
CLEARWATER SALOON & CASINO	EAST WENATCHEE	Feb 14, 2019	Dec 31, 2022	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, 2022	00-23339	67-00327
FORTUNE CASINO - TUKWILA	TUKWILA	Oct 8, 2015	Jun 30, 2022	00-23465	67-00329
GOLDIES SHORELINE CASINO	SHORELINE	May 13, 1999	Dec 31, 2022	00-17610	67-00016
GREAT AMERICAN CASINO/EVERETT	EVERETT	Nov 12, 1998	Dec 31, 2022	00-19513	67-00194
GREAT AMERICAN CASINO/LAKEWOOD	LAKEWOOD	Aug 14, 2003	Jun 30, 2022	00-19258	67-00184
GREAT AMERICAN CASINO/TUKWILA	TUKWILA	Jan 15, 1998	Sep 30, 2022	00-12554	67-00012
HAWKS PRAIRIE CASINO	LACEY	Jul 12, 2001	Jun 30, 2022	00-17579	67-00091
IRON HORSE CASINO	AUBURN	Jan 9, 2003	Dec 31, 2022	00-19477	67-00192
JOKER'S CASINO SPORTS BAR & FIESTA CD RM	RICHLAND	Nov 12, 1998	Dec 31, 2022	00-15224	67-00006
LANCER LANES/REST AND CASINO	CLARKSTON	Nov 13, 2008	Sep 30, 2022	00-21681	67-00276
LAST FRONTIER	LA CENTER	Feb 11, 1999	Sep 30, 2022	00-11339	67-00055

Licensed and Operating		40			
	City	Commission Approval Date	License Expiration Date	Org #	License #
LILAC LANES & CASINO	SPOKANE	Jul 12, 2007	Jun 30, 2022	00-21305	67-00267
LUCKY DRAGONZ CASINO	SEATTLE	Mar 10, 2022	Jun 30, 2022	00-23001	67-00323
MACAU CASINO	LAKEWOOD	Nov 14, 2019	Sep 30, 2022	00-24516	67-00345
MACAU CASINO	TUKWILA	Nov 14, 2019	Sep 30, 2022	00-24514	67-00344
NOB HILL CASINO	YAKIMA	Sep 12, 2001	Dec 31, 2022	00-13069	67-00173
PALACE CASINO LAKEWOOD	LAKEWOOD	Jan 14, 1999	Dec 31, 2022	00-16542	67-00028
PAPAS CASINO RESTAURANT & LOUNGE	MOSES LAKE	Aug 13, 1998	Jun 30, 2022	00-02788	67-00004
RC'S AT VALLEY LANES	SUNNYSIDE	Nov 16, 2017	Mar 31, 2022	00-16220	67-00336
RIVERSIDE CASINO	TUKWILA	Aug 14, 2003	Jun 30, 2022	00-19369	67-00187
ROMAN CASINO	SEATTLE	Feb 10, 2000	Mar 31, 2022	00-17613	67-00057
ROXY'S BAR & GRILL	SEATTLE	Nov 18, 2004	Jun 30, 2022	00-20113	67-00231
SILVER DOLLAR CASINO/MILL CREEK	BOTHELL	Sep 9, 2010	Jun 30, 2022	00-22131	67-00302
SILVER DOLLAR CASINO/RENTON	RENTON	Sep 9, 2010	Jun 30, 2022	00-22134	67-00305
SILVER DOLLAR CASINO/SEATAC	SEATAC	Sep 9, 2010	Jun 30, 2022	00-22128	67-00299
SLO PITCH PUB & EATERY	BELLINGHAM	Aug 12, 1999	Jun 30, 2022	00-16759	67-00038
THE PALACE	LA CENTER	Apr 9, 1998	Jun 30, 2022	00-16903	67-00010
WILD GOOSE CASINO	ELLENSBURG	Apr 8, 2004	Dec 31, 2022	00-20009	67-00212
ZEPPOZ	PULLMAN	Nov 13, 2008	Mar 31, 2022	00-18777	67-00209

Licensed but Not Currently Operating		4			
	City	Commission Approval Date	License Expiration Date	Org #	License #
CLUB HOLLYWOOD CASINO	SHORELINE	Sep 9, 2010	Jun 30, 2022	00-22132	67-00303
EMERALD DOWNS	AUBURN	May 11, 2017	Mar 31, 2022	00-23814	67-00335
ROYAL CASINO	EVERETT	Sep 9, 2010	Jun 30, 2022	00-22130	67-00301
WIZARDS CASINO	BURIEN	Feb 11, 2010	Dec 31, 2022	00-21998	67-00287

Applications Pending					1
	City	Commission Approval Date	License Expiration Date	Org #	License #
FORTUNE CASINO - LACEY	LACEY			00-24868	67-00347

Part II
Licensing Investigations Summary

Special Agents from the Commission's Licensing Unit conducted criminal records investigations and financial investigations focusing on funding sources and beneficiaries for suitability in accordance with RCW 9.46 and WAC 230. The investigations found:

- No unreported people or businesses involved (i.e. substantial interest holders);
- No undisclosed ownership or undisclosed involvement in other activities/businesses;
- All funding sources were disclosed; and
- All substantial interest holders qualify.

A complete inspection and review of the accounting records, bank statements, and contracts and agreements of LST Investment Company was conducted at their premises in Seattle, WA. In addition, we verified the funding sources, reviewed the financial records, interviewed key personnel about the history of the company, and verified the business was current with the local, state, and federal taxes.

Source of Funds:

- This source of funds for this house-banked cardroom addition was cash on hand from the existing business, and proceeds from the 50% sale of a real estate holding company owned by the Luu's.

Part III
Pre-Operational Review and Evaluation Summary

Special Agents from the Commission's Regulation Unit completed an on-site Pre-Operational Review and Evaluation (PORE). The purpose of the PORE is to determine that the gambling operation complies with the requirements of RCW 9.46 and WAC 230. The review found that the following are in compliance:

- Nature, size, and scope of gambling operations
- Regulations for the operation and management of gambling
- Forms and recordkeeping
- Surveillance and Security
- Internal controls for Surveillance, Security, Accounting, and Gambling are adequate

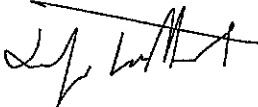
The applicant proposes to operate the following games:

- 8 – Mini-Baccarat with Dragon Bonus
- 2 – Face Up Pai Gow Poker Progressive
- 2 – Bahama Bonus Blackjack Progressive
- 1 – I Luv Suits Progressive
- 1 – Fortune Pai Gow Progressive

In accordance with WAC 230-03-080, a temporary license has been issued.

Part IV
Staff Recommendations

Based upon the licensing investigation and the PORE, staff recommends licensing LST Investment Company, doing business as Lucky DragonZ Casino, as a house-banked card room to operate up to 15 tables in accordance with the wagering limits of WAC 230-15-140.

Prepared By Jennifer LaMont, Agent in Charge Licensing Unit	Signature 	Date February 28, 2022
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WASHINGTON STATE GAMBLING COMMISSION
Approved 2022 Commission Meetings Schedule

January 13th & 14th Thursday & Friday	Gambling Commission Lacey, WA (Virtual)
February 10th & 11th Thursday & Friday	Gambling Commission Lacey, WA (Virtual)
March 10th & 11th Thursday & Friday	Gambling Commission Lacey, WA (Virtual)
April 14th & 15th Thursday & Friday	Gambling Commission Lacey, WA (Hybrid)
May 12th & 13th Thursday & Friday	Gambling Commission Lacey, WA (Hybrid)
June 9th & 10th Thursday & Friday	Gambling Commission Lacey, WA (Hybrid)
July	NO MEETING
August 11th & 12th Thursday & Friday	Gambling Commission Lacey, WA (Hybrid)
September 8th & 9th Thursday & Friday	Gambling Commission Lacey, WA (Hybrid)
October 13th & 14th Thursday & Friday	Gambling Commission Lacey, WA (Hybrid)
November 9th & 10th Wednesday & Thursday	Gambling Commission Lacey, WA (Hybrid)
December	NO MEETING

Commission meetings will be virtual through the 2022 Legislative Session. Starting April 2022 Commission meetings will be a hybrid model whereby the public will be able to attend the meetings virtually or in person, assuming the Governor's suspension of the OMPA in-person requirement is lifted or the current state of emergency ends.

Gambling killed my husband. We must stop this predatory industry claiming more lives

[Annie Ashton](#)

This article is more than 1 month old

Luke was targeted by adverts for 'free bets' to lure him back to gambling after he had quit. I'm campaigning to have this kind of marketing banned



'My children will never see their father again.' Luke and Annie Ashton. Photograph: Family handout

Tue 18 Jan 2022 01.00 EST

T

his time last year, my husband Luke and I had everything we wanted:

each other, a lovely house and two wonderful children. Three months later, this life was shattered. On 22 April 2021, Luke took his own life.

About two years before his death, Luke developed a gambling disorder. He started gambling with friends on a Saturday, placing bets at a local bookies while watching Leicester City, his football team. At the time, I didn't think it was dangerous – I had no idea that gambling [kills so many people](#).

Soon, Luke began to bet online. He opened multiple accounts, taking advantage of “free bets” – aggressive marketing offers used by online bookmakers to lure people into gambling. From there, he was encouraged to bet on sports, like horse racing, that he knew little about. It didn’t take long for him to get into a lot of debt and start chasing his losses.

If you knew Luke, you’d find it hard to comprehend that he gambled. My husband was sensible and careful with money. He would save whenever he could, and bills were always paid on time. As a warehouse manager at a local family printing firm, he often found ways of saving the company money, something he was held in high regard for.

I only became aware he was in trouble after I noticed he was struggling to pay for cinema trips or meals out. [Gambling](#) on a phone is very isolated, and it took me a year to understand he was gambling so much. We had just sold our house, so luckily we could pay off the debts he had accumulated and, much to my relief, Luke closed his gambling accounts. This seemed enough. Luke had never had issues with gambling before and I had no reason to think he would again.



Luke and Annie Ashton

But in 2020, Luke was furloughed because of the pandemic. He began gambling again in secret, reopening his old accounts. I remember him often

commenting on how relentless the marketing emails he was getting were; he was concerned about the impact they would have on people who were already struggling with money. Naively, I thought this meant Luke could stop gambling when he wanted to – like the GambleAware slogan: “When the fun stops, stop.”

Three weeks after his suicide, the police gave Luke’s phone back to me. It was then that I realised his gambling disorder had returned. His relapse was so rapid that I still cannot believe it was never picked up by these gambling companies who – at the start of the pandemic – had [promised to do more](#) to protect vulnerable customers like Luke. On one account he reopened during the pandemic, the pattern of his gambling was obviously harmful. He took advantage of a free bet offer, deposited money, lost money, was immediately advertised another free bet offer, and the cycle would begin again.

It is not in the gambling industry’s interests to stop people developing gambling addictions. It spends [£1.5bn a year](#) on advertising to bring in customers to get hooked on its products for profit. Some 60% of its profits come from from 5% of customers who are [already problem gamblers](#), or are at risk of becoming so. And they are huge profits – the UK industry is worth about £14bn. These companies know a [staggering amount](#) about their customers – in some cases they will know if someone earning £30k a year has gambled £60k in a few months, and do nothing to stop it. They track their habits and patterns and vulnerabilities online to find out when best to advertise to them and what kind of emails they are most likely to open. They could, if they wanted to, use this information to help people, to block their accounts; but often they use it to drag them further into addiction. When people like my husband try not to gamble, they are targeted more aggressively. One gambler who got his data back from an online gambling company and shared it with the [New York Times](#) found that as someone who had given up gambling, he had been profiled as a customer to “win back”.

How do these gambling companies get away with it? Because they can. The entire industry is fuelled by a money above all else mentality that is devoid of morality.

In a 2021 report, Public Health England estimated that there are more than [409 gambling-related suicides](#) in England every year. That is more than one life lost every single day. That is why I am campaigning for “[Luke’s law](#)” –

to ban gambling incentives such as “free bets”. Luke found that being bombarded with ads from that 24-hour bookies and casino in his pocket made it a problem that became impossible to escape. Banning these incentives may go some way to alleviating the misery that gambling companies cause families like ours with their predatory actions.

The gambling lobby is very powerful – just look at all the MPs who get paid off with tickets to sports games to speak in its favour. But unlike so many who caution against change to gambling regulation, I am not on anyone’s payroll. I would give anything for this catastrophe to not have happened to me and my family. It has been traumatic and the fight is draining, but I do not feel I have a choice. The government is currently reviewing gambling legislation – laws that were drawn up before smartphones. This is a real chance to make changes that could benefit everyone – not just the few who are making money from misery.

We banned tobacco marketing; we can do the same for gambling.

My children will never see their father again. But I hope that by getting Luke’s law passed, he may have saved others from falling for the same fate. It gives me some small solace, and I hope it gives our children that too among their grief.



Problem Gambling Awareness Month Update

WA State Gambling Commission

Public Meeting 3/10/2022

Roxane Waldron, Manager

State Problem Gambling Program

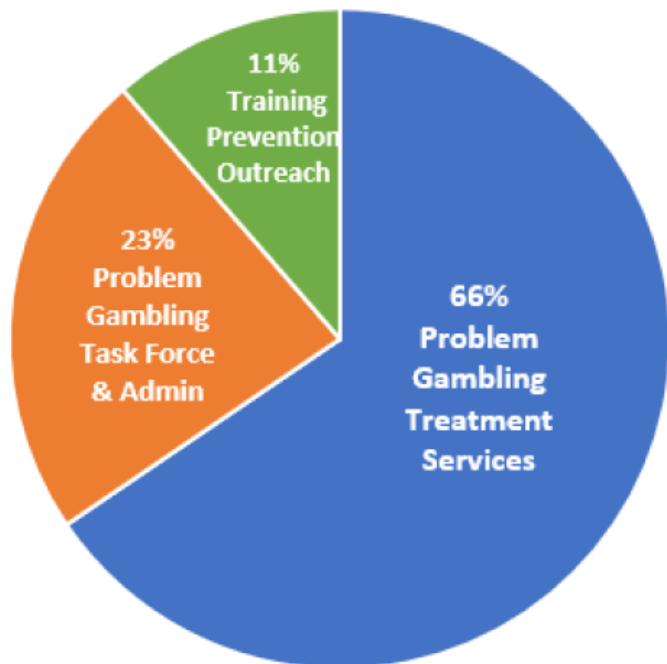
&

Tana Russell, Assistant Director

Evergreen Council on Problem Gambling

State Problem Gambling Program

2021-2023 Budget – \$1.463 M
(Two year)



SFY 2021 – Treatment Services (\$495K)

Clients served = 336

- Average cost per client = \$1472
- Includes an average of 1 assessment + 16-17 sessions

New clients assessed = 167

- 76% admitted into outpatient services

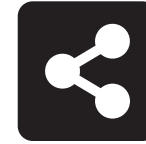
***Number of clients decreased from previous year by 13.6% but number of sessions per client increased*

March is Problem Gambling Awareness Month



Problem Gambling Awareness Month (PGAM) is a grassroots campaign that depends on the participation of NCPG state Affiliate, organizational and individual members, state health agencies, gambling companies, recovery groups and a wide range of healthcare organizations and providers. Groups across America hold conferences, air Public Service Announcements, provide counselor trainings, host health screening days, run social media campaigns and many other activities to increase public awareness of problem gambling and the availability of prevention, treatment and recovery services.

PGAM – HCA messaging



Washington State Health Care Authority

Search Home About HCA Contact HCA In crisis?

March is Problem Gambling Awareness Month

Get help now

Due to COVID-19, HCA's lobby is closed. [Learn more about your customer service options.](#)

- Health care services and supports**
 - Apple Health (Medicaid) coverage
 - Behavioral health and recovery
 - Program administration
 - Alternate help with prescriptions[See more ...](#)
- Employee and retiree benefits**
 - Public employees
 - School employees
 - Retirees
 - Continuation coverage[See more ...](#)
- Billers, providers, and partners**
 - Prior authorization, claims, and billing
 - ProviderOne resources
 - Programs and services
 - Apple Health (Medicaid) providers[See more ...](#)

Partners

Behavioral Health Advisory Council

Children and Youth Behavioral Health Work Group (CYBHWG) >

Crisis Response Improvement Strategy (CRIS) committees

Family Youth System Partner Round Table (FYSPRT)

Office of Recovery Partnerships >

Problem Gambling Task Force (PGTF)

 Due to COVID-19, HCA's lobby is closed until further notice. [Learn more about your virtual customer service options.](#)



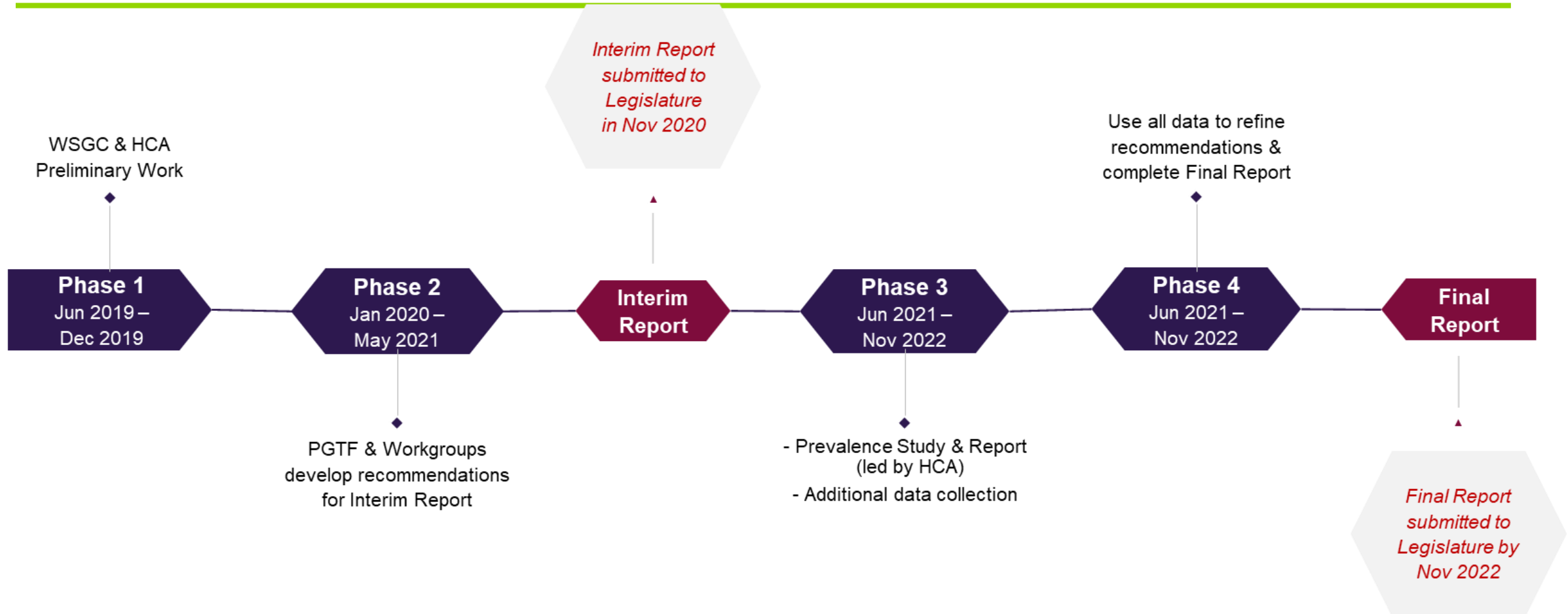
Problem Gambling Task Force (PGTF)

The Health Care Authority (HCA) is lead agency for the Problem Gambling Task Force (PGTF)—a joint legislative work group funded by the Washington State Legislature in 2019.

The PGTF was created to review existing outreach, prevention, and treatment resources for problem and disordered gambling, and determine if services need to be increased.

[Read the full PGTF information sheet.](#)

PG Task Force – Timeline



Adult PG Prevalence Study

▶ AREAS OF FOCUS



- 1) Beliefs and attitudes towards gambling
- 2) Gambling behavior & preferences
- 3) Awareness of problem gambling treatment services
- 4) Level of risk for problem gambling (prevalence for WA State residents)
- 5) Correlation with frequency of mental health & substance use disorder
- 6) Online gambling: Prevalence, modes, % of problem gamblers**

***added by Problem Gambling Task Force*

Initiative: PG coverage under Medicaid



Evergreen Council on Problem Gambling

Washington State Problem
Gambling Helpline, 24/7

Received approximately 5,000-
6,000 calls per year, past 3 FY

<https://www.evergreencpg.org/help-and-hope/programs-and-services/helpline-info/>

You Are Not Alone

If gambling is creating problems for you and your family, there is Help and Hope.

Help Starts Here

Get Help Now

Call or text the 24-hour
Helpline to get started.

1-800-547-6133

Or, chat with a specialist by
clicking below

Chat

**Is gambling
creating problems
for you or a loved one?**

There Is Hope. Help Starts Here.



WASHINGTON STATE'S CONFIDENTIAL 24-HOUR

PROBLEM GAMBLING HELPLINE

CALL. TEXT. CHAT.

VISIT [EVERGREENCPG.ORG](https://www.evergreencpg.org) TO CHAT

1-800-547-6133

WEBINAR:

Reducing Barriers

Respecting Familismo, Personalismo, and Simpatia to Promote Recovery and Healing




WEBINAR:

Gambling Screens and Tribal Communities

Screening Best Practices and Helpful Conversations




2022 Problem Gambling Awareness Month

TWITTER CHAT TUESDAYS

Join us! We're hosting a live Twitter chat every Tuesday in March.



