



**WASHINGTON STATE
GAMBLING COMMISSION PUBLIC
MEETING - May 2021**

Gambling Commission Headquarters
Lacey, WA

COMMISSIONERS



Bud Sizemore
Chair



Julia Patterson
Vice Chair



Alicia Levy

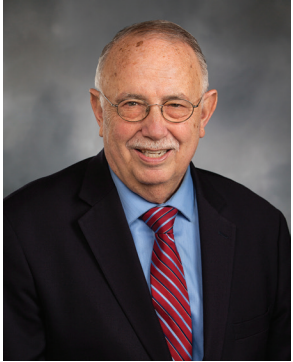


Lauren King



Kristine Reeves

EX OFFICIOS



Senator
Steve Conway



Senator
Jeff Holy



Representative
Shelley Kloba



Representative
Brandon Vick



Washington State Gambling Commission

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WAGamblingCommission



WAGambling



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STATE OF WASHINGTON

GAMBLING COMMISSION

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

May 13, 2021 Gambling Commission Meeting Agenda

Click here to join the meeting

Please note, agenda times are estimates only. Items may be taken out of sequence at the discretion of the Chair. Commissioners may take action on business items.

Administrative Procedures Act Proceedings are identified by an asterisk (*)

PUBLIC MEETING

Tab 1 9:30 start	Call to Order <i>Bud Sizemore, Chair</i> <ul style="list-style-type: none"> Introduction of the New Commissioner-Kristine Reeves *Consent Agenda (Action) <ul style="list-style-type: none"> April 8, 2021 Commission Meeting New Licenses and Class III Employees Licenses Director Report <ul style="list-style-type: none"> Memo-Sports Wagering Criminal Case
Tab 2	Stillaguamish Proposed Compact Amendment (Action) <i>Honorable Shawn Yanity, Chair, Stillaguamish Tribal Council</i> <i>Tina Griffin, WSGC Interim Director</i> <i>Julie Lies, WSGC Tribal Liaison</i>
Tab 3	*Petition for Review (Action) <ul style="list-style-type: none"> LOOM 09125, CR 2019-00229 <i>Ryan Smolinsky, Attorney Representing Petitioner</i> <i>Doug Van de Brake, Assistant Attorney General</i>
Tab 4	*Defaults (Action) <ul style="list-style-type: none"> Thomas Lescher, CR 2020-01597 Makoto Childs, CR 2020-01430 <i>Adam Teal, Staff Attorney</i>
Tab 5	*Rule Up for Final Action (Action) <ul style="list-style-type: none"> Updated Rules Regarding Card Games <i>Ashlie Laydon, Rules Coordinator</i>
Tab 6	Presentation-Budget Review and Update (Action) <i>Christopher Stanley, Chief Financial Officer</i>
Tab 7	Legislative Update <i>Brian Considine, Legal and Legislative Manager</i>
	Recognition <ul style="list-style-type: none"> 20 Years of Service – Mark Richart Retirement – Mark Richart
	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"

April Gambling Commission Meeting Minutes

Gambling Commission Headquarters

Virtual Meeting

***April 8, 2021**

Commissioners Present:

Bud Sizemore, Chair (Via Teams)

Julia Patterson (Via Teams)

Alicia Levy (Via Teams)

Lauren King (Via Teams)

Ex Officio Members Present:

Staff Present:

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

Staff Present-Virtual:

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

Public Meeting Call to Order

Chair Sizemore called the virtual meeting to order at 1:36 PM. Chair Sizemore asked Interim Director Griffin to call the roll. Commissioner King joined the meeting at 2:06 PM. The Commissioners observed a moment of silence for the fallen officers that have lost their lives since we last met.

Tab 1

Consent Agenda

Commissioner Levy moved to approve the consent agenda as presented.

Commissioner Patterson seconded the motion.

The motion passed 3:0

Tab 2

Default

Adam Teal, Staff Attorney, presented the materials for this tab.

Garage Bar and Grille, CR 2020-01263.

Chair Sizemore asked if anyone representing Garage Bar and Grille were present. They were not.

Commissioner Levy moved to approve the proposed final order to revoke the Punchboard/Pull-Tab License as presented by staff.

Commissioner Patterson seconded the motion.

The motion passed 3:0.

* 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.

Vitaliy Potrikhalin, CR 2020-01320.

Chair Sizemore asked if Vitaliy Potrikhalin was present. They were not.

Commissioner Levy moved to approve the proposed final order to revoke the Public Card Room Employee license from Vitaliy Potrikhalin as presented by staff.

Commissioner Patterson seconded the motion.

The motion passed 3:0.

Tab 3

Wager Limit Increase

Ashlie Laydon, Rules Coordinator (RC), presented the materials for this tab. RC Laydon was joined by Petitioner Ronald Johns. RC Laydon stated that Mr. Johns would like to amend WAC 230-15-140, Wagering limits for house-banked card games, to increase the single wager or bonus wager for an odds-based pay out from \$300 to \$2000 per wager. RC Laydon received public comment supporting this petition. All feel that this change would allow card rooms to be able to increase wages for their employees.

Mr. Johns presented his reasons for submitting the petition and is requesting the Commissioners accept his petition to consider raising the current \$300 wager limit for house-banked card rooms, even if they do not want to increase it to \$2000. He was only representing himself and not a card room licensee. Mr. Johns feels the increase to \$2000 will allow card rooms to bring in new wealthy customers who currently travel out-of-state to play high-limit card games. The increase to \$2000 is not a substantial amount of money for the type of patron he is looking to attract to his card room, and he wants to keep their money in our state. He also believes this change is needed to help balance card rooms' increase in operating expenses. Lastly, he understands the Commissioners' focus on problem gambling and responsible gaming policies and believes additional policies in these areas are important to consider if limits are increased.

Commissioner Patterson asked RC Laydon to refresh her memory as to why the commission denied a similar petition in 2016. **RC Laydon** said that at the time the commission had concerns regarding a potential increase of problem gambling and that the player could place multiple bets per hand. **Interim Director (ID) Griffin** added that the rules at this time do limit the number of wagers per hand to no more than three separate games at the maximum of \$300 and one game can be wagered on at a maximum of five dollars. There is a limit in terms of how much each player can wager on a particular hand. Commissioner Patterson inquired about the \$10,000 or more per hand amount. **ID Griffin** answered by saying if this rule change, changing the wager to \$2,000 was implemented, then that would change wager to \$10,000. Commissioner Patterson asked Mr. Johns if he was aware of that technicality and he said he was. Mr. Johns stated *"I'm not deeply in tune to all of the specifics regarding the legislature's feelings or positions on all of the issues regarding card rooms or gambling in Washington state, but I am familiar with that fact and that there's certainly an expectation or a limited desire on the part of the legislature to go too far with gambling. My take on that specifically to my petition was that the kind of customer that I am trying to accommodate is a customer who... A \$2,000 bet to them or \$10,000 in total is like me betting \$100. This is someone who does not find entertainment in walking into my casino and betting \$300 maximum. There's no joy in it for them; there's no entertainment for them."*

Public Comment

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

Chair Sizemore asked Mr. Johns if he wanted to withdraw his petition considering the Commissioners' comments individually do not seem accepting of the \$2,000 limit increase proposal. Mr. Johns indicated that he was not expecting that their decision on his petition so quickly and that we would like to work with Commissioners and staff on this issue to see what is possible. Therefore, Mr. Johns asked to withdraw his petition at this time in favor of working with staff on a process to bring this before the commission again later.

Tab 4

Presentation-Self-Exclusion Implementation Timeline

John Chinn, Project Manager (PM) presented the materials for this tab. PM Chinn gave a brief explanation of the Self-Exclusion implementation timeline. January 2022 is slated for the statewide implementation.

Tab 5

Legislative Update

LLM Considine presented the materials for this tab. **LLM Considine** gave a brief report on the Enhanced Raffle Bill 1469 and the Horse Racing Commission Bill HB 1022 that have passed out of the Legislature and should be signed by the Governor. The Gambling Commission was also successful getting all the agency's budget priorities addressed in the budget. This success was accomplished with a lot of help from the agency's ex officios. The priorities funded in the operating budget are:

- The extension of the Problem Gambling Task Force.
- The extension of the deadline for the Prevalence Study.
- The extension of the repayment of the Sports Wagering Loan; and
- The \$3.6 million-dollar additional appropriation which represents the monies that the Gambling Commission lost since March 2020 due to the pandemic.