JOIN THE CONVERSATION #PGAMChat #PGAM2022

PGAM Activities



- Multi-month PGAM campaign – focused on older adults and general population
- TWO free culturally-focused live-streams on reducing barriers, screening, and referrals
- Gambling Disorder Screening Day – March 8
- **Twitter Chat Tuesdays** – social media conversations
- Governor’s proclamation

The State of Washington



Proclamation

WHEREAS, problem gambling is a public health issue with research indicating it affects six million adults and one million youth in America of all ages, races, and ethnic backgrounds; and

WHEREAS, thousands of adults and adolescents in Washington have experienced severe gambling problems in their lives; and

WHEREAS, problem gambling has a significant societal and economic cost for individuals, families, businesses, and communities; and

WHEREAS, problem gambling/gambling disorder is treatable, and treatment is effective in minimizing the harm to individuals and society as a whole; and

WHEREAS, public awareness and treatment have been proven to limit the rate of problem gambling and suicidal ideation in Washington and other states; and

WHEREAS, it is important that the gambling industry and the mental health, primary care, treatment, and recovery communities join together to increase public awareness of problem gambling and its high co-occurrence with anxiety and substance use disorders, and to take measures to address this addiction;

NOW, THEREFORE, I, Jay Inslee, Governor of the state of Washington, do hereby proclaim March 2022 as

Problem Gambling Awareness Month

in Washington, and I encourage all people in our state to join me in this special observance.

Signed this 9th day of February, 2022


Governor Jay Inslee



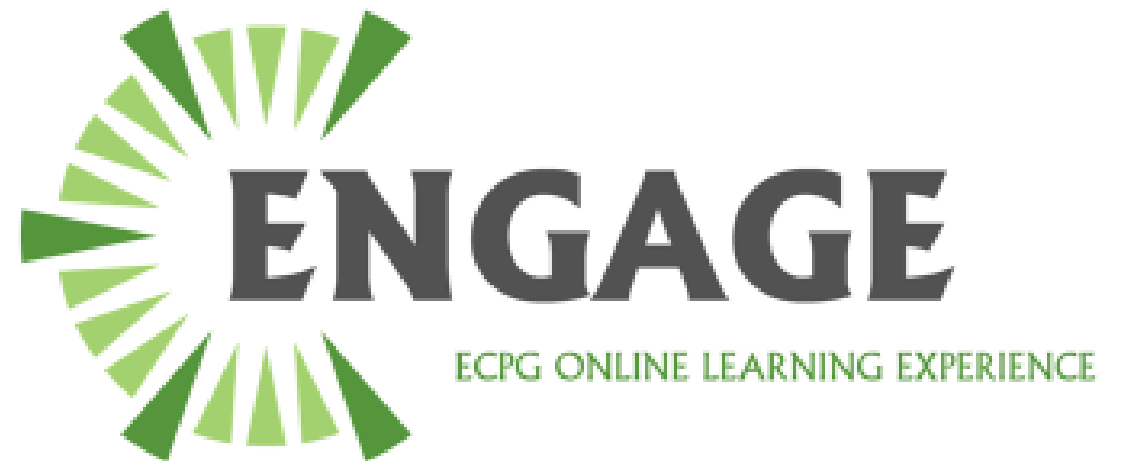
<https://www.evergreencpg.org/awareness/pg-awareness-month/>

ECPG Conferences and Workshops

- Quarterly Trainings
- *Focus on the Future*
- *Four Directions*
- Variety of online webinars



WESTERN REGIONAL CONFERENCE ON PROBLEM GAMBLING AWARENESS
FOCUS ON THE FUTURE



PRESENTED BY:



The Massachusetts Council
ON GAMING AND HEALTH
We Understand the Problem. We Can Help.



EVERGREEN
council on problem gambling

WITH TRAINING PARTNERS:



ENGAGE ONLINE LEARNING EXPERIENCE // VIRTUAL // TRAINING // **FOUNDATIONS IN GAMING DISORDER**

Foundations in Gaming Disorder

\$ 159 B Generated in 2020

2.5 B Players Worldwide

70% U.S. Households
Play Video Games

FOUNDATIONS IN GAMING DISORDER

Foundations in Gaming Disorder Core Training is approved by the International Gambling Counselor Certification Board ([IGCCB](#)) for the International Gaming Disorder Certificate ([IGDC](#)).

Focus on the Future 2022

- April 25-28
- The Heathman Lodge, Vancouver, WA
- In-Person with...
 - Some Live and Virtual Sessions
 - Special 30th Anniversary Reception
 - Hybrid in-person/virtual “Intro to PG for Peer/Recovery Coaches” and more
 - **Don't miss!** Dr. Carlo DiClemente, Dr. Timothy Fong, Dr. Darryl S. Inaba, and more!



WESTERN REGIONAL CONFERENCE ON PROBLEM GAMBLING AWARENESS
FOCUS ON THE FUTURE

<https://www.evergreencpg.org/training/in-person/focus-on-the-future/>



RG STAR

EVERGREEN COUNCIL
ON PROBLEM GAMBLING

**Responsible Gaming Staff
Training and Resources**

RG Certification

<https://www.evergreencpg.org/responsible-gaming/rg-star/about-rg-star-training/>

New Hire Orientation

Frontline Training

Manager/Supervisor Training

Ambassador Handbook



WA State Problem Gambling Program (DBHR/HCA)

Roxane Waldron, Manager
roxane.waldron@hca.wa.gov

1-360-867-8486

<https://www.hca.wa.gov/health-care-services-supports/behavioral-health-recovery/problem-gambling>

Evergreen Council on Problem Gambling

Tana Russell, Asst. Director
trussell@evergreencpg.org

1-360-352-6133 www.evergreencpg.org



WA State PG Helpline

1-800-547-6133 (24/7) call/text/chat

Request for Your Approval

Perry Technical Foundation requests your approval to offer a raffle prize in excess of \$40,000 and offer raffle prizes over \$300,000. They are estimating the house to cost \$365,000. However, they estimate the value of the home will be \$450,000.

Staff recommends you approve Perry Technical Foundation to offer a raffle prize in excess of \$40,000 and to exceed the annual raffle prize limit of \$300,000 for their license year ending June 30, 2023.

Attachments

Perry Technical Foundation Raffle Plan to exceed a \$40,000 prize and \$300,000/year

Organization's goals for conducting the raffle:

The role of the Perry Technical Foundation is to assist in reducing the cost of an education at Perry Technical Institute by providing scholarship opportunities for students. This raffle would be dedicated to raise funds to enhance student learning by lessening the burden of student loans and debt. Perry Technical Institute is a financially stable institution, operating since 1939.

Brief overview of the licensee's mission and vision including the type of programs supported by the licensee and clients served:

The Perry Technical Foundation is committed to helping students obtain a quality education that is financially attainable. This includes fundraising to support student achievement, developing partnerships to benefit students, and advocating on behalf of students and the institution.

Perry Technical Institute currently offers fourteen programs of certification:

- Agricultural Equipment Technician
- Automotive Technician
- *Business Technology & Accounting
- Construction
- Electrical Technology
- Heating, Ventilation, Air Conditioning & Refrigeration
- *Information Technology & Communication Systems
- Instrumentation & Industrial Automation
- Medical Assisting
- Medical Office Administration & Coding
- Plumbing Technician
- Precision Machining & Manufacturing
- Professional Truck Driving
- Welding

*Associate of Applied Science Degree

Date of the drawing: Drawing to be held Saturday, February 25, 2023 at 12:00pm at Perry Technical Institute: 2011 W. Washington Avenue, Yakima WA 98903

Cost of raffle tickets: \$100 (Only 7,000 tickets available)

Grand prize: Home located at 7204 Vista Ridge Avenue, Yakima, WA (Built by Perry Technical Institute at an estimated cost of \$365,000). If under 5,000 tickets are sold an alternative cash prize will be paid as the grand prize. See below for details.

Additional Prizes: The following prizes will be raffled off regardless of total tickets sold.

2nd Place: Home Crest Outdoor Furniture Company 48" x 84" Stone Gate Dining Table + 6 Elements Dining Chairs with Weber Genesis E-315 Copper Propane BBQ and Everdure Fusion Charcoal Grill. Total package valued at \$10,114.99. Donated by Fosseens Home & Hearth.

3rd Place: 14k white gold diamond halo ring with 1.0 ct. round, brilliant cut diamond, I color, VS2 clarity. Valued at \$10,000. Donated by Dunbar Jewelers.

4th Place: EGO Power+ LM2101 21 in. 56 V Battery Lawn Mower Kit. Valued at \$399.00 Donated by Steins Ace Hardware.

Security of prizes:

The house will be secured.

2nd place prize will be secured on the Perry Tech campus.

3rd place prize will be on display at Dunbar Jewelers, secured by the donor/business.

4rd place prize will be secured on the Perry Tech campus.

Plans for selling raffle tickets:

Sales will be conducted on the campus of Perry Technical Institute, local businesses, as well as at events within Washington State, April 1, 2022 and concluding on January 31, 2023.

Perry Tech logo water bottles will be given as a free incentive to the first 100 tickets sold either on campus or at a kick-off event. This expense to be covered by raffle sponsorship and does not impact the marketing budget.

Ticket sales will be managed by Tressa Shockley (Foundation Director) and assisted by Foundation personnel. All sales will be conducted face-to-face. Special events with locally owned businesses, grocery stores, and community gatherings will be scheduled. Examples of locations: Helms Hardware, Wrays Thriftway, Blueline Equipment, Helliesen Lumber, McKinney Glass, M.B. Designs.) Tressa Shockley will provide management and oversight of volunteer training and sales. Foundation personnel to provide support at events and servicing of ticket vendors for the purpose of revenue and ticket collection, restocking of tickets, and distribution of marketing materials.

Description of how the licensee protects the integrity of the raffle: Tickets will be numbered 1 - 7,000 and issued in bundles of 20 tickets (350 bundles). Bundles of numbered tickets will be assigned to a representative and recorded on a tracking sheet.

Tickets not out for sale/circulation will be kept in a locked safe and will only be removed as needed. Cathy Sterbenz (V.P. of Finance & Administration) and Tressa Shockley are the only individuals who will have access to the safe.

All ticket tracking information will be recorded on the distribution log, provided by the Washington State Gambling Commission, and kept on file for three years.

All monies collected with a copy of a sales report, will be submitted for routine deposit. Ticket data will be entered into a master database, maintained by the Foundation staff. All sales will be audited and tallied for deposit into a separate bank account that has been established solely for ticket sales. If a discrepancy is found, it should be easy to identify and track who it was. If there is a ticket in question, that stub will be pulled from the group sales until issue is resolved or deemed void. Stubs will then be stored in the safe.

An explanation of how the proceeds from the raffle will be used: The cash proceeds will be used as follows:

- The cost to build the home will be paid to the foundation.
- \$25,000 from each raffle will be deposited into an endowment fund to build a long-term sustainable fund. The endowment fund was created after approval from the Gambling Commission in 2021.
- The remaining proceeds fund student scholarships during the 2023-2024 school year. The 2023-2024 scholarship funds will be divided equally and awarded during the spring and fall.

A plan to protect the licensee in the event of low-ticket sales and other risks: An alternative prize will be offered if ticket sales do not exceed 5,000 tickets.

An explanation of how the licensee will purchase the prize(s) for the raffle: Perry Technical Foundation will incur the cost to build the home and will be reimbursed at the conclusion of the raffle. Students enrolled in the Construction, HVAC/R, Electrical Technology, and Plumbing programs at Perry Technical Institute are working together with area contractors to build a prize home valued at approximately \$365,000. The home will be in a desirable neighborhood of Yakima, WA, located at 7204 Vista Ridge Avenue, Yakima WA.

The practice and techniques learned throughout building this home is of the utmost importance to the preparedness of our students in their respected programs. Perry Technical has a strong reputation for superior skills and training of our graduates.

Projected budget fees based on ticket sales:

A projected budget:	7,000	5,001	5,000	350
Marketing (including cost of tickets)	22,000	22,000	22,000	22,000
License fee	2,000	2,000	2,000	1,000
Card processing and banking fees	7,000	6,001	6,000	2,000
Miscellaneous	5,000	5,000	5,000	5,000
Total estimated expenses	36,000	35,001	35,000	30,000

Minimum number of projected ticket sales to break even: 350

Corresponding sales and prize levels with projected revenues and expenses for each level:

Ticket sales	7,000	5,001	5,000	350
Gross Receipts	\$700,000	\$500,100	\$500,000	\$35,000
Prize	\$365,000	\$365,000	\$232,500	\$5,000
Expenses	\$36,000	\$35,001	\$35,000	\$30,000
Net Income	\$299,000	\$100,099	\$232,500	\$0

Grand minimum prize available: Sell 1 – 5,000 tickets for the winner to receive a cash prize equal to 50% of the ticket sales after expenses, with a minimum prize of \$5,000.

Grand maximum prize available: Sell 5,001 - 7,000 raffle tickets for the winning ticket to receive the house valued at approximately \$365,000.

Any other information that we request or any information the licensee wishes to submit:**RULES** (to be printed on tickets)

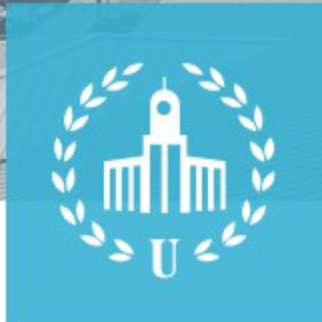
- 7,000 maximum tickets to be sold at \$100 each.
- If fewer than 5,000 tickets are sold, a cash payment of 50% of total ticket sales (less expenses) will be awarded to the winner.
- Drawing to be held Saturday, February 25, 2023 at 12:00pm at Perry Technical Institute, 2011 W. Washington Ave., Yakima, WA 98903.
- Tax withholdings of 24% are the sole responsibility of prize winner and due prior to prize being transferred. Winner is also responsible for any taxes, license, registration, insurance or fees associated with prize won.
- Winner must claim prizes by April 30, 2023
- Per IRS regulations, as a game of chance, raffle tickets are not tax deductible.
- Ticket stub must match the identification of the ticket holder.
- Tickets are non-refundable.
- Participants must be 18 years or older.
- Need not be present to win.
- Purchaser(s) must be individually listed on each ticket, no company/business names allowed.
- Employees of the Perry Technical Foundation and their immediate households are not eligible to enter.
- Any/all purchasers or holders of this Win A Home raffle ticket agrees to hold harmless Perry Technical Foundation, Perry Technical Institute, along with any/all affiliates, faculty, staff, and students acting in good faith as part of this voluntary gaming purchase.
- All Win A Home raffle ticket holders agree to share their likeness for any/all Perry Technical Foundation/Perry Technical Institute official promotional purposes including post-raffle winner announcements.
- Names and contact information of ticket purchasers will be added to an internal database to be used exclusively for the purpose of marketing for the Win A Home raffle.

Marketing Budget

MEDIUM	DETAILS	EST. EXPENSE
Radio	Kickoff event- live remote/DJ host On-air mentions/commercials Holiday promotion	\$8,000
TV	Commercials	\$3,000
Social Media	Boost Posts	\$1,000
Print Materials	Banners Posters (11x17) Flyers Raffle Tickets	\$3,000
Print Advertising	Yakima Magazine / Newspaper/Business Times	\$3,000
Web	Link on perrytech.edu to detail the raffle and rules	\$500
Virtual Tour		\$500
Signage/Banners	Build site. Community signs/banners	\$2,000
Events	Registration fees, travel	\$1,000
	Total estimated expenses	\$22,000



“Win A Home” Raffle Fundraising for Education



MISSION:


Educate, empower, and equip students for lifelong careers in industry.

VISION:

To fulfill the demand for highly-skilled professionals as a nationally recognized institution known for our unique and relevant career training.



Perry Technical Institute

- Established in 1939. Perry Tech is a not-for-profit, private institution.
 - More Than 10,000 Graduates
 - Approximately 700 Current Students
 - 14 Programs
 - 94% Placement
 - 85% Retention
 - 84% Students Receive Financial Aid
- 

Applied Training

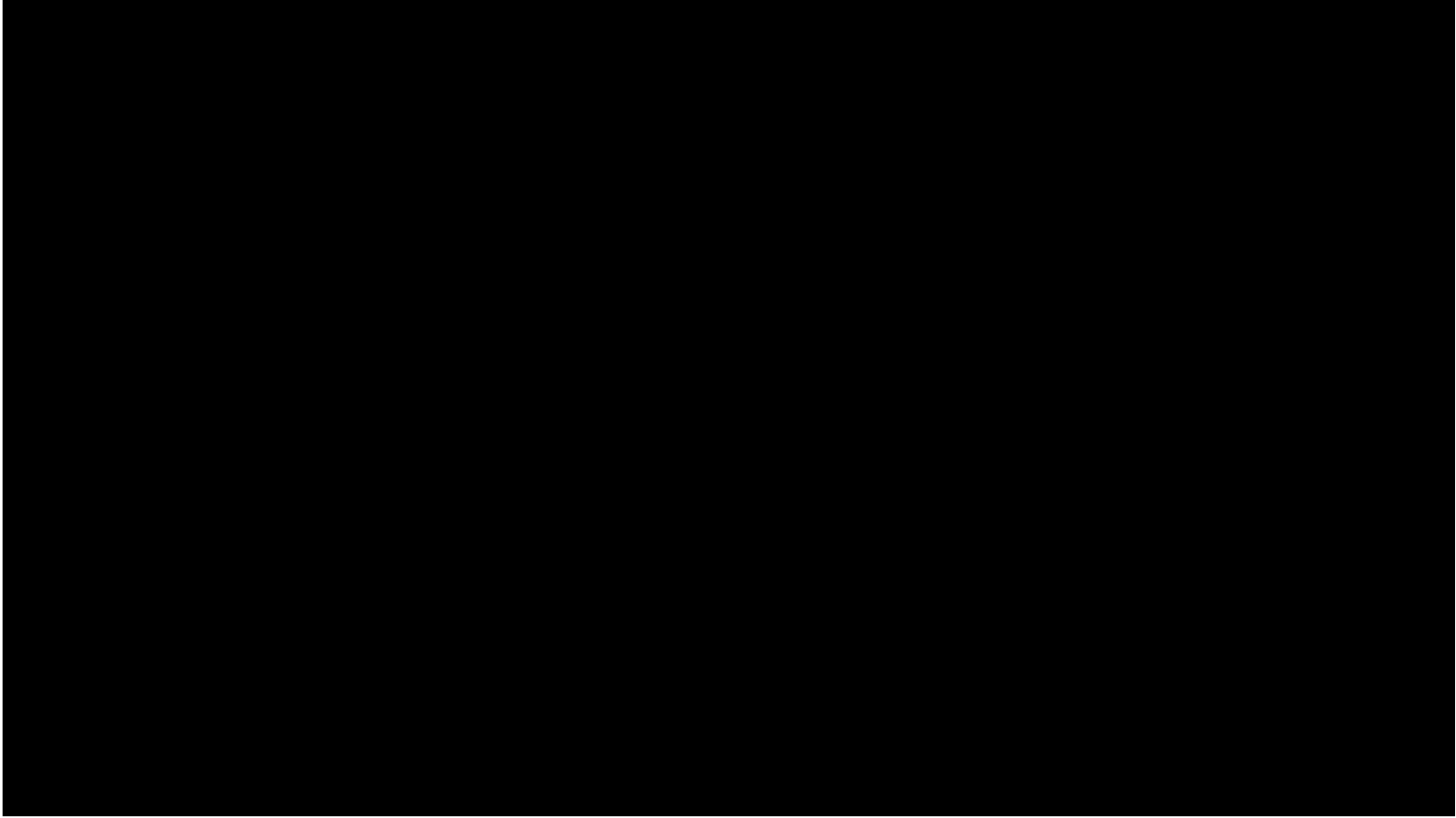
From classroom concepts to hands-on skill training, students are prepared for their career in industry:

- Construction
- Plumbing
- Electrical
- HVAC





Our Story





2020/2021
\$515,000
Awarded to
Students

10 Year Awards
=
\$4.2 million

Foundation Scholarships

- 100% of raffle profits will benefit Perry Tech student scholarships.
- Scholarships are awarded every Spring and Fall through a comprehensive application process.
- Profits from the raffle are in a separate fund, “Building Our Future.”
- Established endowment fund.

Sponsor Support

Community support of nearly \$97,000 in-kind donations & discounts from 36 build sponsors.



Diegos Drywall • KB Excavation • Roy's Lock & Door • Thomas & Son Masonry



- 2522 Sq. Ft.
- 3 Bedroom
- 2 Bathroom
- Bonus Room
- Attached Garage
- Covered Patio

Appraised Value:
\$489,000



2021 Raffle Results

- Tickets Sold: 5,230
- Revenue: \$523,000
- Build Expense: 377,281.76
- Other Expenses: \$6,955.01
- Net Income: \$138,763.23

1st HOUSE WINNER – TONY SERRANO





What's New for 2022

- Increase minimum threshold to 5,000 tickets
- 7,000 maximum chances available
- Additional prizes:
 - 1 ct. diamond gold ring
 - Patio set with duel BBQ's
 - Electric Lawn Mower



Preparing Students for Success!



Financial and Licensee Update

March 2022

Kriscinda Hansen
Chief Financial Officer

Protect the public by ensuring that gambling is legal and honest

Total Revenue by Category	Allotted	Actual	Variance
Activity Licenses - Commercial	4,080,944	3,892,261	(188,683)
Activity Licenses - Non-Profit	1,000,935	627,616	(373,318)
Individual Licenses	1,735,479	1,816,093	80,615
Vendor Licenses	1,002,906	744,028	(258,878)
Sports Wagering	971,250	1,230,673	259,423
Tribal Reimbursement	2,416,884	1,653,008	(763,876)
Other Sources	98,021	113,880	15,859
Total	11,306,418	10,077,559	(1,228,859)

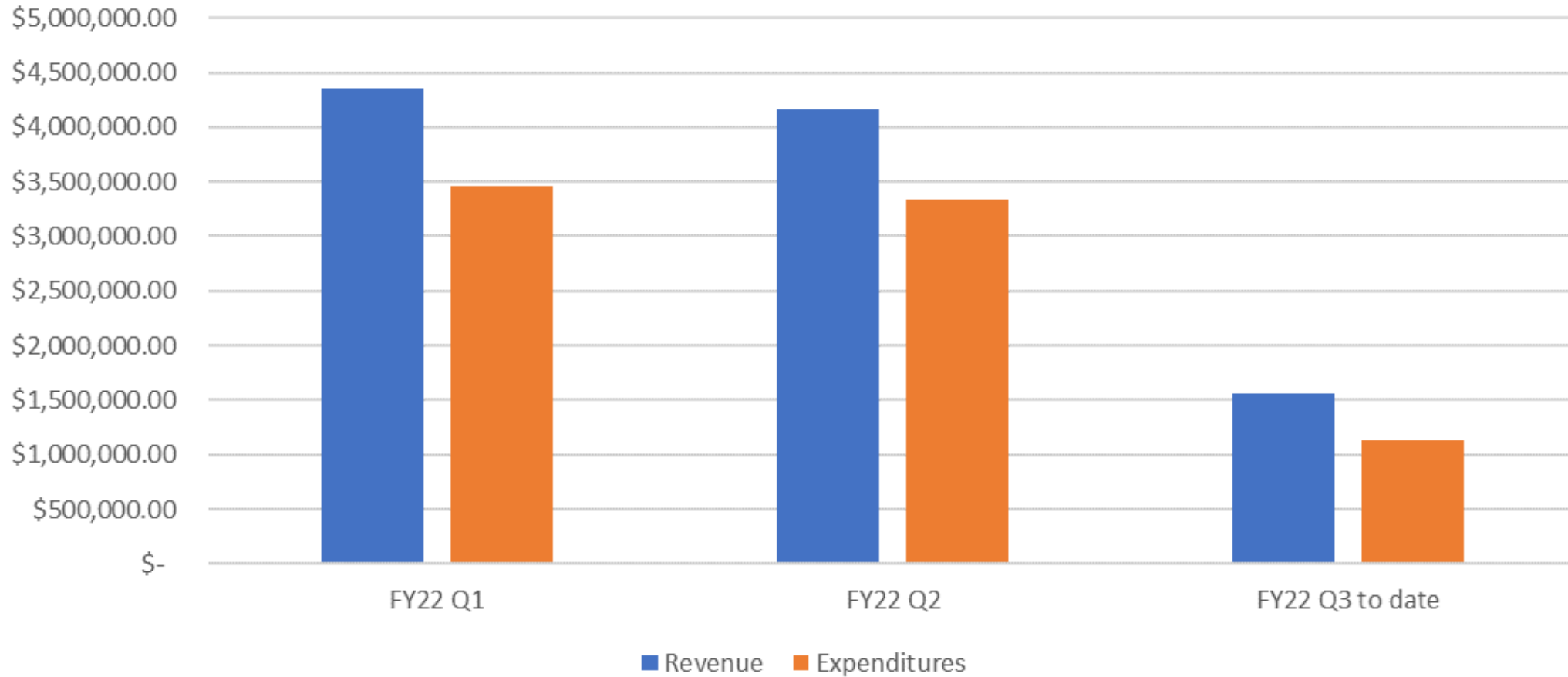
FY22 revenue summary July 21 – January 22

Actual revenue, after accounting for late payments, is at 93.5% of projected revenue.

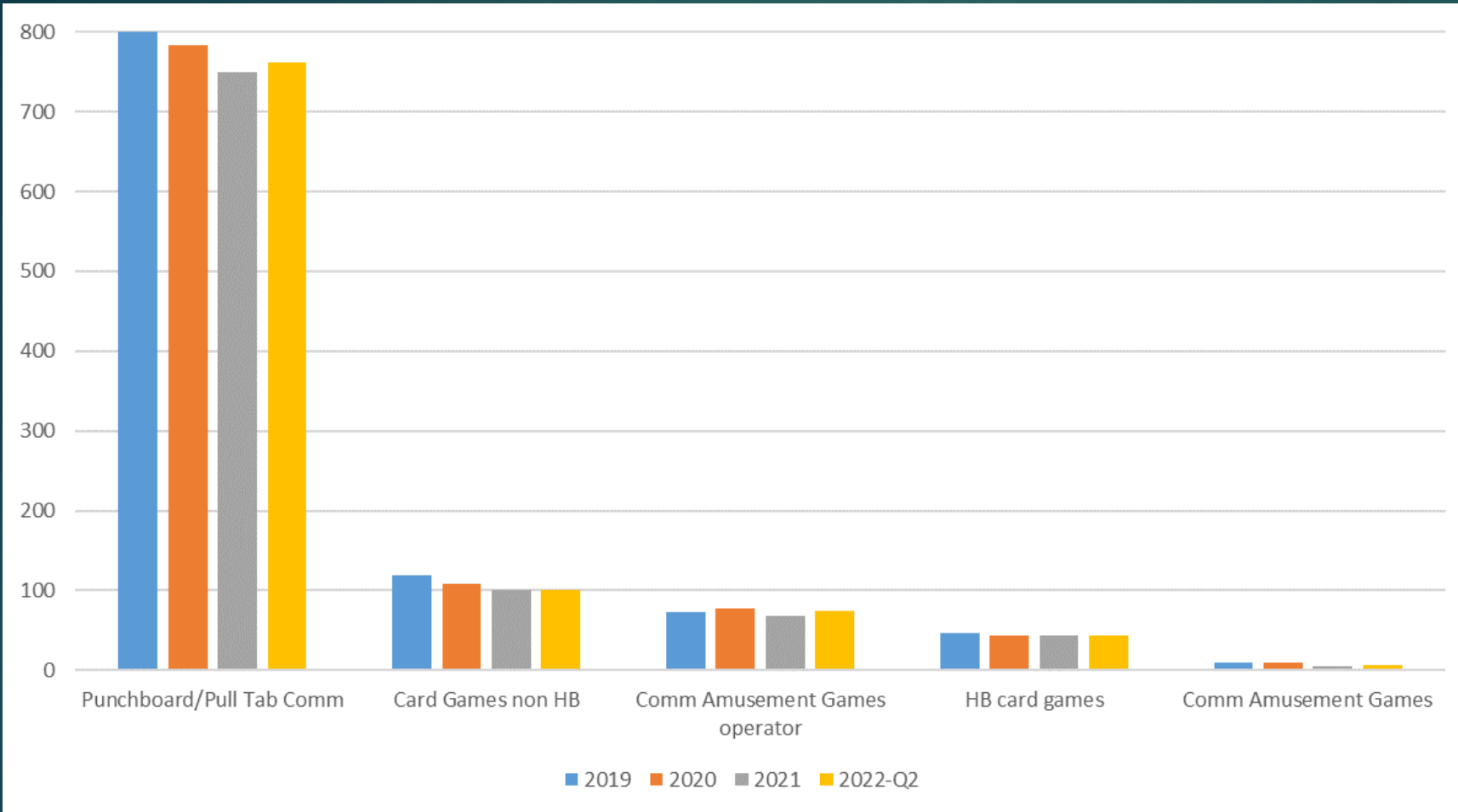
Expenditure Category	Allotted	Actual	Variance
Personnel	\$ 7,591,791	\$ 5,922,661	\$ 1,669,130
Contracting	1,134,014	0	1,134,014
Training	102,669	63,362	39,307
Good & Services	2,171,687	1,688,504	483,183
Travel	198,142	56,261	141,881
Equipment	347,081	198,645	148,436
Total	11,545,384	7,929,432	3,615,952

FY22 expenditure summary July 21 – January 22

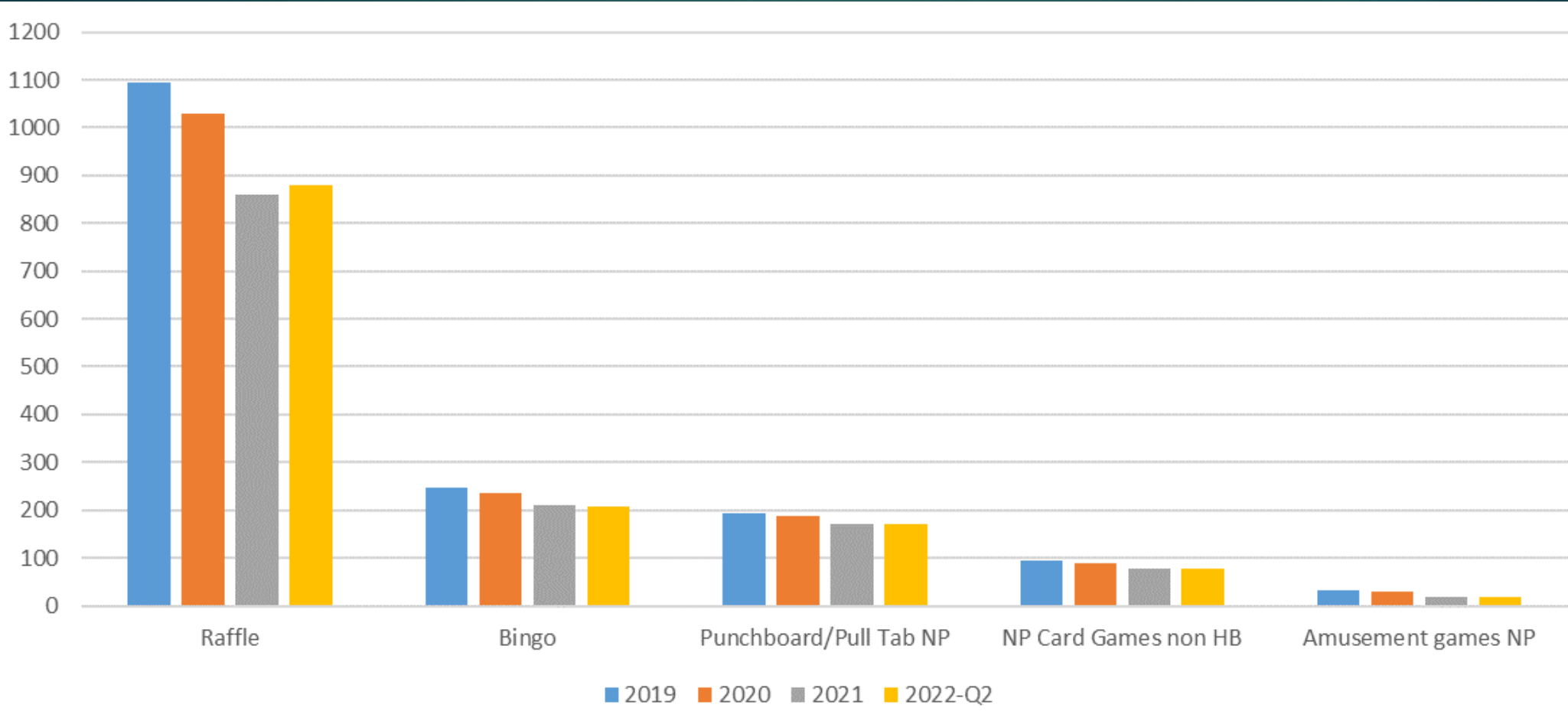
The agency has underspent its FY22 budget by 31%. This remains largely due to staff vacancies and IT modernization project dollars not yet expended, most notably in contracting.



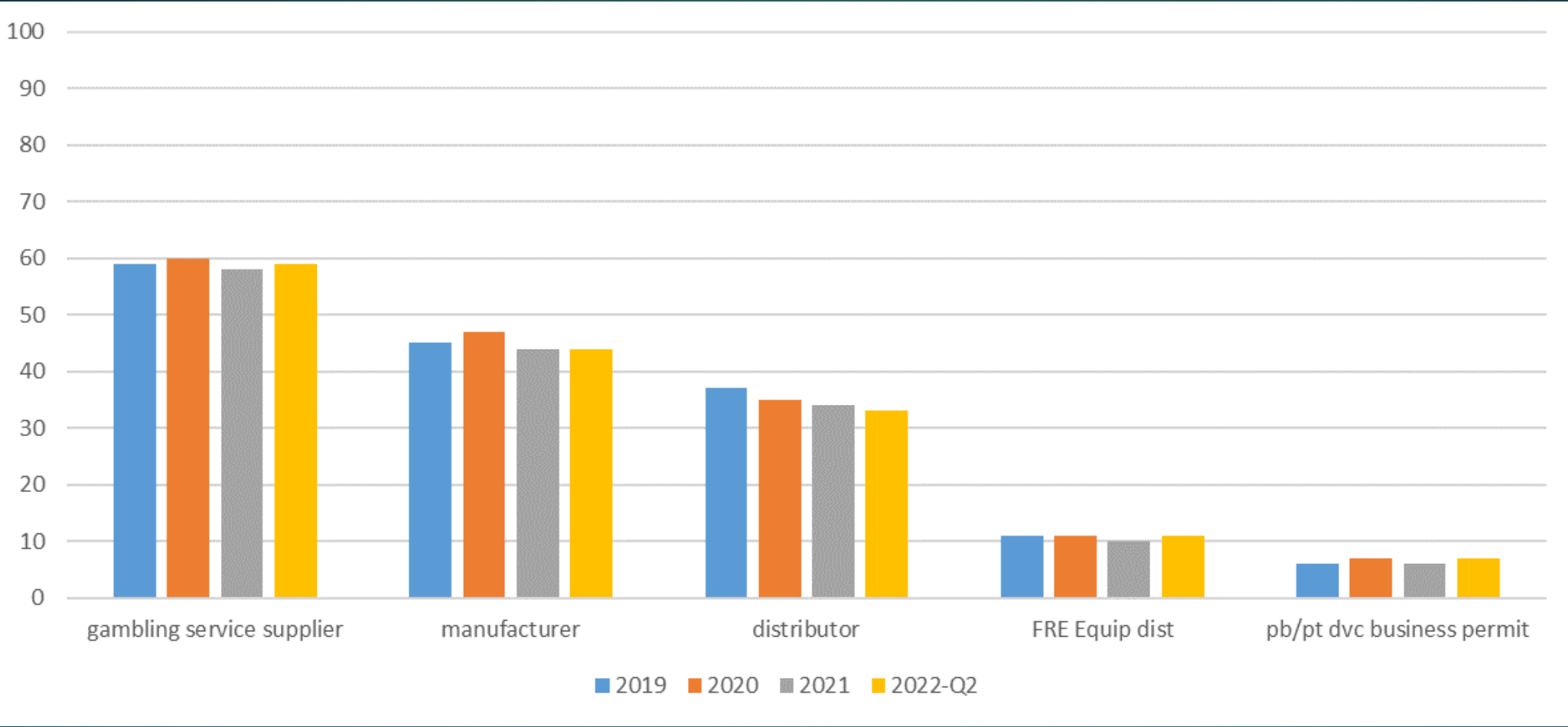
FY22 quarterly revenue/expenditure comparison



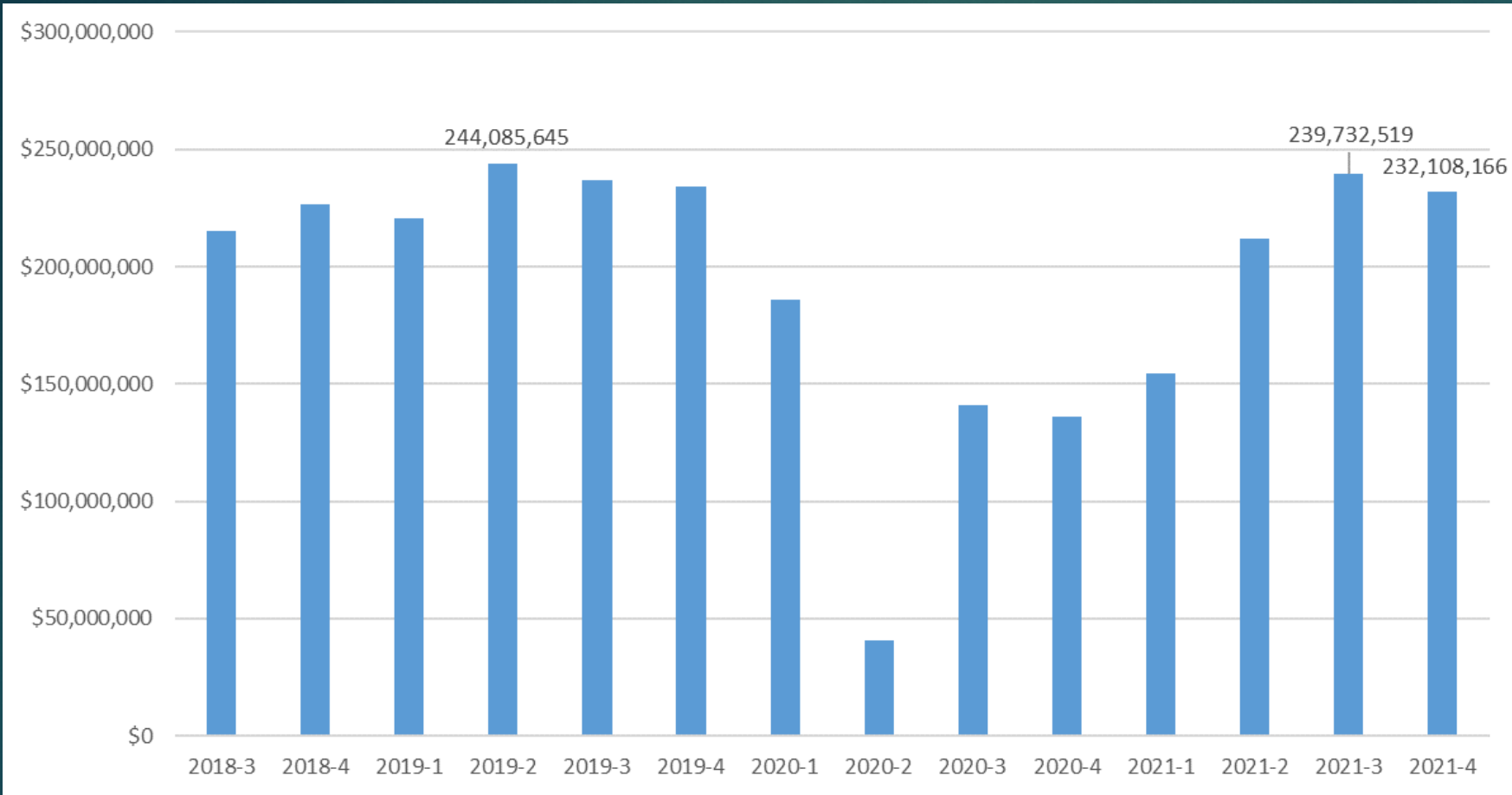
Commercial licenses FY19-21, FY22 through Q2



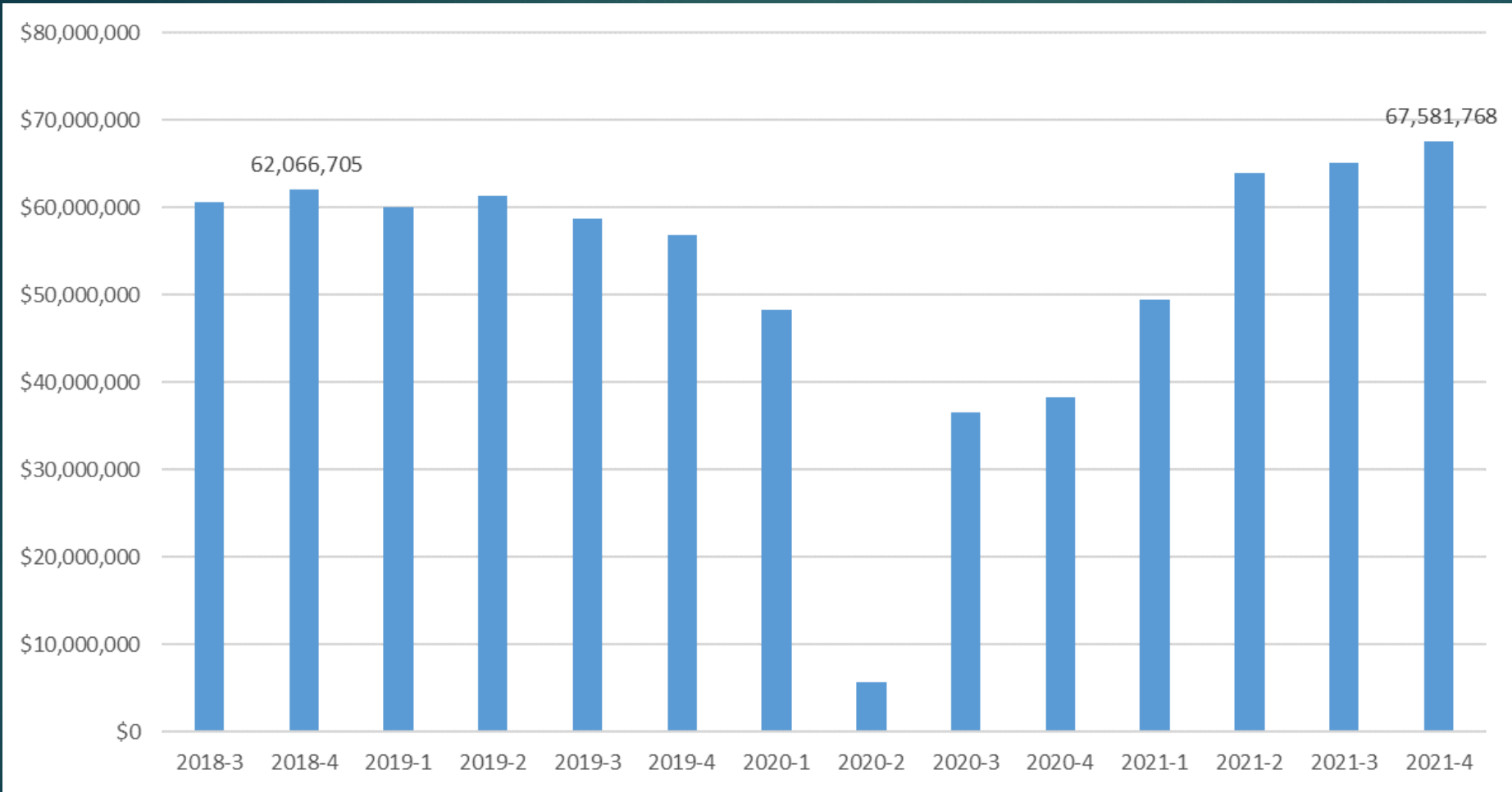
Nonprofit licenses FY19-21, FY22 through Q2