Public Comment

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

Agency Director Hiring Discussion

Lisa Benavidez, Human Resources Director (HRD) presented the materials for this tab. **Chair Sizemore** recused himself from chairing this topic and handed the gavel to Commissioner Patterson to Chair. **HRD Benavidez** asked if Commissioners Levy, King and Patterson have had a chance to review the director position description as that will be the catalyst for all the recruitment materials. Commissioners replied yes, they had reviewed the materials. HRD Benavidez added the mission statement to the job description as recommended by Commissioner Patterson. Commissioner Patterson asked if it was possible to add a part to the job description about keeping gambling safe. AAG Becker indicated it might be possible but would depend on the language put into the job description. HRD Benavidez will work on language and then ask AAG Becker to review and approve before going forward. **HRD Benavidez** explained that the Commissioners needed to decide if they wanted to hire an outside agency or firm for recruitment or keep the hiring process in house to be done by the current Human Resource Staff. HRD Benavidez recommended that the Commissioner hire an outside recruitment firm to help find the agency's next Director.

The Commissioners were concerned about the timeline given by the one firm HRD Benavidez contacted and preferred a shorter timeline, if possible. When asked, HRD Benavidez indicated agency HR staff may be able to work on a shorter timeline. The three Commissioners decided it would cost about the same and with a possibly shorter timeline preferred to keep the hiring process in house. Therefore, the Commissioners indicated a desire to have HRD Benavidez and

agency HR staff conduct the recruitment at this time. **HRD Benavidez** explained that she would need to complete some additional analysis on the work for agency HR staff. If needed, she may need to consider hiring an assistant to accommodate that process.

HRD Benavidez then asked the Commissioners to set the salary range for recruitment. She explained that the range of \$126,000 and \$151,000 is recommended. Commissioner Levy asked if the salary range in question was a standard salary for a director of an agency that was doing the same type of work with the same number of employees? HRD Benavidez replied it was in the middle for state agency directors of comparable agencies.

Lastly, HRD Benavidez recommended that the hiring requirements include a psychological and a polygraph exam for a candidate to be considered for the director position. HRD Benavidez explained her reasoning for this requirement is that these exams are required for the agency's law enforcement special agents and the director/leader of the agency's agents should be held to the same hiring requirements as the agency's law enforcement special agents. The Commissioners agreed to have a psychological and a polygraph exam required of the top candidates.

Commissioner King move to delegate the recruiting process to be done in house.

Commissioner Levy seconded the motion.

The motion passed 3:0

Commissioner Sizemore abstained.

Public Comment

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

Chair Sizemore announced that the Commissioners would immediately go into Executive Session following the meeting to discuss potential agency litigation with legal counsel, including tribal negotiations. Returning to the public meeting for adjournment purposes only. The April meeting adjourned at 4:03 PM.

There were 73 people that joined the meeting.



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

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PAGES:20

Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 20.



HOUSE-BANKED PUBLIC CARD ROOM REPORT

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

Licensed and Operating					41
	City	Commission Approval Date	License Expiration Date	Org #	License #
LILAC LANES & CASINO	SPOKANE	Jul 12, 2007	Jun 30, 2021	00-21305	67-00267
MACAU CASINO	TUKWILA	Nov 14, 2019	Sep 30, 2021	00-24514	67-00344
MACAU CASINO	LAKEWOOD	Nov 14, 2019	Sep 30, 2021	00-24516	67-00345
NOB HILL CASINO	YAKIMA	Sep 12, 2001	Dec 31, 2021	00-13069	67-00173
PALACE CASINO LAKEWOOD	LAKEWOOD	Jan 14, 1999	Dec 31, 2021	00-16542	67-00028
PAPAS CASINO RESTAURANT & LOUNGE	MOSES LAKE	Aug 13, 1998	Jun 30, 2021	00-02788	67-00004
RC'S AT VALLEY LANES	SUNNYSIDE	Nov 16, 2017	Mar 31, 2022	00-16220	67-00336
RIVERSIDE CASINO	TUKWILA	Aug 14, 2003	Jun 30, 2021	00-19369	67-00187
ROMAN CASINO	SEATTLE	Feb 10, 2000	Mar 31, 2022	00-17613	67-00057
ROXY'S BAR & GRILL	SEATTLE	Nov 18, 2004	Jun 30, 2021	00-20113	67-00231
ROYAL CASINO	EVERETT	Sep 9, 2010	Jun 30, 2021	00-22130	67-00301
SILVER DOLLAR CASINO/MILL CREEK	BOTHELL	Sep 9, 2010	Jun 30, 2021	00-22131	67-00302
SILVER DOLLAR CASINO/RENTON	RENTON	Sep 9, 2010	Jun 30, 2021	00-22134	67-00305
SILVER DOLLAR CASINO/SEATAC	SEATAC	Sep 9, 2010	Jun 30, 2021	00-22128	67-00299
SLO PITCH PUB & EATERY	BELLINGHAM	Aug 12, 1999	Jun 30, 2021	00-16759	67-00038
THE PALACE	LA CENTER	Apr 9, 1998	Jun 30, 2021	00-16903	67-00010
WILD GOOSE CASINO	ELLENSBURG	Apr 8, 2004	Dec 31, 2021	00-20009	67-00212
WIZARDS CASINO	BURIEN	Feb 11, 2010	Dec 31, 2021	00-21998	67-00287
ZEPPOZ	PULLMAN	Nov 13, 2008	Mar 31, 2022	00-18777	67-00209