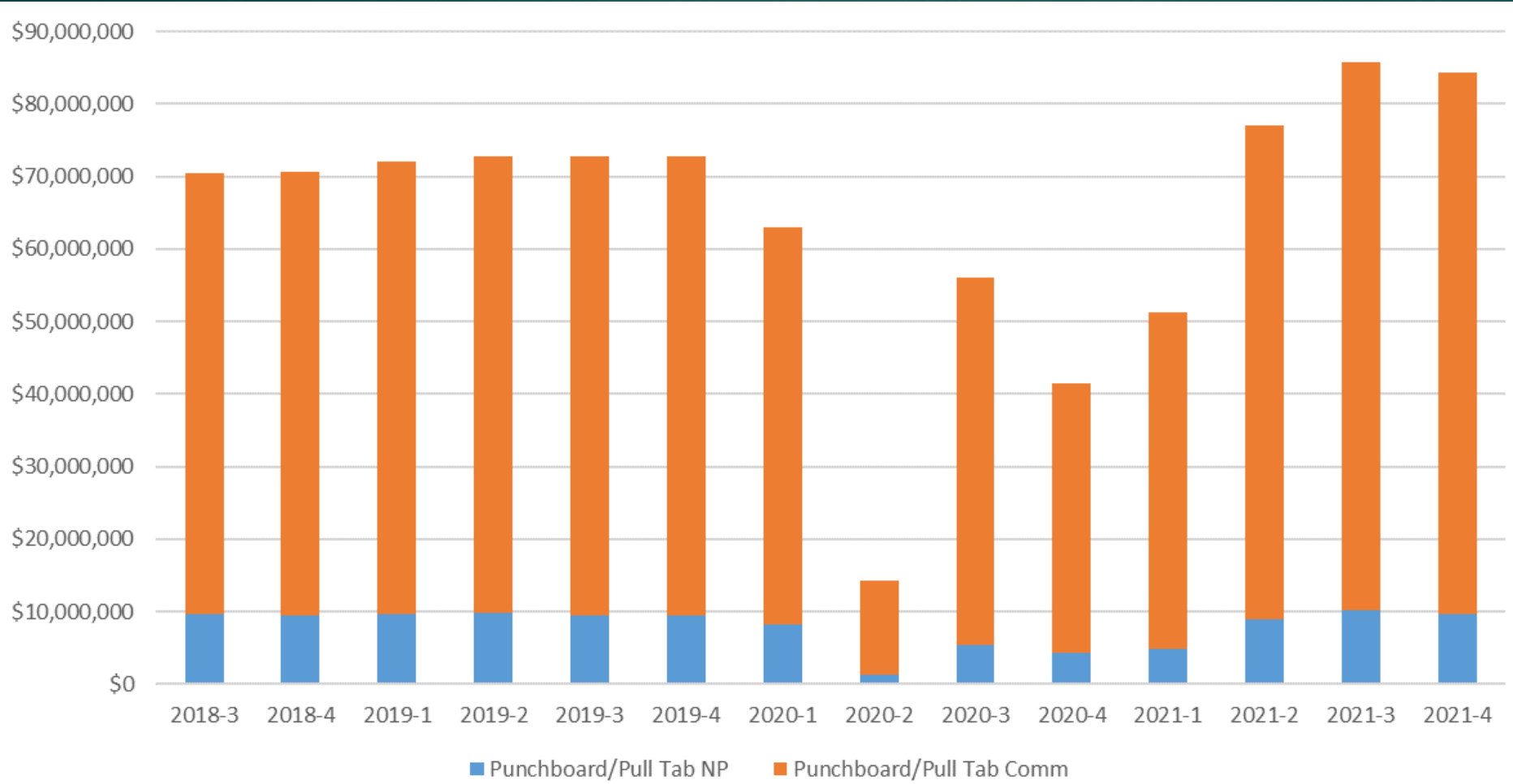
All other licenses FY19-21, FY22 through Q2



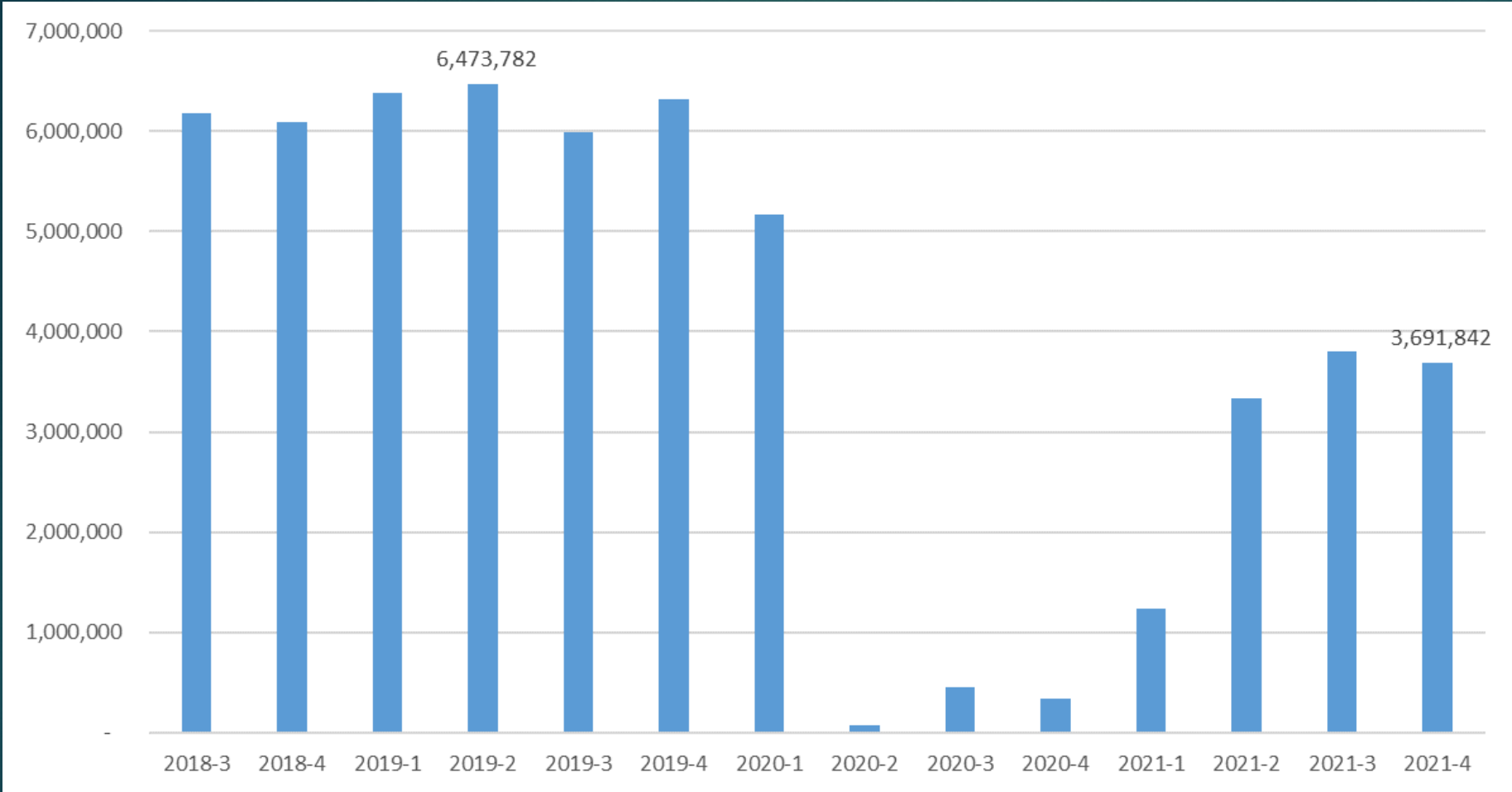
Gross gambling receipts by quarter



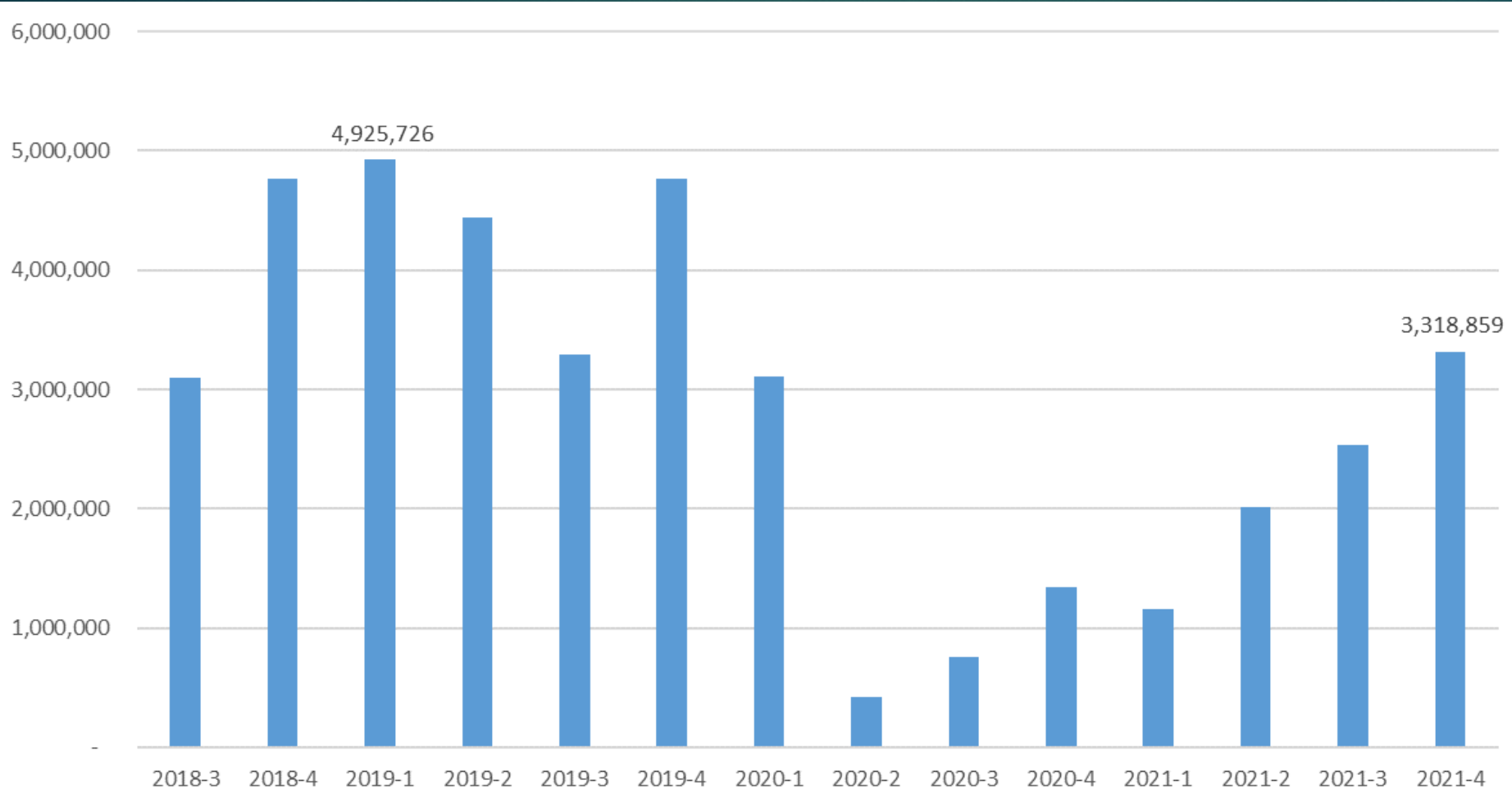
House-Banked Card Rooms by quarter



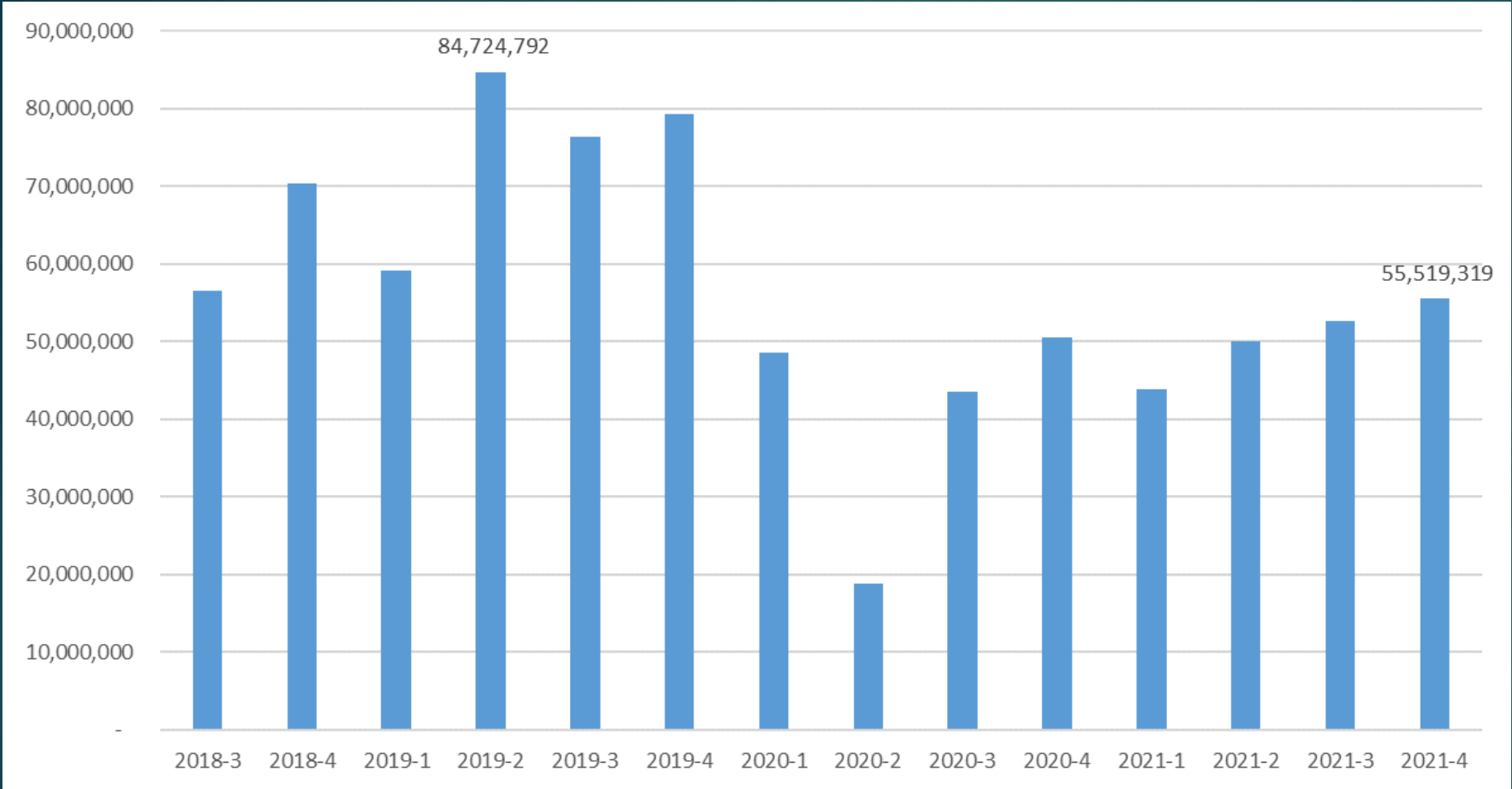
Punchboard/Pull-Tab by quarter



Bingo by quarter



Raffles by quarter



Manufacturers, Distributors, Suppliers by quarter



Washington State Gambling Commission

Questions?

Protect the public by ensuring that gambling is legal and honest



Rule Petition to Adopt/Amend
Electronic pull-tab system.

March 2022 – Commission Review
January 2022 – Rule-Making Petition Received

Tab 5: MARCH 2022 Commission Meeting Agenda.

Statutory Authority 9.46.070

Who Proposed the Rule Change?

Diamond Game Enterprises, Chatsworth, California

Background

Diamond Game Enterprises, of Chatsworth, California, is proposing to amend several existing rules and adopt new rules in order to facilitate the adoption of a modern electronic pull-tab system that uses pull-tabs manufactured, distributed, and dispensed on rolls. This modern system would include electronic encryption, validation, verification, and auditing processes.

This petition covers two related subjects: allowing the packaging, distribution and dispensing of pull tabs on a roll with appropriate manufacturing standards and dispensers; and allowing a new type of monitored dispensing system that provides for electronic monitoring of the transfer, dispensing, verification and auditing of roll-dispensed pull tabs.

The petitioner feels this change is needed because it will enhance the security of pull-tab operations and will not affect the fundamental nature of pull tab operations. The petitioner also feels will allow operators flexibility and security and enhance WSGC monitoring of licensee operations and auditing.

The petitioner feels the effect of this rule change would be to allow distribution of pull tabs on rolls and allow the operation of a modern electronic security and monitoring system for the related distribution and auditing of pull tab operations.

Attachments:

- Petition
- Draft Language
- Stakeholder Feedback

Policy Considerations

Staff has not seen or reviewed the electronic pull-tab system being proposed. Upon doing so, there may be additional considerations however, at this time, staff has the following policy considerations:

- Pursuant to Chapter 9.46. RCW, the proposed electronic pull-tab system must be a closed system with an on-site server.
- This proposal would allow for electronic/software-based mixing of pull-tabs prior to printing them in their final order onto a roll. Under current rules, pull-tab manufacturers are required to physically mix pull-tabs prior to placing them in their final container and pull-tab operators are required to physically mix all pull-tabs in a series prior to placing them in a dispenser or container for sale (WAC 230-16-060, WAC 230-14-055). We have not previously allowed electronic mixing of pull-tabs such as this.

- The order of the pull-tabs will be predetermined on a roll made by the manufacturer because the manufacturer's system will select the order of the pull-tabs. The operator will not have the ability to mix and randomize the pull-tabs prior to them being put into play.
- A player and/or the proposed electronic pull-tab system may be able to determine the outcome of the pull-tab prior to it being opened which, in the past, has been determined to be a game integrity issue and has not been previously allowed.
- The proposed electronic pull-tab system would eliminate human entry for sales and tracks all gross sales, prizes paid, unsold pull-tabs, etc. through its accounting software. This could improve security by reducing theft and fraud, and by improving the accuracy of accounting for pull-tabs including gross receipts, prizes paid, and overages and shortages. Under current rules, pull-tab gross sales are determined by either weighing unsold pull-tabs or by pull-tab software that tracks the number of times a pull-tab is sold via human entry.
- Change in the way verification of winnings occurs as the proposed electronic pull-tab system may not be capable of printing vouchers for winnings of less than \$20 and therefore may have to rely on accounting system software for this information.

Staff Recommendation

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

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

If this petition is accepted, WAC 230-17-192, Submission of electronic or mechanical gambling equipment during rule making, would be implemented to ensure that the proposed electronic pull-tab system meets all requirements of Chapter 9.46 RCW, and if so, rules would be developed to address staff concerns.

Laydon, Ashlie (GMB)

From: Jonathan McCoy <anwguy@gmail.com>
Sent: Tuesday, January 18, 2022 9:55 AM
To: Laydon, Ashlie (GMB); Randee Kerns
Subject: Proposed rule changes
Attachments: WAc23014265v4.rtf; wac23014100v3.rtf; wac23014110v3.rtf; wac23016040v2 (3).rtf; wac23016060v3.rtf; wac23016151v3.rtf; wac23014047(2) (1).docx

External Email

Ms. Laydon,

Attached please find the rules package we previously discussed regarding the Diamond Games Enterprises' proposals. The Point of Contact will remain **Randee** Kerns, Diamond Games Enterprises, Director of Business Development and Compliance. I would appreciate a CC: on any correspondence regarding the rules proposals, as **Randee** and I continue to work closely on their development.

These rule changes are intended to facilitate adoption of a modern electronic pull tab monitoring system that uses pull tabs manufactured, distributed, and dispensed on rolls. In all other respects the pull tabs comply with existing definitions and operations. The modifications to existing rules are intended to incorporate the system mechanics. For example, Rule 230-14-010 addresses the opening of a roll-dispensed pull tab; Rule 230-14-110 addresses the voucher verification process; and Rule 230-16-060 accommodates the packaging of roll-type pull tabs. The monitoring process is facilitated by the roll-type dispensing and includes electronic encryption, validation, verification, and auditing processes. The specific modifications to rules are fairly self-explanatory with these two objects in mind.

Thanks for your assistance in getting this package in order.

Jonathan T. McCoy, Attorney,

on behalf of Diamond Game Enterprises

Petitioner's Name:

Diamond Game Enterprises

Mailing Address:

9340 Penfield Ave, Chatsworth, CA 91311

Phone: (360)789-5201

Email: rkerns@diamondgame.com

Rule Petition Type: The packet includes rule changes, as outlined below

List rule number (WAC) if known: modification of WACs 230-14-010; 14-045; 14-055; 14-100; 14-110; 14-265; 230-16-040; 16-060; and 16-151 I am requesting the following change: This petition covers two related

subjects: allowing the packaging, distribution and dispensing of pull tabs on a roll with appropriate manufacturing standards and dispensers; and allowing a new type of monitored dispensing system that provides for electronic monitoring of the transfer, dispensing, verification and auditing of roll-dispensed pull tabs. The fundamental nature of pull tab operations is not changed.

This change is needed because: These changes will enhance the security of pull tab operations and will not affect the fundamental nature of pull tab operations. It will allow operators flexibility and security, and enhance WSGC monitoring of licensee operations and auditing.

The effect of this rule change will be: To allow distribution of pull tabs on rolls, and allow the operation of a modern electronic security and monitoring system for the related distribution and auditing of pull tab operations.

WAC 230-14-047 Standards for electronic video pull-tab dispensers.

Electronic video pull-tab dispensers must be approved by us prior to use.

(1) Electronic video pull-tab dispensers must dispense a paper pull-tab as defined in WAC 230-14-010 and follow the rules for:

(a) Pull-tabs; and

(b) Flares; and

(c) Authorized pull-tab dispensers.

(2) Electronic video pull-tab dispensers that use a reading and displaying function must:

(a) Use a video monitor for entertainment purposes only; and

(b) Open all, or a portion of, the pull-tab in order to read encoded data that indicates the win or loss of the pull-tab if the dispenser is equipped to automatically open pull-tabs, **unless the dispenser uses an approved control system that reads and validates the pull tab without opening the pull-tab**; and

(c) Dispense the pull-tab to the player and not retain any portion of the pull-tab; and

(d) Read the correct cash award from the pull-tab either when it is dispensed or when the pull-tab is reinserted into the dispenser; and

(e) Display the cash award from the pull-tab, one pull-tab at a time; and

(f) Provide:

(i) An electronic accounting of the number of pull-tabs dispensed; and

(ii) A way to identify the software version and name; and

(iii) A way to access and verify approved components; and

(iv) Security on the dispenser to prevent unauthorized access to graphic and prize amount displays.

(3) Cash cards used in electronic video pull-tab dispensers must:

(a) Be purchased with cash, check, gift certificates, or electronic point-of-sale bank transfer before use in the dispenser; and

(b) Be convertible to cash at any time during business hours; and

(c) Subtract the purchase price of the pull-tab one pull-tab at a time.

(4) Electronic video pull-tab dispensers that accept cash cards may award any pull-tab cash prize of twenty dollars or less onto the cash card.

(5) Electronic video pull-tab dispensers utilizing an approved server to control dispensers at a specific site may use a voucher printed by the system for payment of prizes when approved by us and must:

(a) Be convertible to cash any time during business hours; and

(b) Award cash prizes of up to \$20.00 to the voucher account in the dispenser system

(c) Award cash prizes of more than \$20.00 by printing a voucher for the specific prize amount

(d) Printed vouchers must be retained with the pull-tab deal records

[Statutory Authority: RCW 9.46.070. Recodified by WSR 14-23-048 (Order 709), § 230-14-047, filed 11/14/14, effective 12/15/14. Statutory Authority: RCW 9.46.070 and 9.46.110. WSR 14-09-040 (Order 698), § 230-14-047, filed 4/11/14, effective 5/12/14. Statutory Authority: RCW 9.46.070. WSR 08-03-052 (Order 621), § 230-14-047, filed 1/11/08, effective 2

WAC 230-14-100

Removing prizes from flares.

(1) After receiving a winning punch, pull-tab or voucher from an approved dispenser system for more than twenty dollars or merchandise with a retail value of more than twenty dollars, operators must immediately permanently and conspicuously delete all reference to the prize from the flare and from any other list, sign, or notice. Operators then must pay or deliver the prize to the winner.

(2) On step-up punch boards and bonus pull-tab games, once all chances to win in a section of the flare are won, operators must delete all references to prizes.

(3) Operators may correct an inadvertently deleted prize by noting on the flare that such prize is still available. When they actually award the prize, operators must permanently and conspicuously delete the reference.

(4) If operators elect to delete prizes of less than twenty dollars from flares, they must continue to do so until they remove the games from play.

[Statutory Authority: RCW [9.46.070](#). WSR 07-17-058 (Order 614), § 230-14-100, filed 8/10/07, effective 1/1/08.]

WAC 230-14-110

Recording winners.

When punch board or pull-tab players win more than fifty dollars or merchandise prizes with a retail value over fifty dollars, operators must make a record by:

(1) Having winners print their name and date of birth, in ink, on the side of the winning punch or tab opposite the winning symbol(s) and verifying the winner's identity and recording the current date and initialing the winning punch or tab; or

(2) Recording the required information on a sheet of paper at least three inches by five inches and stapling the winning tab or punch to the paper if the pull-tab or punch is constructed or printed so that recording the information required in a legible manner is not possible;

(3) Recording the required information on a voucher from an approved dispenser system.

[Statutory Authority: RCW 9.46.070, 9.46.110. WSR 14-08-002 (Order 695), § 230-14-110, filed 3/20/14, effective 7/1/14. Statutory Authority: RCW 9.46.070. WSR 07-17-058 (Order 614), § 230-14-110, filed 8/10/07, effective 1/1/08.]

WAC 230-14-265

Retention requirements for punch boards and pull-tab series.

(1) Punch board and pull-tab operators must keep all punch boards or pull-tab series removed from play, including, at least:

(a) All prize flares; and

(b) All unplayed tabs; and

(c) All winning punches, and

(d) paid vouchers from an approved video display pull tab dispenser system.

(2) Operators must make the items in subsection (1) of this section available on the licensed premises for us, local law enforcement, or local tax agencies to inspect.

(3) If stored off premises, operators must produce the game for inspection on demand.

(4) Operators must retain punch board or pull-tab series removed from play for:

(a) **Charitable or nonprofit operators** - Four months following the last day of the month in which the board or series was removed from play; and

(b) **Commercial operators** -

(i) Two months following the last day of the month in which they removed the board or series from play; and

(ii) Three months following the day they removed the board or series from play for winning punches or pull-tabs over fifty dollars. Operators must also retain the flare for these games; and

(c) **Carry-over jackpot series** - For four months after the last day of the

month in which the carry-over jackpot was won; and

(d) **Progressive pull-tab series** - For one year. After the retention period, operators must destroy unsold progressive pull-tab series tabs in such a way that no one may find and use unopened winning tabs later; and

(e) **Cumulative prize pool pull-tab games** - for four months, following the last day of the month, in which the last seal is opened on the cumulative prize pull-tab game board.

[Statutory Authority: RCW [9.46.070](#), [9.46.110](#). WSR 14-08-002 (Order 695), § 230-14-265, filed 3/20/14, effective 7/1/14. Statutory Authority: RCW [9.46.070](#). WSR 09-17-077 (Order 657), § 230-14-265, filed 8/14/09, effective 1/1/10; WSR 07-17-058 (Order 614), § 230-14-265, filed 8/10/07, effective 1/1/08.]

WAC 230-16-040

Winner protection and secondary verification codes.

(1) Each manufacturer must create methods of winner protection for each punch board and pull-tab series, except spindle-type pull-tab series. This protection must allow operators, us, and other law enforcement personnel to distinguish opened winning pull-tabs from nonwinning, altered, or forged pull-tabs, or pull-tabs from another series.

Manufacturers must:

- (a) Establish a primary winner protection for each pull-tab series; and
- (b) Use special numbers, colors, designs, ink, or any combination of these to create the primary winner protection; and
- (c) Completely hide the protection from view and ensure it is undetectable before players open the pull-tabs; and
- (d) Provide a written explanation of each winner protection method to us. The written explanation must include details and pictures, diagrams, or samples necessary to thoroughly explain the method; and
- (e) Notify us in writing of any changes to protection schemes; and
- (f) Use winner protection to identify winning pull-tabs after they have been purchased and opened and distinguish them from nonwinning pull-tabs.

(2) Pull-tabs that award prizes greater than twenty dollars must use a secondary verification code to prevent counterfeiting. We must approve all secondary verification methods before manufacturers use them within the state, including electronic methods of verification.

[Statutory Authority: RCW [9.46.070](#). WSR 07-19-069 (Order 615), § 230-16-040, filed 9/17/07, effective 1/1/08.]

WAC 230-16-060

Assembly and packaging of pull-tab series.

When assembling and packaging a pull-tab series, manufacturers must:

(1) Place each pull-tab series in one packaging container, unless the number of tickets in the series exceeds 10,000. For pull-tab series that contain more than 10,000 tickets, manufacturers may package the pull-tab series in more than one container if they:

- (a) Seal all containers with a sticker or seal and shrink wrap them; and
- (b) Identically label each container with a referencing system that identifies at

least:

- (i) The series number; and
- (ii) The total boxes per series; and
- (iii) The I.D. stamp numbers; and

(c) Mark the cases to identify the contents during shipping, including:

- (i) The series number; and
- (ii) The total cases per set; and

(d) Package and ship each box or case together; and

(e) Package the packing slip and flare with one box of the series; and

(f) Ensure that no case, package, box or container shall be marked to make it distinguishable from any other case, package, box or container within the series; and

(2) Not assemble the winning and losing pull-tabs in a way that would allow prize manipulation; and

(3) Except for pull-tabs printed on a roll using an approved printing process that electronically mixes the pull-tabs before they are printed, pull-tabs must be mixed before placing them in their final container to ensure pull-tabs are separated from their original collated row position and dispersed among all rows in the container; and

(4) Place a packing slip inside the container with the name of manufacturer, series number, date of packaging, and the name or identification of the person who packaged the series. Manufacturers may print this information on the flare or the outside of the container. Manufacturers must have this information readily available if we request it; and

(5) Print on the outside of the container a message stating that operators must remove the pull-tabs from the container and thoroughly mix them before putting them out for play unless the pull-tabs are printed on a roll. Manufacturers must:

(a) Print the information on:

(i) A crack-and-peel sticker and place it on the outside of the packaging container; or

(ii) A packing slip placed inside the container; or

(b) Request our approval to exempt packages of jar tickets and pull-tabs printed on a roll from this requirement.

[Statutory Authority: RCW 9.46.070. WSR 08-03-053 (Order 622), § 230-16-060, filed 1/11/08, effective 2/11/08; WSR 07-19-069 (Order 615), § 230-16-060, filed 9/17/07, effective 1/1/08.]

WAC 230-16-151

Gambling equipment connecting to external tools for standard maintenance.

(1) The following gambling equipment can be connected to external tools for standard maintenance only through a closed network:

- (a) Card shuffling devices; and
- (b) Ace finders or no peek devices; and
- (c) Similar gambling equipment that has been approved by us.

(2) For purposes of this rule:

(a) A closed network includes only the gambling equipment and the external tool.

(b) Standard maintenance means:

(i) Reviewing event logs on gambling equipment, which can consist of card and software errors.

(ii) Installing and uninstalling card libraries and card calibration files.

(iii) Configuring touch screen calibration.

(iv) Gathering diagnostic information.

(v) Verifying the hardware board type(s).

(vi) Reviewing the number of times the equipment has been powered up.

(vii) Reviewing the total number of operating cycles.

(c) External tools may only include laptops, tablets, USB products, or similar products approved by us, containing troubleshooting programs, which will connect to the gambling equipment via their Ethernet or USB ports.

(3) The following requirements apply when using external tools:

(a) A functional replica of the external tools and their troubleshooting programs must be tested and approved by us before they are first used; and

(b) During standard maintenance, the gambling equipment must not be in play or have access to live gaming data; and

(c) Wireless capabilities must not be used when an external tool is connected to gambling equipment. If an external tool has wireless capabilities, it must be tested by us to ensure wireless capabilities are disabled when connected to the gambling equipment; and

(d) There must be no access to the internet; and

(e) The connection for maintenance must only exist while the manufacturer representative or distributor representative is performing maintenance; and

(f) When standard maintenance is performed, the operator must keep a log in the format we require and access to the gambling equipment must be recorded by surveillance; and

(g) The external tools must only be in possession of a manufacturer representative or distributor representative.

(4) video display pull-tab dispenser systems with site servers may be monitored and data transferred at a site through use of a closed system as approved and authorized by us.

[Statutory Authority: RCW 9.46.070. WSR 13-03-064 (Order 684), § 230-16-151, filed 1/11/13, effective 2/11/13.]

Stakeholder Feedback

Laydon, Ashlie (GMB)

From: Sporty's Beef & Brew <sportyonline@yahoo.com>
Sent: Thursday, February 17, 2022 3:29 PM
To: Rules Coordinator (GMB)
Subject: Proposed Rule Change

External Email

I just read about the proposed rule changes. Of particular interest is the proposal for the new Diamond Game pulltab gaming machines.

WOW! A revenue stream that is 100% accurate and doesn't call in sick? I'm all in. Please consider this as my endorsement for this rule change.

Thank you!

Joe Ziskovsky
Owner
Sporty's Beef & Brew
425-210-6016

Laydon, Ashlie (GMB)

From: Jeanette Froehlich <jeanbean1210@gmail.com>
Sent: Thursday, February 17, 2022 3:06 PM
To: Rules Coordinator (GMB)
Subject: Diamond Game

External Email

Engels Pub would like to become part of the new LT3 system, we would like to have computerized games for Pull Tab sales. Please pass the the rule changes needed. Thanks for your time and consideration in this matter.

Laydon, Ashlie (GMB)

From: eric.the.beerslinger@gmail.com
Sent: Thursday, February 24, 2022 10:16 PM
To: Rules Coordinator (GMB)
Cc: aaronw@wowdistributing.com; Winsor, Wendy (GMB)
Subject: Upcoming rules consideration concerning Diamond Game's LT-3

External Email

To: Rules Coordinator with the Gambling Commission

I wish to request the rule change petitions from Diamond Game that allow the LT-3 system to be used in Washington be filed and ultimately passed, so that I as a licensed operator have new option for Tab sales.

As a current pull tab operator, I find my options for games decreasing as the two major houses producing pull tab games wish to expand in markets that do not speak to my customers and offer less product that appeals to my consumers. I have worked with and discussed these issues with my distributor and unfortunately in the current climate, these houses are not interested in changing their current production practices.

This new platform will allow me another option to provide my customers with pull tab games they enjoy and adds a new experience of a video platform with bells and lights. Customers will continue to purchase and play pull tabs but use an interactive interface to play.

This interface provides me with an additional provider to supply my customers with the entertainment they expect when visiting my establishment an outlet sorely needed as resources dimmish in this current pull tab production climate.

Thank you for your consideration,

Eric Danielson
Danny's Midway Pub and Grill
Marysville, WA

Laydon, Ashlie (GMB)

From: Wendy Winsor <wendyw@wowdistributing.com>
Sent: Friday, February 25, 2022 7:27 AM
To: Rules Coordinator (GMB)
Subject: Rule change request by Diamond Game

External Email

We are in favor of Diamond Game rule change request to allow for the use of the LT3 pull tab dispenser.

We are a pull tab distributor and have watched our customers, WSGC operators, struggle thru these tough times. This machine allows for better control of their gambling and fewer man hours needed to operate. We all know how hard hiring has been in the industry.

It also provides a fun entertaining new way to play pull tabs.

We appreciate your consideration of these minor rule changes.

Sincerely

Wendy Winsor
WOW Distributing, Inc

Laydon, Ashlie (GMB)

From: kyle 2 <thejoo13@gmail.com>
Sent: Friday, February 25, 2022 11:32 AM
To: Rules Coordinator (GMB)
Subject: Diamond Games LT-3

External Email

To whom it may concern,

This is Kyle Halbert, owner/operator of O'Houlies Pub in Mountlake Terrace. I am writing in support of the proposed rule changes submitted to WSGC by Diamond Games that would allow the use of their LT-3 video display pulltab dispenser. After reviewing the material, it seems to be an extremely effective and safe way to increase pulltab sales. More means more revenue for my business which in return means more tax dollars to the city of Mountlake Terrace and the state of Washington.

It appears to be a win/win situation for both businesses and government.

Thank you for your time
Kyle Halbert



PRESENTATION TO THE WASHINGTON STATE GAMBLING COMMISSION

MARCH 10, 2022 COMMISSION MEETING



AGENDA

- Diamond Game History
- Pull-Tabs: Assembly & Packaging
- The LT-3
- LT-3 System
- System Security

DIAMOND GAME HISTORY



Developing games and products for:

Charitable Gaming | Tribal Gaming | Lottery | Race Tracks

In the past fifteen years, DG has sold over 10 billion tickets.

Diamond Game is a subsidiary of Pollard Banknote Limited, which provides scratch tickets, dispensers, iLottery, inventory management, and other services, worldwide.



INTEGRITY

LICENSED/APPROVED BY

Missouri Lottery

Idaho Lottery

Maryland Lottery

Michigan Lottery

Ohio Lottery

Arkansas Racing Commission

Louisiana Office of Charity Gaming

Ontario Lottery/Alcohol and Gaming Commission of Ontario

Quebec Lottery

New Mexico Gaming Control Board

Minnesota Gambling Control Board

North Dakota Office of Attorney General, Gaming Division

CERTIFIED BY

AGCO

GLI

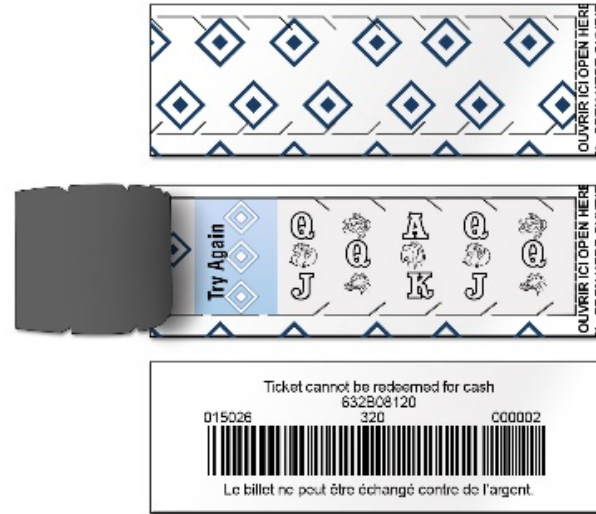
BMM Gaming Labs



PULL-TABS

Assembly & Packaging

- 2-ply tickets
- Web fed press
- Secure, tested, audited process
- Tickets packaged on rolls
- Designed to meet all security requirements



THE LT-3

Dispenses ticket with each purchase

System reads, validates, displays result

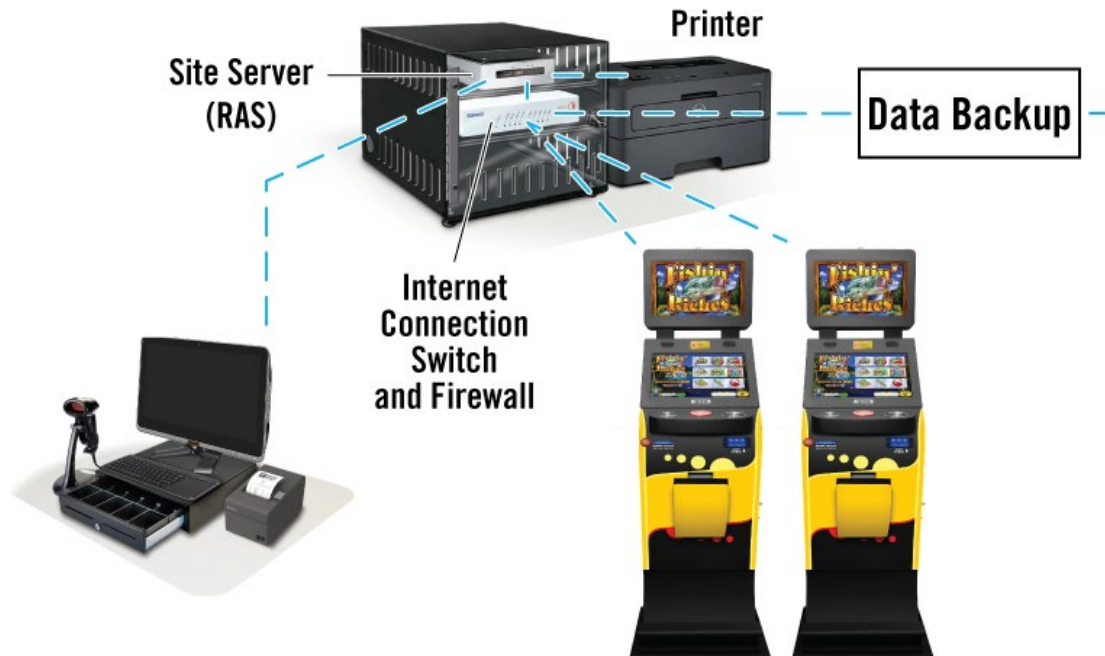
Provides secure payment of prizes



LT-3 SYSTEM

Site server provides all data management for the system at each site

Remote access to the site server for troubleshooting, maintenance, and repair



SYSTEM SECURITY

Voucher system provides for secure and accurate payment of prizes

System provides secure inventory management and all reports for the operator

Detailed reports provide data for all transactions; data is encrypted for security



Run Date/Time
July 30, 2020 12:34 PM

Cashier Balance Report
[Retailer ID] - [Location Name]
Reporting Period: 7/21/2020 2:00:00 AM To: 7/22/2020 2:00:00 AM

Cashier Session Summary

Session ID	Starting Balance	Total Payout Amount	Total Amount Added	Total Amount Removed	Ending Balance	Period Variance
{Cashier1}_200721_0952_14	3,007.00	751.70	0.00	0.00	2,255.30	
Start Date: 7/21/2020 9:52:14 AM End Date: 7/21/2020 4:11:28 PM						
Period Totals:	3,007.00	751.70	0.00	0.00	2,255.30	510.00

Cash Removed

Dispenser Number	Dispenser Description	Cash Removed	Date Time
00107	Sapphire 7s	\$10.00	7/21/2020 9:14:07 AM
Period Total:		\$10.00	

Commissions and Voucher Summary

Gross Sales	Amount Won	Expired Vouchers	Net Sales	Lottery Settlement	Retailer Commissions
155.00	86.25	0.00	69.25	55.40	13.85

Unpaid Vouchers Detail

Voucher	Amount	Date Created	Voucher	Amount	Date Created
*****81330	1.90	7/01/2020	*****23254	0.70	7/5/2020
			Total	2.60	

Game Details by Play Amount

Dispenser Number	Game Title	Play Amount	Amount Played	Amount Won	Net Sales
00107	Sapphire 7s	\$1.00	\$99.00	\$80.00	\$19.00
00107	Sapphire 7s	\$2.00	\$56.00	\$5.75	\$50.25
			\$155.00	\$85.75	\$69.25

Version 3.2.7.5 Page 1 of 1



Q & A





Sports Wagering Rule-Making
Sports Wagering Rules.