Licensed but Not Currently Operating					2
	City	Commission Approval Date	License Expiration Date	Org #	License #
CLUB HOLLYWOOD CASINO	SHORELINE	Sep 9, 2010	Jun 30, 2021	00-22132	67-00303
EMERALD DOWNS	AUBURN	May 11, 2017	Mar 31, 2022	00-23814	67-00335

Applications Pending**1**

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

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS**RAFFLE**

ALANO CLUB/LYNNWOOD 00-22091 02-21175	4001 198TH ST SW STE 6 LYNNWOOD WA 98036
BCHW-RATTLESNAKE RIDGE RIDERS 00-24749 02-21170	115803 SR 225 BENTON CITY WA 99320
COLUMBIA BASIN YOUTH FOOTBALL 00-24743 02-21168	639 CULLUM AVE RICHLAND WA 99352-5034
FOE AUX 02577 00-15407 02-02601	122 B ST GRAND COULEE WA 99133
KIWANIS CLUB/BELLEVUE 00-22067 02-21171	14224 BEL RED RD BELLEVUE WA 98007
ST. CATHERINE OF SIENA PARISH SCHOOL 00-23907 02-20727	8524 8TH AVE NE SEATTLE WA 98115
TRI-CITIES CHAPLAINCY 00-23959 02-20756	1480 FOWLER STREET RICHLAND WA 99352

PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT

AK ASIAN RESTAURANT 00-24704 05-21701	4824 E SPRAGUE AVE SPOKANE VALLEY WA 99212
BOONE STREET BAR & GRILL 00-24725 05-21705	406 S BOONE ST ABERDEEN WA 98520
BOOTS BAR & GRILL 00-23245 05-21274	456 MAPLE ST HAMILTON WA 98255
CASCADE PIZZA 00-23825 05-21457	852 W STATE RT 20 SEDRO WOOLLEY WA 98284
CORNER PUB 00-24656 05-21678	14565 ALLEN W RD BOW WA 98232
JACKSON HOLE II 00-24744 05-21709	122 S BOWDISH RD SPOKANE VALLEY WA 99206
LUCKY 7 BAR AND GRILL 00-22883 05-21178	12715 NE 124TH ST KIRKLAND WA 98034
PLAYMAKERS SPORTS BAR AND GRILL 00-24659 05-21680	15 E MAIN ST 101-103 BATTLE GROUND WA 98604