March 2022 – Final Action
January 2022 – Discussion & Possible Action
December 2021 – Final Action
November 2021 – Discussion
October 2021 – Discussion & Possible Filing
July 2021 – Discussion
June 2021 – Discussion & Possible Filing
July 2020 – Initiated Rule-Making

Tab 6: MARCH 2022 Commission Meeting Agenda.	Statutory Authority RCW 9.46.070, RCW 9.46.210, RCW 9.46.240, RCW 9.46.0364, RCW 9.46.0368, RCW 9.46.037, RCW 9.46.038
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Who Proposed the Rule Change?

Washington State Gambling Commission Staff

Background

Bold = Changes made after January 2022 Commission Meeting.

On March 25, 2020, Governor Jay Inslee signed House Bill 2638 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.

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.

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.

At the June 10, 2021 public meeting, Commissioners chose to file draft language for further discussion. Draft language was filed with the Office of the Code Reviser on June 23, 2021 and was published in the Washington State Register (WSR 21-13-165) on July 7, 2021 for further discussion.

At the July 8, 2021 public meeting, Commission staff was directed to provide Commissioners rule options for consideration at our July 28, 2021 special meeting. Staff provided Commissioners with two options: Option A, which included approving just the rules that pertained to licensing and regulation, and licensing fees for final action at the July 28, 2021 special meeting, or Option B, which included approving all the draft rules, including chapter 230-19 WAC. Based on comments and concerns received, especially concerns centered on proposed rules in chapter 230-19 WAC, Commissioners chose to approve Option A at the July 28, 2021 special meeting and directed staff to continue to work with stakeholders on chapter 230-19 WAC with the intent of bringing draft language back at the October 14, 2021 public meeting.

At the October 2021 public meeting, Commissioners chose to file draft language for further discussion. Language was filed with the Office of the Code Reviser on October 19, 2021 to be published in the Washington State Register (issue 21-21-094) and was posted on our agency website.

At the December 2021 public meeting, Commissioners chose to file changes to the proposed rules for further discussion based on comments from tribal partners and vendor stakeholders. Language was filed with the Office of the Code Reviser on December 22, 2021, to be published in the Washington State Register (issue 22-01-213). **At the January 2022 public meeting, Commissioners chose to withdraw language previously filed (chapter 230-19 WAC) and instead chose to file an amendment to WAC 230-03-085. Draft language was filed with the Office of the Code Reviser on January 19, 2022 to be published in the Washington State Register (issue 22-03-099).**

Attachments:

- **WAC 230-03-085 (AMENDED)**
- Stakeholder Feedback

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. Comments received before the June 10, 2021 meeting were reviewed by staff before filing the proposed rules. Changes related to some comments to licensing provisions, contract reviews, accounting records, substantial interest holders, sports wagering integrity, integrity monitoring provider, sports wagering systems, and sports wagering accounts were incorporated in the rules filed with the Code Reviser.

However, some comments and proposed changes were significant policy changes that could not be incorporated without Commissioner approval.

As of July 27, 2021, feedback from the following stakeholders was received:

- American Wagering, Inc., dba William Hill
- DraftKings Inc. (addt'l 7/27/21 letter)
- BetMGM
- Cowlitz Tribal Gaming Authority
- FanDuel
- Rush Street Interactive
- Sightline Payments
- Spokane Tribal Business Council
- Sportradar
- Suquamish Tribe
- Tulalip Tribes
- Washington Indian Gaming Association

Revised draft language was sent out to stakeholders on September 3, 2021 for review with feedback requested by September 15, 2021. Stakeholder feedback received thus far is as follows:

- Staff met with GeoComply, at their request, on September 9, 2021 who expressed concerns that a number of the sections had been struck, the GLI requirements had been removed, and were seeking clarification on operational requirements.

- A meeting was held with Tribal leaders and representatives on September 15, 2021 to discuss the proposed rules. The general feedback received was that the proposed rules were too broad and that the tribal-state sports wagering compact amendments are the governing authority over sports wagering, and therefore rules are not necessary. Suggested that if language is necessary, then one rule would be sufficient to specify that sports wagering vendors may facilitate sports wagering only as authorized by and compliant with tribal gaming compact and/or internal controls.
- Written feedback was received from FanDuel who expressed concerns over the timeliness of unusual and suspicious reporting requirements.
- A stakeholder meeting was held on September 22, 2021 to discuss the draft rules with those stakeholders who have a vested interest in sports wagering, primarily sports wagering vendors. Feedback received at this meeting was related to the removal of GLI requirements, and clarification of the timeline for these rules.

Staff inserted language, mirroring compact, regarding the need for sports wagering systems to meet or exceed GLI-33 standards back into chapter 230-19 WAC to provide additional clarity to vendors based on feedback that was received from stakeholders. Timelines for reporting unusual and suspicious wagering activity are required by compact as well.

Staff considered the rule language suggested during the meeting with tribal leaders and representatives to amend the draft rule language to only refer to the compacts and/or the internal controls, however staff chose not to implement this language for a number of reasons. These rules are designed to work in combination with each Tribal Gaming Agency's regulatory authority to determine suitability for continued licensing of sports wagering vendors and bridge the gaps not covered in tribal-state sports wagering compacts, such as areas where compacts don't outline specific sports wagering vendor requirements, areas where more detail is necessary for enforcement, and also to address non-tribal vendor related activities where information sharing may be necessary. Further, internal controls are not publicly accessible standards, which are necessary for rules under the Administrative Procedure Act.

Feedback was received on October 28, 2021 from W. Ron Allen, Tribal Chair/CEO of Jamestown S'Klallam Tribe on behalf of Washington Indian Gaming Association (attached).

On December 6, 2021, feedback was received from W. Ron Allen, Tribal Chair/CEO of Jamestown S'Klallam Tribe on behalf of the Washington Indian Gaming Association (attached).

On January 6 and 7, 2022, we met with tribal partners to get feedback on the proposed rules. The feedback received suggested:

- Removing the proposed Chapter 230-19 WAC, and
- Adding a single statement to WAC 230-03-085 that sports wagering vendors must follow the applicable tribal-state compact provisions and tribal laws related to sports wagering.

A stakeholder meeting was held on January 18, 2022, with sports wagering vendors to communicate the proposed changes. Representatives from FanDuel, Draftkings Inc., and Sportradar were present. No concerns were raised.

Staff Recommendation

Staff recommends final action be taken including a nonsubstantive change to remove the comma following “applicable tribal laws” to clarify intent with CR-101. The rule change will become effective 31 days after filing with the Office of the Code Reviser – on or after April 11, 2022.

WAC 230-03-085 Denying, suspending, or revoking an application, license or permit. We may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075; or

(2) Has been convicted of, or forfeited bond on a charge of, or pleaded guilty to a misdemeanor or felony crime involving physical harm to individuals. "Physical harm to individuals" includes any form of criminal assault, any crime involving a threat of physical harm against another person, or any crime involving an intention to inflict physical harm on another person; or

(3) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level; or

(4) Has failed to pay gambling taxes to local taxing authorities and the local taxing authority has petitioned us to take action; or

(5) Has failed to pay a quarterly license fee or submit a quarterly license report or has failed to pay a late fee assessed as a result of failure to pay a quarterly license fee or submit a quarterly license report; or

(6) Is serving a period of probation or community supervision imposed as a sentence for any juvenile, misdemeanor, or felony criminal offense, whether or not the offense is covered under RCW 9.46.075(4); or

(7) Is the subject of an outstanding gross misdemeanor or felony arrest warrant; or

(8) Fails to provide us with any information required under commission rules within the time required, or, if the rule establishes no time limit, within (~~thirty~~) 30 days after receiving a written request from us; or

(9) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by:

(a) Prior activities; or

(b) Criminal record; or

(c) Reputation; or

(d) Habits; or

(e) Associations; or

(10) Knowingly provides or provided goods or services to an entity that illegally operates gambling activities; or

(11) Has failed to comply with all applicable tribal laws or the provisions of the applicable tribal-state compact and its appendices related to sports wagering, that are in effect at the time of the violation, and as posted on the National Indian Gaming Commission's website at www.nigc.gov (for tribal laws) or our agency website at www.wsgc.wa.gov (for compacts and appendices).

Stakeholder Feedback
(Received since December 6, 2021)



December 6, 2021

Bud Sizemore, Chair
Tina Griffin, Interim Director
Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504

Subject: Additional comments on proposed WAC 230-19

Dear Bud and Tina:

On behalf of the Washington Indian Gaming Association (WIGA), I write today to offer feedback, yet again, on the revised draft sports wagering rules. As you know, we have discussed this matter extensively. Between WIGA's prior two letters (dated June 18, 2021 and October 27, 2021) and our Government-to-Government meetings, we have made our position known: the tribes believe that sports wagering rules that touch on the issue of operations are appropriately left to the compacts, not state regulations.

We do appreciate the efforts made by your staff to address our concerns and we acknowledge that each time we receive a new draft, the rules have improved incrementally. However, as previously shared with you, we believe that these rules are unnecessary—as proven by the fact that multiple tribes are now operating a sports book without them—and inconsistent with the tribal compacts already negotiated between the WSGC and the tribes. This inconsistency is apparent as you try to reconcile differences between the various “model” compacts (Tulalip, Kalispel, and Suquamish), resulting in definitions that do not precisely track any of them. This simply illustrates the very point we have been making all along: our vendors can and must follow the compacts and rules of whichever tribe they are providing services to.

Nonetheless, if you are unable or unwilling to drop the rules altogether, please add one additional rule:

WAC 230-19-045 Inconsistency with tribal compacts. To the extent any rule in this chapter conflicts with the compact of the tribe where the sports wagering is taking place, the sports wagering vendor must follow the compact and tribal regulations in furtherance thereof.

Please do not hesitate to reach out to me with any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "W. Ron Allen". The signature is written in a cursive, flowing style.

W. Ron Allen
Tribal Chair/CEO, Jamestown S'Klallam Tribe
Chairman, Washington Indian Gaming Association

Cc: Julia Patterson, Vice-Chair, WSGC
Alicia Levy, Commissioner, WSGC
Kristine Reeves, Commissioner, WSGC
Sarah Lawson, Commissioner, WSGC
Julie Lies, Tribal Liaison, WSGC
Ashlie Laydon, Rules Coordinator, WSGC
Rebecca George, Executive Director, WIGA

Laydon, Ashlie (GMB)

From: no-reply@wsgc.wa.gov on behalf of WSGC Web <no.reply@wsgc.wa.gov>
Sent: Monday, December 6, 2021 4:09 PM
To: Rules Coordinator (GMB)
Subject: Request for Public Comment Submission from wsgc.wa.gov

External Email

Submitted on Monday, December 6, 2021 - 4:06pm Submitted by anonymous user: 24.18.162.50 Submitted values are:

Select a Topic: Staff-Initiated Rule Change: Sports wagering

Name: Paula Scholz

Organization: none

Comments:

The new sports betting rules are welcome, but there need to be changes, to wit:

1. Enable online or phone app wagering like BetMGM. Do you know what a pain it is to drive to a Tribal casino every time you want to make a sports bet? They are far away and the weather is bad and it wastes gasoline. You should approve online wagering immediately, especially before baseball season when there are games every day. The current rules just help the unlawful offshore books. Convenience is everything.
2. Speaking of online wagering, it needs to be approved for the whole state ASAP. This is the 21st century and Washington State is still in the dark ages here. There is a pandemic on, didn't you know? I don't want to travel to a tribal casino.
3. You need to make sports and online wagering available to more than just the Tribal casinos. One might think you are in their pocket. The card rooms and national operators need to be approved for this business. Competition is good.

Paula Scholz
Bellevue, WA USA

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwsgc.wa.gov%2Fnode%2F19%2Fsubmission%2F3056&data=04%7C01%7Crules.coordinator%40wsgc.wa.gov%7C2f53d314745540ab96b208d9b915c763%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C637744325458491683%7CUnknown%7CTWFpbGZsb3d8eyJWljoijoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTil6k1haWwiLCJXVCi6Mn0%3D%7C3000&sdata=II%2BoRAXFX6ojQC1AUEuvtybKuHfU30006OVgouKLAYo%3D&reserved=0>

Stakeholder Feedback
(Received since October 19, 2021)



October 27, 2021

Bud Sizemore, Chair
Tina Griffin, Interim Director
Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504

Subject: Comments on proposed WAC 230-19

Dear Bud and Tina:

On behalf of the Washington Indian Gaming Association (WIGA), I write today to offer feedback on the revised draft sports wagering rules. We very much appreciate the efforts made by your staff to address our concerns, and we acknowledge the improvements that have been made to the current draft.

However, as previously shared with you at our government-to-government meeting on October 1, 2021, we believe the rules can and should be revised before they are brought to the Commission for final action. Making such changes now will help us both avoid future problems, confusion by our vendors, and possible dispute resolution.

We appreciate the Chair and Vice Chair's comments at the October 14, 2021, Washington State Gambling Commission ("WSGC") meeting, thanking the staff for their efforts and acknowledging the "dual regulatory" approach of the WSGC and Tribal Gaming Agencies. However, the two justifications repeatedly presented for the rules—namely to "fill in the gaps" left by the compact negotiation process and to give WSGC "a hook" with respect to sports wagering vendors—do not justify the inconsistencies and overbreadth of the current rule set. Rather, WSGC is ignoring the carefully considered compromises and months of negotiation that were required of the involved tribes to agree on a final compact draft and revisiting issues where WSGC appears to think the compacts should have gone further.

For example:

- WAC 230-19-005 Sports wagering definitions. The definitions are in conflict with Appendix S. For example, in the draft rules, an Integrity Monitoring Provider ("IMP") will "analyze data and reports" but, Appendix S limits an IMP's role to "analyzing reports of Suspicious Wagering Activity and Unusual Wagering Activity." Similarly, the definitions of "Suspicious and Unusual Wagering Activity" substantively deviate from the defined terms in Appendix S. In Appendix S, suspicious wagering activity does not include "money laundering," and unusual wagering activity is determined, at least in part,

by the sports wagering operation, but that reference is not included in the definition in the rules. WSGC's proposed draft is not "gap-filling" language; this is WSGC attempting to renegotiate a broader result from what was already intensely and specifically negotiated through the compacting process.

- WAC 230-19-025 Sports wagering integrity. This section imposes a duty of integrity monitoring on *all* sports wagering vendors; however, in Appendix S, that duty falls to the Tribes and the IMPs. Again, this is not filling a "gap" in the compacts; rather, the parties specifically negotiated for the use of an IMP to fill this critical role. Additionally, the proposed rule requires notice to WSGC in the event of *unusual or suspicious* wagering activity, but in Appendix S, WSGC receives only immediate notice of *suspicious* wagering activity. Plus, the rule purports to require sports wagering vendors to hand over the Tribes' "sports wagering information" to WSGC "when requested," but this conflicts with the information sharing protocols memorialized in Appendix S, i.e., that WSGC may obtain information from the Tribe when it is related to a law enforcement action or investigation, in a manner consistent with the Tribe's information-sharing policy. Again, this draft rule circumvents the expressly negotiated terms of Appendix S.
- WAC 230-19-030 Integrity monitoring provider requirements. Again, this rule conflicts with Appendix S. For example, the draft rule imposes requirements on IMPs that do not appear in Appendix S, such as requiring an IMP to "have systems to receive and analyze sports wagering data and information to be able to monitor, identify, and report on unusual or suspicious wagering activity."
- WAC 230-19-035 Sports wagering system requirements. This section reiterates some of the requirements from Appendix S, like that the system must meet or exceed GLI-33, but it misses some important nuances, like that the Tribe and WSGC can negotiate *deviations* from GLI-33. This puts vendors in a really difficult position if there is a negotiated deviation because that would put them in violation of the rules, even if in compliance with the compacts.
- WAC 230-19-040 Geofence and geolocation requirements. Again, this draft rule imposes requirements that do not appear in Appendix S. The geofence and geolocation technology is approved through Appendix S, and if there is a dispute about the technology, then it should go through dispute resolution—not a licensing infraction against our vendor.

In a perfect world, WSGC would forego these rules altogether as unnecessary because the compacts already give WSGC broad discretion to revoke, suspend, and deny state certification of vendors for failure to comply with any provision or duty imposed by the compact.¹ In addition to the compacts, WSGC already has authority under WAC 230-03-085 to revoke or suspend a

¹ For example, under Section VII(B) of the Jamestown S'Klallam Tribe's Gaming Compact, the state has authority to revoke, suspend, or deny a state certification "for any reason or reasons [WSGC] deems to be in the public interest" or if a holder of a certification "poses a threat to the effective regulation of gaming" or "has violated, failed, or refused to comply with any provision, requirement, condition, limitation, or duty imposed by one or more provisions of this Compact." Similar language is contained in other tribal-state gaming compacts.

vendor's license if a vendor fails to comply with applicable laws,² poses a threat to the effective regulation of gambling,³ or fails to comply with Chapter 9.46 RCW—which requires that sports wagering is conducted in accordance with a compact.⁴

If WSGC is unsatisfied with the options available under the tribal-state gaming compacts and under WAC 230-03-085, then the appropriate step is to prepare a single rule reiterating that sports wagering vendors must comply with a tribal-state gaming compact and applicable tribal laws. We have previously suggested that very change, and it has been ignored. At a minimum, we would hope that WSGC will revise the rules to eliminate direct conflicts with Appendix S and add a subsection simply stating that if the rules are in conflict with a compact, then the compact will prevail.

Please do not hesitate to reach out to me with any questions or concerns.

Sincerely,



W. Ron Allen
Tribal Chair/CEO, Jamestown S'Klallam Tribe
Chairman, Washington Indian Gaming Association

Cc: Julie Lies, Tribal Liaison, WSGC
Ashlie Laydon, Rules Coordinator, WSGC
Rebecca George, Executive Director, WIGA

² WAC 230-03-085(3) empowers WSGC to take action against a licensee that “has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level.” Licensees would be hard pressed to argue they can flout tribal laws when they cannot even flout local ordinances without significant consequences.

³ WAC 230-03-085(9) empowers WSGC to take licensing action against a licensee that “poses a threat to the effective regulation of gambling or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities.” This subsection is very broad and would provide a sufficient basis to penalize a sports wagering vendor that is not complying with an applicable compact, tribal gaming ordinance, or tribal law.

⁴ WSGC has recourse under WAC 230-03-085(1) if a licensee does not comply with Chapter 9.46 RCW. Under RCW 9.46.0364, “Sports wagering conducted pursuant to the gaming compact is a gambling activity authorized by this chapter.” Thus, any sports wagering not conducted pursuant to a compact runs afoul of chapter 9.46 RCW, giving WSGC a broad catch-all for vendors who fail to comply with an applicable compact.



STATE OF WASHINGTON
GAMBLING COMMISSION

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

November 9, 2021

The Honorable W. Ron Allen, Chairman
Washington Indian Gaming Association
Tribal Chair/CEO, Jamestown S'Klallam Tribe
525 Pear St SE
Olympia, WA 98501

Dear Chairman Allen,

Thank you for your letter of October 27, 2021, in which you provided comments on the commission's proposed rules for WAC Chapter 230-19.

We appreciate you sharing specific examples of your concerns regarding the proposed rules. Your comments will be shared with the Commissioners at the November 16, 2021, meeting. The proposed rules are up for discussion only at this meeting. Final action on the rules is not expected to take place until December 7, 2021.

Again, thank you for sharing your concerns with us.

Sincerely,

Tina Griffin
Interim Director

Cc: Bud Sizemore, WSGC Chairman
Rebecca George, Executive Director, WIGA
Julie Lies, Tribal Liaison, WSGC
Ashlie Laydon, Rules Coordinator, WSGC

Stakeholder Feedback
(Received since September 3, 2021)

From: [Andrew Winchell](#)
To: [Laydon, Ashlie \(GMB\)](#)
Cc: [Alex Smith](#); [Cory Fox](#)
Subject: RE: Sports Wagering rules for review
Date: Wednesday, September 15, 2021 4:19:54 PM
Attachments: [image006.png](#)
[image009.png](#)
[image011.png](#)
[FanDuel Comments on Updated Washington Sports Betting Regulations 9.15.21.pdf](#)

External Email

Good evening,

Attached please find FanDuel's comments on the updated sports wagering rules. Thank you again for the opportunity to provide input to the Commission on these rules.

Sincerely,

Andrew J. Winchell

Director, Government Affairs

Mobile: 845.325.6235

Email: andrew.winchell@fanduel.com



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

Sent: Friday, September 3, 2021 6:50 PM

Cc: Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>; LaMont, Jennifer (GMB) <jennifer.lamont@wsgc.wa.gov>; Teal, Adam (GMB) <adam.teal@wsgc.wa.gov>

Subject: Sports Wagering rules for review

Good afternoon,

At their July 28th special public meeting, Commissioners directed staff to continue to work with stakeholders on sports wagering rules, specifically chapter 230-19 WAC, with the intent of bringing draft language back to them for discussion and possible filing at their October 14th public meeting. Attached you will find a revised draft chapter 230-19 WAC for your review. Please submit written feedback to ashlie.laydon@wsgc.wa.gov by close of business on Wednesday, September 15th. This will allow staff time to review feedback and address stakeholder concerns prior to the October public meeting.

Please contact me if you have any questions. Email is best at this time, as we continue to work remotely.

Thank you,

Ashlie Laydon

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

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

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





Cory Fox
cory.fox@fanduel.com

September 15, 2021

Via Email to Ashlie.laydon@wsgc.wa.gov

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

Re: FanDuel Comments on “Updated WSGC Sports Wagering DRAFT Rule Changes”

Dear Coordinator Laydon:

I write to provide comments on behalf of FanDuel Group, Inc. (“FanDuel”) regarding the Washington State Gambling Commission’s (“Commission”) “Updated WSGC Sports Wagering DRAFT Rule Changes” (“Updated Rules”). We thank you for the previous opportunity to comment on the proposed rules and for your thoughtful review and response to our comments. Based on our review of the Updated Rules we have one comment to share with the Commission.

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.

- ***Issue 1 – Inconsistent Requirement to “promptly” or “immediately” notify the Commission of violations and unusual or suspicious activity.***

The Proposed Rules include two new rules (WAC 230-19-030 – Sports Wagering Integrity and WAC 230-19-035 – Integrity Monitoring Provider Requirements) which include inconsistent reporting standards for sports wagering vendors and integrity monitoring providers to report suspected violations or regulations or statutes and unusual or suspicious wagering activity. Sports wagering vendors and integrity monitoring providers need to report this information in a timely manner to the Commission, and we thank the Commission for changing the reporting standard to “promptly” in 230-19-030 for sports wagering vendors. However, 230-19-030 retains an “immediate” reporting requirement for integrity monitoring providers which does not provide them 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:

WAC 230-19-035 Integrity Monitoring Provider Requirements.

Integrity Monitoring Providers must:

(1) ~~[Immediately]~~ **Promptly** notify us, in the format we require:

...

In the event the unusual or suspicious activity involves a tribal operator in Washington state, the integrity monitoring provider must ~~[immediately]~~ **promptly** notify the appropriate tribal gaming agency; and

...

(4) ~~[Integrity Monitoring Providers must immediately]~~ **[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.”

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

Stakeholder Feedback
(Received on or before July 27, 2021)



Brian J. Considine
Legal and Legislative Manager
Washington State Gambling Commission

July 7, 2021

Mr. Considine:

Thank you and your team for working with American Wagering, Inc. (doing business as William Hill) and Caesars Entertainment to create regulations that will protect the public and allow the industry to meet its full potential in Washington. Please find below some suggestions for minor, yet important, changes to the existing draft regulations.

William Hill currently operates sports betting in 18 U.S. jurisdictions, the most of any company in the industry. We offer these suggestions based on our experience in these jurisdictions and in the spirit of helping Washington to implement best practices.

Rule Reference

WAC 230-19-045

Existing Rule Language

(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.

Comment

We request a definition of “substantive modifications” be included in the regulations.

Some examples of “substantive modifications” we believe should require recertification include those that have a high impact on regulated components or reporting of the platform, such as:

- 1) Implementation of a new gambling feature or a change to any logic impacting wagering or game logic;
- 2) A change impacting required regulatory reports or data used for financial reconciliation;
- 3) If applicable, a change impacting the handling or storage of personally identifiable information;
- 4) If applicable, a change implemented by the platform provider that substantially impacts geolocation services; or
- 5) A change to accommodate updated regulatory requirements

Reason for Change

Minor or technical changes outside of the ones listed below do not create a risk to the integrity of the system and are routine. Those changes should be permitted without certification by an independent testing lab.

Rule Reference

WAC 230-19-045

Existing Rule Language

(8) Cloud storage for sports wagering data and information may be used for duplicate or backup data. Cloud storage facilities, as specified in the applicable tribal-state sports wagering compact amendment, must be located in our state.

Comment

We suggest deleting the requirement for backup cloud storage to be located in Washington.

Reason for Change

We have not seen a requirement in other jurisdictions for back up cloud storage systems to be confined to the jurisdiction. Allowing cloud storage to be located anywhere in the U.S., but in a facility licensed as a mid-level vendor by the WSGC, would provide sufficient safeguards while lowering expenses for operators.

Rule Reference

WAC 230-19-045

Existing Rule Language

(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;*
- (b) Gaming operation liability;*
- (c) Future event;*
- (d) Significant events and alterations;*
- (e) Wager record information;*
- (f) Market information;*
- (g) Contest or tournament information;*
- (h) Sports wagering account information;*
- (i) Sports wagering system information;*
- (j) Significant event information;*
- (k) User access information;*
- (l) Wagering device information;*
- (m) Promotion or bonus information;*
- (n) Event game play;*
- (o) Expired ticket; and*
- (p) Any other reports required by us or a tribal gaming agency.*

Comment

We suggest replacing the above list with the GLI-33 §2.9 list of minimum reports.

Reason for Change

The GLI list is widely used and operators are already familiar with issuing these reports. As it is written above, the WSGC would need to craft detailed criteria for each of the above reports and

operators may have varying interpretations of how to comply. Using the GLI list allows for consistent reporting and less regulatory burden for the WSGC.

Rule Reference

WAC 230-19-060

Existing Rule Language

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.**

Comment

We suggest this retention requirement be placed on licensed data providers, not the operators who use the data.

Reason for Change

Operators may archive some, but not all, of the data provided. Placing the onus on the data providers would be more appropriate as they create and send the data, and less burdensome to the end users of the data, the operators.

Thank you to you, Ms. Laydon, and the Commission for considering our comments on these draft regulations.

Regards,

s/Trevor Hayes

cc: Ashlie Laydon, rules coordinator Washington State Gambling Commission

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





July 27, 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: Sports Wagering Proposed Draft Rules Filed (6/23/2021)

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”) delivered to stakeholders on June 23, 2021 and the follow-up email from the Commission answering and responding to our previous comments on June 30, 2021, 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.

As a note of reference, when the term “Compact” is used below, it refers to the compact amendments that are substantially similar and agreed to by the Commission and the eleven tribes as described in the [press release](#) issued by the Commission on May 13, 2021.

WAC 230-03-311, 312, 313 Applying for a major/mid-level/ancillary sports wagering vendor representative license

DraftKings respectfully requests the Commission amend the persons that must apply for a major sports wagering representative license to be more consistent with the term “Gaming Employee” in Section II of the Compact. As currently drafted, the term “represent” could be interpreted broadly to encompass an almost countless number of individuals across the sports wagering industry, for example lawyers and accountants, and lead to an administrative burden for applicants and the Commission. By removing the term “represent,” the definition would better align with the term “Gaming Employee” as defined in the Compact, and focus on persons employed in the operation or management of gaming in the state. For these reasons we respectfully request the following amendment:



You must apply for a major/mid-level/ancillary sports wagering representative license if you, as an individual, are employed or contracted by a major/mid-level/ancillary sports wagering vendor to ~~represent~~, service, or work in any sports wagering activities in our state or you supervise those who do.

WAC 230-05-170 Fees for other businesses

DraftKings respectfully requests that the Commission consider lowering the base license fee for mid-level and ancillary sports wagering vendors. While we appreciate the Commission's response detailing how all regulatory funding must come from licensing fees and tribal cost reimbursements, these fees as currently outlined are very high for retail sports wagering. In working through the regulatory process in other states, charging mid-level and some ancillary vendors a fee annually, particularly fees of \$10,000 and \$5,000, could be limiting on those wishing to enter the market. 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.

WAC 230-19-045 Sports wagering system requirements

DraftKings respectfully requests modifications to the types of reports that must be generated by a sports wagering system to match what is found in Section 5.3.9 of the Compact. By inserting the term "may include," it creates flexibility between the major sports wagering vendor and the tribal gaming authority to determine the best way to report "the adjusted gross receipts, wagering liability, ticket redemption, and such other information relating to sports wagering as required." This flexibility is important because some of the reports listed in the second sentence of this requirement are not industry standard and not something regularly produced by sports wagering operators. Tribal gaming authorities and major sports wagering vendors can create reports to meet the goals of the first sentence without having to configure their systems or make changes to their systems to produce all of the reports listed. Even without a requirement that a system be able to produce all of the listed reports, the Commission will have an opportunity to make sure the reporting framework adequately outlines how a sports wagering operation plans to record "adjusted gross receipts, wagering liability, ticket redemption, and such other information relating to sports wagering as required," as the Commission must review and concur initial internal controls pursuant to Section 5.9.1 of the Compact.

*(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 **may include, as specified in the applicable tribal-state sports wagering compact amendment, 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) Player Account Information reports; (i) Sports Wagering System Information reports; (j) Significant Event Information reports; (k) User Access Information reports; and (l) any other reports required by ~~us or~~ a tribal gaming agency.

WAC 230-19-035 Sports wagering integrity

DraftKings respectfully requests the requirement for sports wagering vendors to notify the Commission for unusual wagering activity be removed to align with Sections 5.9.2.f and 7.22 of the Compact. Section 5.9.2.f requires internal controls to address procedures for identifying and reporting unusual and suspicious activity to an integrity monitoring provider. Section 7.22 sets a requirement for an integrity monitoring provider to notify different stakeholders, including the Commission, when an integrity monitoring provider identifies suspicious wagering activity. Based on those sections and the definition of an integrity monitoring provider in Section 2 of the Compact, the major sports wagering vendor should either be required to report unusual and suspicious activity to the integrity monitoring provider, which in turn will share with the Commission, or the major sports wagering vendor should be required to report suspicious activity to the Commission.

Sports wagering vendor and vendor representatives must 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.

Or

*Sports wagering vendor and vendor representatives must promptly notify an **integrity monitoring provider** ~~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.*

WAC 230-19-045 Sports Wagering System Requirements

DraftKings respectfully requests the Commission include the language found in Section 5.3.4 of the Compact to provide clarity on what is a substantive modification.

(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. **The following modifications are not considered substantive and do not require notification to the Commission: (a) Changes to content not related to any regulated feature; (b) Installation or changes to backup software; (c) Adding or removing users; and (d) any system configuration changes that have no impact on the accuracy of report information including gaming revenue.***

* * * * *

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.



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: [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 is 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: [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: [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



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 lcx@rushstreetinteractive.com.

Sincerely,

Laura McAllister Cox

Laura McAllister Cox
Chief Compliance Officer

From: john@corridorcd.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

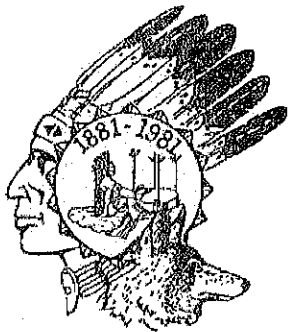
Sports Wagering Accounts

"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.



SPOKANE TRIBAL BUSINESS COUNCIL

PO Box 100, Wellpinit, WA 99040

June 22, 2021

Tina Griffin
Interim Director
Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504

Dear Ms. Griffin:

On behalf of the Spokane Tribal Business Council, thank you for the opportunity to provide these comments on the draft sports wagering rules presented at the Washington State Gambling Commission's (WSGC) meeting on Thursday, June 10. For the reasons set forth herein, the Spokane Tribe is concerned that WSGC's draft rules improperly circumvent our co-regulatory relationship under the Indian Gaming Regulatory Act ("IGRA") and our gaming compact with the State of Washington.

As a preliminary matter, we are concerned that the draft rules were not made available to us in time to allow for a thoughtful review and discussion. Moving forward, we request timely notice of agency rulemaking that is directly related to STOI gaming activities.

As to the substance of the draft sports wagering rules, the Tribe has several concerns. Under IGRA, the co-regulatory relationship between the State of Washington and tribes is governed by the Class III gaming compacts. As fully recognized by section 2 of HB 2638, the operation of sports wagering on tribal lands is a feature of the compacts (which are negotiated between the State and tribes), not a feature of state rule (which is adopted as a unilateral action of the State). We appreciate this is the first time there has been legislation authorizing a tribal only activity, but that does not change the fact that IGRA—and therefore the compacts—are what govern the conduct and operation of the gaming activity.

While HB 2638 gave WSGC rulemaking authority over licensing (or more appropriately, certification), it did not give, nor would IGRA allow it to give, WSGC rulemaking authority over Tribal gaming activities *conducted on Spokane Indian lands*. Accordingly, I respectfully request that draft rule section 230-17 be removed in its entirety. That section is largely a restatement of what is already in compact, and that is where it should stay.

We acknowledge that HB 2638 authorizes WSGC to track and monitor certain transactions, require certain reports, and the like. However, those issues were discussed at the compact negotiation table, and we are frustrated that WSGC is taking a second bite at the apple by requiring certain reports and

documents *by rule* that the WSGC had already agreed would be handled *by compact* and internal controls. Any concern for WSGC to take action against our vendors for their failure to follow our compacts can be better addressed by including a catchall provision in the rules that says that. That is far more effective, efficient, and appropriate than restating tribal compacts in WSGC rules.

Next, we join the torrent of tribes and vendors who object to the proposed licensing fee structure. Sports wagering will be a minor financial addition to the Tribe's Class III gaming offerings. However, the proposed fee for major vendors is more than three times what TLS vendors currently pay. Excessive vendor certification fees lead to one of two outcomes: (1) the fee is passed on to the tribes (a de facto illegal tax on Class III tribal gaming revenues), or (2) the fee is not passed on to the tribes, and - as some vendors have already pointed out - vendors are dissuaded from participating in the Washington market at all. This is especially true here, for an on-premises only game, and even truer at smaller properties. Instead, WSGC should approach sports wagering vendors the same way the agency has approached other gaming vendors in the past: a more appropriate fee combined with special investigative fees as needed to address unique costs of investigating certain vendors.

Finally, we join in the Suquamish Tribe's comments to the draft rules, and we concur with the comments submitted by the Washington Indian Gaming Association.

Respectfully,



Carol Evans
Chairwoman

Cc: Brian Considine, Legal and Legislative Manager
Ashlie Laydon, Rules Coordinator

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



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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.

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.**

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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



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**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)~~ (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)

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~~



Board of Directors:

Teri Gobin – Chair
Glen Gobin – Vice Chair
Marie Zackuse – Secretary
Pat Contraro – Treasurer
Misty Napeahi. – Council Member
Mel R. Sheldon – Council Member
Hazen Shopbell – Council Member

6406 Marine Dr
Tulalip, WA 98271-9694
360-716-4500
Fax 360-716-0628

The Tulalip Tribes are federally recognized successors in interest to the Snohomish, Snoqualmie, Skykomish, and other allied tribes and bands signatory to the Treaty of Point Elliott.

June 18, 2021

Tina Griffin
Interim Director
WSGC
P.O. Box 42400
Olympia, WA 98504

Bud Sizemore
Chairman
WSGC
P.O. Box 42400
Olympia, WA 98504

Re: Tulalip Tribes Comments on the WSGC Sports Wagering Rules

Dear Director Griffin and Chairman Sizemore,

On behalf of the Tulalip Tribes, we appreciate your work on the proposed Sports Wagering rules discussed at the WSGC public hearing June 10, 2021, and we thank you for opportunity to provide input of the proposal. We also want to express our concerns with the WSGC's proposed language, in what appears to be an attempt to circumvent the carefully negotiated sports wagering compact amendment negotiated between the Tulalip Tribes and the WSGC. The proposed language ignores the co-regulatory relationship between Indian Tribes and the State of Washington under the Indian Regulatory Gaming Act (IGRA) and the Tribal – State Gaming Compacts.

The WSGC is blurring the lines between its role to adopt Sports Wagering rules for the purpose of certifying sports wagering vendors and the general regulation of sports wagering activities on Indian lands, of which the WSGC has no authority to do under its rulemaking process. While the bill confirmed that the Commission had authority to engage in rulemaking to issue licenses to sports wagering vendors, this is a far cry from giving the WSGC rulemaking authority over the activity of sports wagering on Indian lands. Instead, Tribal government gaming in Washington State is conducted pursuant IGRA, tribal-state gaming compacts, tribal gaming ordinances, tribal regulations, and tribal internal controls.

The Tulalip Tribes spent significant tribal resources in government-to-government sports wagering compact negotiations with the WSGC which ultimately led to the Tulalip Tribes Appendix S. Throughout the compact negotiation each party made compromises, and, in many instances, Tulalip negotiated specific language out of the WSGC sports wagering proposal. To

see this same language inserted into this proposal appears like an attempted end-run around our government-to-government compact negotiation, and a loss of Tulalip's bargained-for-exchange.

We provide the following specific comments:

1. WAC 230-03-xxx and WAC 230-06-xxx – Additional information required for sports wagering vendors and Submitting sports wagering related contracts and agreements for review.

- a. Language in these sections that require vendors to provide vendor contracts and agreements to the WSGC and should be stricken. This language was first discussed in the government-to-government sports wagering negotiations. The parties agreed to remove this language based on these negotiations. Information contained in vendor contracts contain proprietary information and should be kept confidential. Even if the section is amended and limited to vendor-to-vendor contracts only, it is untenable for vendors because of its broad interpretation of who must be licensed as a vendor for goods and services. There are also routine modifications and amendments to contracts, a submission of which will be burdensome and create significant administrative challenges. At a minimum, contracts and agreements between vendors and tribal gaming operations should be excluded from this requirement.

2. WAC 230-17 - New Section.

- a. This entire section is problematic and should be deleted in its entirety. Some sections in WAC 230-17 are already addressed in Appendix S and are the tribes', not the vendors', responsibility. Other sections are inconsistent with Appendix S. For example, WAC 230-17-xxx (3) is inconsistent with Appendix S because it states that "All sports wagering kiosks must be tested, approved, and certified by a licensed independent testing laboratory." Pursuant to Appendix S, the tribal regulatory bodies "approve" the kiosks and sports wagering systems, not the independent testing laboratories.

The requirement in proposed rule WAC 230-17-xxx (10) requires that sports wagering system reports be provided, but the submission of sports wagering system reports are already addressed in Appendix S and will be further delineated in our internal controls.

WAC 230-17-xxx (Authorized Sports Wagering Menu) implies that a vendor will be accepting wagers. This is incorrect. The tribal gaming operations will be accepting wagers based on what is approved on the Authorized Sports Wagering Menu as agreed to in Appendix S. This section should be deleted in its entirety.

These examples are by no means exhaustive. We urge the WSGC to delete WAC 230-17 in its entirety for various substantive reasons.

3. WAC 230-05-170. Fees for other businesses.

- a. The Sports Wagering Vendor fees are extremely high. These costs will either be passed down to tribal government gaming operations, or simply prevent vendors from entering the market here in Washington State. We understand and agree that there may be additional costs associated with licensing sports wagering vendors, especially in the initial year. We do not believe, however, that the higher costs associated with the licensing sports wagering vendors in the first year will be representative of the second and third year etc. For this reason, we recommend that the WSGC lower the fees substantially and create a process to charge vendors additional fees to cover the costs should the costs exceed what is collected from the vendors. The WSGC has a loan they can pull from if they need to cover costs on the front-end.

We thank you for taking the time to address our concerns set forth in this letter. We also ask that you review closely other comments by both vendors and tribes, as we share similar concerns. Given the long-standing relationship between the Tulalip Tribes and the WSGC, we are optimistic that our concerns will be addressed. If you have any questions or would like to discuss this matter, please contact Lisa Koop Gunn, Attorney for the Tulalip Tribes.

Thank you,



Teri Gobin,
Tulalip Tribal Chairwoman

Cc:
Brian Considine, Legal and Legislative Manager
Ashlie Laydon, Rules Coordinator
President/COO, Kenneth Kettler
TGA Director, Lance Ledford



June 18, 2021

Bud Sizemore, Chair
Tina Griffin, Interim Director
Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504

Dear Bud and Tina:

On behalf of the Washington Indian Gaming Association (WIGA), I write today to offer feedback on the draft sports wagering rules presented at the Washington State Gambling Commission's (WSGC) meeting on Thursday, June 10. To summarize, WIGA is concerned that WSGC's draft rules improperly circumvent our co-regulatory relationship under the gaming compacts via unilateral rulemaking.