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS

DISTRIBUTOR

AVALON GAMING INC
21-00201 21-00201

403 5TH ST
BERTHOUD CO 80513

GAMBLING SERVICE SUPPLIER

ASHFORD GAMING LLC
00-24748 26-00366

1171 S ROBERTSON BLVD STE 311
LOS ANGELES CA 90035

COMMERCIAL AMUSEMENT GAMES OPERATOR

LUCKY STRIKE LANES
00-24733 53-21552

700 BELLEVUE WAY NE
BELLEVUE WA 98004

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

DISTRIBUTOR REPRESENTATIVE

BEARD, RAYMOND G
22-01296

AVALON GAMING INC
BERTHOUD CO 80513

LEE, CYRUS M
22-01298

NRT TECHNOLOGIES INC
LAS VEGAS NV 89118

PRIMIANO, CHARLES J
22-01297

NRT TECHNOLOGIES INC
LAS VEGAS NV 89118

MANUFACTURER REPRESENTATIVE

AMARO, SUZANNE L
23-03192

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

BJOREM, JERAMY J
23-03178

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

CRESCITELLI, MICHAEL C
23-03186

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

CROW, LUNDON V
23-03189

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

DEVOTO, MATIAS L
23-03173

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

FORREST, JAMES K
23-03193

EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175

GATES, LOREAL A
23-03177

GALAXY GAMING
LAS VEGAS NV 89118

GONZALEZ, LEONARDO
23-01553

AINSWORTH GAME TECHNOLOGY INC
LAS VEGAS NV 89118

GREYER, ROBERT J
23-03185

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

HOLMAN, STEVE A
23-03175

IGT
LAS VEGAS NV 89113

JEFFREY, JEANETTE
23-03179

SCIENTIFIC GAMES
LAS VEGAS NV 89119

KOHON, STEVEN A
23-03190

BLUBERI GAMING USA INC
LAS VEGAS NV 89139

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

MANUFACTURER REPRESENTATIVE

MAGANA, MICHAEL V
23-03191

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

MARTINEZ, LUIS A
23-03176

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

MORGAN, CHERYL P
23-03184

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

NGUYEN, MAX D
23-03187

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

PEBLER, JOHN A
23-03188

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

PIZER, KRISTOFER L
23-03181

SCIENTIFIC GAMES
LAS VEGAS NV 89119

STROM, STEPHEN C
23-03174

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

YOUNG, JAMES E
23-03182

SCIENTIFIC GAMES
LAS VEGAS NV 89119

NON-PROFIT GAMBLING MANAGER

DO, MARY K
61-04745

SPECIAL OLYMPICS WASHINGTON
SEATTLE WA 98121

SLUSSER, GINA R
61-04727

VFW 01135
HOQUIAM WA 98550

SERVICE SUPPLIER REPRESENTATIVE

AVEDOVECH, JONATHAN P
63-00961

MAVERICK WASHINGTON
KIRKLAND WA 98034

BJORDAHL, ALEK B
63-00966

TIL GAMING LLC
RENTON WA 98057

JIANG, ZELING
63-00962

MAVERICK WASHINGTON
KIRKLAND WA 98034

JOSHY, MERYL J
63-00965

MAVERICK WASHINGTON
KIRKLAND WA 98034

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

SERVICE SUPPLIER REPRESENTATIVE

MATOS, HILIANET
63-00964

SALISHAN-MOHEGAN LLC
VANCOUVER WA 98660

PRICE, KIMBERLY A
63-00960

MAVERICK WASHINGTON
KIRKLAND WA 98034

CARD ROOM EMPLOYEE

BORASH, DANIEL F
68-36049

B

RED DRAGON CASINO
MOUNTLAKE TERRACE WA 98041

BOUCHARD, ADAM O
68-33429

B

BLACK PEARL RESTAURANT & CARD I
SPOKANE VALLEY WA 99206-4719

BOWMAN, VERONICA L
68-19481

B

CARIBBEAN CARDROOM
KIRKLAND WA 98034

BRENDIBLE, CODY D
68-36063

B

FORTUNE CASINO - TUKWILA
TUKWILA WA 98168

CASSITY, TRENTEN J
68-36101

B

LAST FRONTIER
LA CENTER WA 98629-0000

CHOUN, ROM
68-09843

B

MACAU CASINO
LAKEWOOD WA 98499-4457

COOK, GIDEON E
68-36023

B

HAWKS PRAIRIE CASINO
LACEY WA 98516

CORRALES, ALAN
68-36044

B

COYOTE BOB'S CASINO