Prior to addressing the substance, I first wanted to address the process. The draft rules were made available to a blind copied stakeholder list by Brian Considine on Thursday, May 27. Some tribal staff are presumably on that list; many are not, and I suspect tribal leadership is not. You did not notify the tribal stakeholder list of these same draft rules until a full week later via email from Michelle Rancour. Seeing as that email was received near the close of business on Thursday, June 3, and comments were requested by 8:00 a.m. on Monday, June 7, considering the weekend, tribes really had only one business day to review and comment on the draft rules. I would ask that in the future when rules that affect a tribal gaming matter are issued—and especially when they affect a *tribal only* gaming activity—they really should be discussed through a government to government consultation with an opportunity for meaningful input. At the very least I would hope the draft rules would go to the tribes on the same schedule as other stakeholders.

As to the substance of the draft sports wagering rules, WIGA has several concerns. After a 25-year relationship between WSGC and Washington tribes, I know you understand the scope of the

Indian Gaming Regulatory Act (IGRA). Under IGRA, the co-regulatory relationship between the State of Washington and tribes is governed by the Class III gaming compacts. As fully recognized by section 2 of HB 2638, the operation of sports wagering on tribal lands is a feature of the compacts (which are negotiated between the State and tribes), not a feature of state rule (which is adopted as a unilateral action of the State). I appreciate this is the first time there has been legislation authorizing a tribal only activity, but that does not change the fact that IGRA—and therefore the compacts—are what govern the conduct and operation of the gaming activity.

Although HB 2638 gave WSGC rulemaking authority over licensing (or more appropriately, certification), it did not give WSGC rulemaking authority over tribal gaming activities *conducted on tribal lands*. Who is certified and how they are certified is a proper function of WSGC rules. See HB 2638 at section 3 (authorizing issuance of licenses for manufacturers and sports wagering service providers, and their employees). How those vendors interact with WSGC is also a proper function of the WSGC rules. But, attempting to address issues more appropriate for tribal gaming compacts is not. Therefore, I would respectfully request that draft rule section 230-17 be removed in its entirety. That section is largely a restatement of what is already in compact, and that is where it should stay.

I acknowledge that some sections of HB 2638 give you the authority to track and monitor certain transactions, require certain reports, and the like. But, as I understand it, those conversations were part of the compact negotiations. While Jamestown was not a direct party to those negotiations and I defer to my sister tribes and their experiences, you will likely hear from them directly that they are frustrated that you are taking a second bite of the negotiation apple by requiring certain reports and documents *by rule* that you had already agreed would be handled *by compact* and internal controls. I'm sure you can understand that this makes the negotiating tribes feel like what they thought was a fair compromise was really an underhanded way of getting the results WSGC wanted by rule instead. If you think you need a hook to take some kind of negative licensing actions against our vendors for their failure to follow the compacts, you can simply include a catchall provision in your rules that says that. That is far more effective, efficient, and appropriate than restating our compacts in your rules.

And finally, and I'm sure unsurprising to you, I take great issue with the proposed licensing fee structure. Sports wagering is another game being added to tribes' current offerings. Relative to our other forms of gaming, it will be a minor financial addition. However, the proposed fee for the major vendors is more than three times what our TLS vendors currently pay. As you likely recall from our conversations around the fee simplification project some years ago, excessive vendor certification fees lead to one of two outcomes: (1) the fee is passed on to the tribes, looking a lot like an unlawful tax on tribes and tribal gaming, or (2) the fee is not passed on to the tribes, and as some vendors have already pointed out, might dissuade vendors from participating in the Washington market at all. This is especially true here, for an on-premises only game, and even truer at smaller properties like 7 Cedars. I would encourage you to approach sports wagering vendors the same way you have approached other gaming vendors in the past: a more appropriate fee combined with special investigative fees as needed to address unique costs of investigating certain vendors. Here you are in an even better position because you can draw on the \$6 million cushion the loan provides you.

Under HB 2638, legal sports wagering will occur only in Indian country. The compacts govern sports wagering in Indian country. Therefore, much of what you are trying to accomplish in draft rule section 230-17 seems at worst, improper, and at best, unnecessary.

Very truly yours,

A handwritten signature in black ink that reads "W. Ron Allen". The signature is written in a cursive style with a large, sweeping initial "W" and a long, horizontal flourish at the end.

W. Ron Allen
Chairman, Washington Indian Gaming Association
Chairman, Jamestown S'Klallam Indian Tribe

Cc: Brian Considine, Legal and Legislative Manager
Ashlie Laydon, Rules Coordinator



**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

March 10, 2022

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

FROM: Adam Teal, Acting Legal Manager
Legal and Records Division

**SUBJECT: Sit N Bull Saloon, CR 2021-01482
Final Order – March 10, 2022 Commission Meeting**

Sit N Bull Saloon (SNBS) has two separate gambling licenses, authorizing Punchboard/Pull-Tab activity and Public Card Room activity at its Conconully, Washington location. Both licenses expire on June 30, 2022.

On July 14, 2021, while at a routine inspection of licensee SNBS, a WSGC Special Agent was informed that one of the two licensed owners had passed away, leaving the business interest to her daughter, Christy Merritt. The current manager, Lisa Zinani informed the Agent that she was in the process of purchasing the business from the old ownership. A review of the business in the WSGC's internal database showed that a WSGC Licensing Specialist had been trying to work with Merritt to transfer the licenses, but had not received the required documentation. After repeated attempts to get the required documents from Merritt, the LS spoke with Zinani who relayed that Merritt would not be submitting the required paperwork, and that they would allow the licenses to lapse. The only document that the WSGC received from Merritt was her mother's death certification, which showed that she had passed away February of 2021, meaning the license has not been valid since that time.

Interim Director Tina Griffin issued SNBS the Notice of Administrative Charges on December 13, 2021, 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 January 5, 2022. To date, the Commission has received no communication from SNBS.

SNBS's failure to respond to the charges or timely request a hearing is a waiver of SNBS's right to a hearing in Case No. CR 2021-01482. You may take final action against its gambling licenses. SNBS failed to report changes to its application information, failed to transfer its gambling licenses after one of its owners passed away, and continued operating with void licenses. In doing so, SNBS is in violation of WACs 230-06-080, 230-03-085(8), 230-06-106, and 230-06-108. Based on its conduct, SNBS cannot show by clear and convincing evidence that it is qualified to keep its gambling licenses. Therefore, staff recommends that the Commission sign the proposed final order and revoke Sit N Bull Saloon's gambling licenses, Numbers 05-09792 and 65-02519.

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**STATE OF WASHINGTON
GAMBLING COMMISSION**

In the Matter of:

NO. CR 2021-01482

SIT N BULL SALOON,
License Nos. 05-09792 & 65-02519,

FINAL ORDER OF THE
GAMBLING COMMISSION

Licensee.

This matter having come before the Washington State Gambling Commission (Commission) on March 10, 2022, 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 Sit N Bull Saloon (SNBS) License No. 05-09792 authorizing Punchboard/Pull-Tab activity and License No. 65-02519 authorizing Public Card Room activity at its Conconully, Washington location.

2. These licenses, which expire on June 30, 2022, were issued subject to SNBS’s compliance with state gambling laws and Commission rules.

3. SNBS has been licensed since 1999.

4. On July 14, 2021, a WSGC Special Agent visited licensee Sit N Bull Saloon (SNBS) for a routine inspection. While there, the Agent met with Lisa Zinani, who identified herself as the current manager and future owner of the business.

5. Zinani explained that Sylvia Scott, a partner in the business had passed away earlier in the year. Scott’s daughter, Christy Merritt, had inherited Scott’s interest in the

1 business. The other partner, Darlene Spears was a silent partner with little interest in operating
2 the business.

3 6. Zinani told the Agent that she was in the process of purchasing both partner's
4 interest in SNBS. Zinani indicated that she believed that Merritt was working with the WSGC
5 licensing department to update the change of ownership.

6 7. Later, the Agent reviewed the WSGC's internal licensing system to follow up on
7 Zinani's claim. That review showed that SNBS had filed for renewal of its licenses on June 18,
8 2021. Merritt had signed the renewal application, identifying herself as a partner.

9 8. Further review showed that Merritt's signing the renewal application had drawn
10 the attention of one of the WSGC's Licensing Specialists (LS). That LS had documented the
11 multiple attempts that she had made to retrieve change of ownership documents from Merritt.

12 a. On June 22, 2021, the LS left a message with Merritt asking about the
13 change in ownership.

14 b. On June 23, 2021, the LS spoke with Merritt who relayed that her mother,
15 Scott, had passed away about a month before. Merritt claimed that she
16 had sent the WSGC a copy of the death certificate along with a letter
17 explaining the change of ownership. The LS noted to Merritt that the
18 WSGC had not received anything from SNBS.

19 c. On June 24, 2021, the LS emailed Merritt requesting signed documents
20 and an explanation of the new ownership structure.

21 d. The LS emailed Merritt on July 23, 2021, August 2, 2021, and August 3,
22 2021 requesting an update.

23 9. Having not received the requested information, the LS both sent an email and left
24 a voicemail for Merritt. The LS gave Merritt until September 7, 2021 to provide her with: a
25 transfer application, identification, a personal/criminal history statement, a copy of Scott's will,
26 and an application fee.

1 10. On September 1, 2021, the Agent phoned Zinani to request that Merritt submit
2 the required materials and communicate with the LS to transfer the business.

3 11. On September 10, 2021, having not received any communication from Merritt,
4 the Agent recommended to the LS to offer Merritt an additional week to complete their requests.
5 When the LS attempted to call Merritt, her voicemail box was full.

6 12. On October 4 and 5, 2021, the LS made a final attempt to reach SNBS's
7 ownership. She left a voicemail for Merritt, and was able to speak to Zinani. Zinani reported
8 that the sale had not been completed due to a lack of communication between her and Merritt.

9 13. On October 11, 2021, the Agent spoke with Zinani, who indicated that she didn't
10 know what was going on with the sale of the business. Zinani reported that she had escrow
11 money on deposit to purchase the sale, but she has not heard back from Merritt. She indicated
12 that Merritt was having health issues.

13 14. The Agent explained to Zinani that because Scott was listed as, and was approved
14 to be, a licensed owner, the current license does not reflect the true ownership of the business.
15 As this was the case, the Agent suggested that SNBS voluntarily stop their gambling activities
16 until they are able to apply for a new license.

17 15. At the conclusion of their conversation, the Agent called and left a voicemail for
18 Merritt. The Agent relayed the same information that he had provided Zinani, and requested
19 that Merritt call either the LS or himself if she had any questions.

20 16. Later that day, Merritt called and spoke with the LS. The LS told Merritt that she
21 had until the end of the week (October 15, 2021) to provide her with the required documents.

22 17. On October 15, 2021, the LS notified the Agent that Merritt had not provided her
23 with the requested documents. The LS had spoken with Zinani, however, who informed her that
24 Merritt was not going to submit the documents, and that she was going to let the gambling license
25 lapse. The LS called to confirm this with Merritt, but Merritt did not answer.
26

1 18. To date, the only document that the WSGC has received of those repeatedly
2 requested of Merritt was Scott's death certificate. That document shows that Scott had passed
3 away in February of 2021. This information shows that the issues with SNBS's gambling
4 licenses had existed since that time, and not a month prior to June 23 as Merritt had previously
5 stated.

6 19. Interim Director Tina Griffin issued administrative charges on December 10,
7 2021 alleging that SNBS's actions constituted a violation of RCW 9.46.075 (1), and WAC 230-
8 03-085(8), 230-06-080, 230-06-106, and 230-06-108. Further, that SNBS could not show by
9 clear and convincing evidence that it was qualified for licensure as required by RCW
10 9.46.153(1), and that its actions warranted revocation of its licenses pursuant to RCW
11 9.46.075(1), (5) and (8) and WAC 230-03-085(1), (3) and (8).

12 20. SNBS was sent the charges by regular and certified mail on December 13, 2021
13 to the last address the Gambling Commission had on file.

14 21. Pursuant to WAC 230-17-010, a response was required to be received by the
15 Commission by January 5, 2022. To date, the Commission has received no communication from
16 SNBS.

17 II. CONCLUSIONS OF LAW

18 1. Sit N Bull Saloon received proper notice of the charges within three days of
19 December 13, 2021 via regular and certified mail, pursuant to RCW 34.05.413 RCW 34.05.434,
20 WAC 230-17-005, WAC 230-17-010, and WAC 10-08-130.

21 2. The Commission can take final action against Sit N Bull Saloon's gambling
22 licenses under Case Number CR 2021-01482 pursuant to RCW 9.46.075, RCW 34.05.440(1),
23 RCW 34.05.461, and WAC 230-03-085.

24 3. Sit N Bull Saloon's licenses should be revoked under Case Number CR 2021-
25 01482 pursuant to RCW 9.46.075, RCW 9.46.153(1), RCW 34.05.440(1), RCW 34.05.461, and
26 WAC 230-03-085.

1 **III. ORDER**

2 This matter having come before the Commission at its March 10, 2022, Commission
3 meeting, the Commissioners having heard arguments, been given the chance to review the
4 administrative record, and being fully advised in this matter, now therefore:

5
6 It is hereby **ORDERED** that Sit N Bull Saloon’s gambling licenses, Numbers 05-09792
7 and 65-02519, are **REVOKED**.

8
9 DATED this 10th day of March, 2022.

10
11 _____
BUD SIZEMORE, Chair

_____ JULIA PATTERSON, Vice Chair

12
13 _____
ALICIA LEVY

_____ KRISTINE REEVES

14
15
16 _____
SARAH LAWSON

1
2 **NOTICE**

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

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

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

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

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

19 Washington State Gambling Commission
20 Legal and Records Division
21 4565 7th Avenue S.E., Lacey, WA
22 P.O. Box 42400
23 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:

SIT N BULL SALOON
PO BOX 322
CONCONULLY WA 98819

EXECUTED this ____ day of March, 2022, at Lacey, Washington.

Ashlie Laydon
Rules Coordinator

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**STATE OF WASHINGTON
GAMBLING COMMISSION**

In the Matter of:

NO. CR 2021-01482

SIT N BULL SALOON
License Nos. 05-09792 & 65-02519,

NOTICE OF ADMINISTRATIVE
CHARGES

Licensee.

These administrative charges are brought under and in accordance with Chapter 9.46 RCW, the Washington State Gambling Act, Chapter 34.05 RCW, the Administrative Procedure Act, and Title 230 WAC, Rules adopted by the Gambling Commission.

I. LICENSE

1. The Washington State Gambling Commission (WSGC) issued Sit N Bull Saloon (SNBS) gambling licenses, License No. 05-09792, authorizing Punchboard/Pull-Tab activity, and License No. 65-02519, authorizing Public Card Room activity at its Conconully, Washington location.

2. These licenses, which expire on June 30, 2022, were issued subject to SNBS's compliance with state gambling laws and Commission rules.

II. FACTUAL BACKGROUND

1. On July 14, 2021, a WSGC Special Agent visited licensee Sit N Bull Saloon (SNBS) for a routine inspection. While there, the Agent met with Lisa Zinani, who identified herself as the current manager and future owner of the business.

1 2. Zinani explained that Sylvia Scott, a partner in the business had passed away
2 earlier in the year. Scott's daughter, Christy Merritt, had inherited Scott's interest in the
3 business. The other partner, Darlene Spears was a silent partner with little interest in operating
4 the business.

5 3. Zinani told the Agent that she was in the process of purchasing both partner's
6 interest in SNBS. Zinani indicated that she believed that Merritt was working with the WSGC
7 licensing department to update the change of ownership.

8 4. Later, the Agent reviewed the WSGC's internal licensing system to follow up
9 on Zinani's claim. That review showed that SNBS had filed for renewal of its licenses on June
10 18, 2021. Merritt had signed the renewal application, identifying herself as a partner.

11 5. Further review showed that Merritt's signing the renewal application had drawn
12 the attention of one of the WSGC's Licensing Specialists (LS). That LS had documented the
13 multiple attempts that she had made to retrieve change of ownership documents from Merritt.

14 a. On June 22, 2021, the LS left a message with Merritt asking about the
15 change in ownership.

16 b. One June 23, 2021, the LS spoke with Merritt who relayed that her mother,
17 Scott, had passed away about a month before. Merritt claimed that she had
18 send the WSGC a copy of the death certificate along with a letter explaining
19 the change of ownership. The LS noted to Merritt that the WSGC had not
20 received anything from SNBS.

21 c. On June 24, 2021, the LS emailed Merritt requesting signed documents and
22 an explanation of the new ownership structure.

23 d. The LS emailed Merritt on July 23, 2021, August 2, 2021, and August 3,
24 2021 requesting an update.

25 6. Having not received the requested information, the LS both sent an email and
26 left a voicemail for Merritt. The LS gave Merritt until September 7, 2021 to provide her with:

1 a transfer application, identification, a personal/criminal history statement, a copy of Scott's
2 will, and an application fee.

3 7. On September 1, 2021, the Agent phoned Zinani to request that Merritt submit
4 the required materials and communicate with the LS to transfer the business.

5 8. On September 10, 2021, having not received any communication from Merritt,
6 the Agent recommended to the LS to offer Merritt an additional week to complete their
7 requests. When the LS attempted to call Merritt, her voicemail box was full.

8 9. On October 4 and 5, 2021, the LS made a final attempt to reach SNBS's
9 ownership. She left a voicemail for Merritt, and was able to speak to Zinani. Zinani reported
10 that the sale had not been completed due to a lack of communication between her and Merritt.

11 10. On October 11, 2021, the Agent spoke with Zinani, who indicated that she
12 didn't know what was going on with the sale of the business. Zinani reported that she had
13 escrow money on deposit to purchase the sale, but she has not heard back from Merritt. She
14 indicated that Merritt was having health issues.

15 11. The Agent explained to Zinani that because Scott was listed as, and was
16 approved to be, a licensed owner, the current license does not reflect the true ownership of the
17 business. As this was the case, the Agent suggested that SNBS voluntarily stop their gambling
18 activities until they are able to apply for a new license.

19 12. At the conclusion of their conversation, the Agent called and left a voicemail
20 for Merritt. The Agent relayed the same information that he had provided Zinani, and
21 requested that Merritt call either the LS or himself if she had any questions.

22 13. Later that day, Merritt called and spoke with the LS. The LS told Merritt that
23 she had until the end of the week (October 15, 2021) to provide her with the required
24 documents.

25 14. On October 15, 2021, the LS notified the Agent that Merritt had not provided
26 her with the requested documents. The LS had spoken with Zinani, however, who informed

1 her that Merritt was not going to submit the documents, and that she was going to let the
2 gambling license lapse. The LS called to confirm this with Merritt, but Merritt did not answer.

3 15. To date, the only document that the WSGC has received of those repeatedly
4 requested of Merritt was Scott's death certificate. That document shows that Scott had passed
5 away in February of 2021. This information shows that the issues with SNBS's gambling
6 licenses had existed since that time, and not a month prior to June 23 as Merritt had previously
7 stated.

8 III. BASIS FOR REVOCATION

9 1. Sit N Bull Saloon failed to report changes to its application information in
10 writing following the death of one of its partners. By failing to notify the WSGC in writing,
11 and failing to provide updated documents and information, within thirty days, SNBS is in
12 violation of WAC 230-06-080 and WAC 230-03-085(8).

13 2. Sit N Bull Saloon transferred their gambling licenses following the death of
14 one of its partners without receiving written permission from the WSGC to transfer the
15 licenses. In doing so, SNBS is in violation of WAC 230-06-106.

16 3. Sit N Bull Saloon continued operations of its gambling operations after its
17 gambling licenses had become void following a change to its licensed partnership. As a result,
18 SNBS is in violation of WAC 230-06-108.

19 4. Sit N Bull Saloon has failed to comply with the provisions, requirements,
20 conditions, limitations or duties imposed by the Gambling Act, which is grounds to revoke its
21 licenses under RCW 9.46.075(1).

22 5. Sit N Bull Saloon has failed to prove by clear and convincing evidence
23 that it is qualified for licensure, as required by RCW 9.46.153(1).

24 6. The Commission is authorized to revoke Sit N Bull Saloon's Punchboard/Pull-
25 Tab and Public Card Room licenses pursuant to RCW 9.46.075(1), (5) and (8), RCW
26 9.46.153(1), and WAC 230-03-085(1), (3), and (8).

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IV. REVOCATION

1. The above-referenced findings are a sufficient basis for revocation of Sit N Bull Saloon's Punchboard/Pull-Tab and Public Card Room licenses.

2. Based on the facts and violations referenced above, the penalty for Sit N Bull Saloon's actions is **REVOCATION** of its Punchboard/Pull-Tab and Public Card Room licenses.

I have read this Notice of Administrative Charges, know the contents of it, believe it to be true, and have executed this Notice in my capacity as Director of the Washington State Gambling Commission.

Tina Griffin

12/10/2021

TINA GRIFFIN, INTERIM DIRECTOR
Washington State Gambling Commission

Date

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HEARING NOTICE

You have the opportunity to request a hearing to contest the Commission’s decision to revoke your Punchboard/Pull-Tab & Public Card Room activity license. To request a hearing and/or discuss settlement options, the Commission must receive the enclosed hearing request form within 23 days from date of our mailing identified below. ***Failure to return the enclosed hearing request will result in a default order revoking your license.***

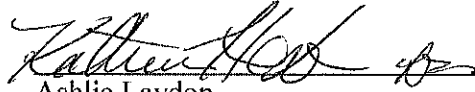
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CERTIFICATE OF SERVICE

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

SIT N BULL SALOON
PO BOX 322
CONCONCULLY WA 98819

EXECUTED this 13 day of December, 2021, at Lacey, Washington.


Ashlie Laydon
Rules Coordinator