KENNEWICK WA 99336

DAO, HUY C
68-35984

B

WIZARDS CASINO
BURIEN WA 98166-2524

DEUTCHMAN, ROBERT D
68-30926

B

LAST FRONTIER
LA CENTER WA 98629-0000

DICH, ALEX
68-35717

B

ROXY'S BAR & GRILL
SEATTLE WA 98126

DICKERSON, LEVARROW L JR
68-36036

B

WIZARDS CASINO
BURIEN WA 98166-2524

DUNCAN, JEFFREY L
68-15872

B

NOB HILL CASINO
YAKIMA WA 98902

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

ENGLAND, DAVID P 68-36087	B	SILVER DOLLAR CASINO/RENTON RENTON WA 98057
FINKELSHTEYN, VLADIMIR 68-36069	B	FORTUNE CASINO - RENTON RENTON WA 98055
GOWER, CHARITY M 68-36085	B	HAWKS PRAIRIE CASINO LACEY WA 98516
HARVEY, REESE W 68-36076	B	ZEPPOZ PULLMAN WA 99163
HERNANDEZ, JOSE M 68-36070	B	BUZZ INN STEAKHOUSE/EAST WENAT EAST WENATCHEE WA 98802
HOLMES, DENISE J 68-09256	B	FORTUNE CASINO - TUKWILA TUKWILA WA 98168
JOBLONSKI, ISAIAH D 68-36073	B	HAWKS PRAIRIE CASINO LACEY WA 98516
JOHNSTON, CAROLINE J 68-36096	B	ALL STAR CASINO SILVERDALE WA 98383
KIMBER, EVELYN D 68-36067	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
KRYGER, BRANDY C 68-14994	B	NOB HILL CASINO YAKIMA WA 98902
LE, SI T 68-35993	B	WIZARDS CASINO BURIEN WA 98166-2524
LE, THI MAI TIEN 68-36081	B	WIZARDS CASINO BURIEN WA 98166-2524
LEONE, JASON 68-30349	B	JOKER'S CASINO SPORTS BAR & FIEST RICHLAND WA 99352-4122
LOK, WAI Y 68-36089	B	RIVERSIDE CASINO TUKWILA WA 98168
LOPER, SHIRLEY A 68-36062	B	HAWKS PRAIRIE CASINO LACEY WA 98516
LUECK, NAOMI R 68-36097	B	ALL STAR CASINO SILVERDALE WA 98383

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

MANNING, ANTHONY M 68-36068	B	JOKER'S CASINO SPORTS BAR & FIESTA RICHLAND WA 99352-4122
MANUEL, ZENAIDA C 68-08165	B	SILVER DOLLAR CASINO/SEATAC SEATAC WA 98188
MARROQUIN, MARIA L 68-36059	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
MAYER, MARTIN D 68-36088	B	THE PALACE LA CENTER WA 98629
MENA, MATTHEW A 68-36061	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
MEYER, MATTHEW J 68-36025	B	FORTUNE CASINO - TUKWILA TUKWILA WA 98168
MILLER, ERIC D 68-04886	B	JAMESTOWN SALOON ARLINGTON WA 98223
MOLENAAR, CASEY T 68-36095	B	ALL STAR CASINO SILVERDALE WA 98383
MORROW, DAIVON M 68-36065	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
MOSES-SPENCER, DEIONDRE I 68-36053	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
MUNCK, JONATHAN S 68-36074	B	JAMESTOWN SALOON ARLINGTON WA 98223
NGUYEN, ADEN 68-35992	B	WIZARDS CASINO BURIEN WA 98166-2524
NGUYEN, LOAN K 68-19001	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
NGUYEN, VY H 68-35982	B	RIVERSIDE CASINO TUKWILA WA 98168
NOVAK, JOSHUA J 68-36066	B	RED DRAGON CASINO MOUNTLAKE TERRACE WA 9804
PARKER, AYLAL 68-36058	B	LAST FRONTIER LA CENTER WA 98629-0000

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

PEARSON, LEE E 68-30354	B	BUZZ INN STEAKHOUSE/EAST WENATCHEE EAST WENATCHEE WA 98802
PEARSON, MISTIE D 68-35734	B	BUZZ INN STEAKHOUSE/EAST WENATCHEE EAST WENATCHEE WA 98802
PETERS, WHITNEY N 68-36028	B	LILAC LANES & CASINO SPOKANE WA 99208-7393
PIZZILLO, ANTHONY A 68-36086	B	ZEPPOZ PULLMAN WA 99163
PODSAKOFF, NATHAN N 68-36092	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
SAELEE, CHONTHICHA 68-36099	B	MACAU CASINO TUKWILA WA 98188
SALSTROM, ANGELA C 68-26984	B	RIVERSIDE CASINO TUKWILA WA 98168
SEMENZA, ANTHONY M 68-36054	B	IRON HORSE CASINO AUBURN WA 98002
SHABANI, DELARAM 68-36082	B	MACAU CASINO LAKEWOOD WA 98499-4457
SHERMAN, DILLON C 68-36045	B	ZEPPOZ PULLMAN WA 99163
SHOEMAKER, ANTHONY J 68-36048	B	CRAZY MOOSE CASINO/PASCO PASCO WA 99301
SIM, SALINA L 68-36060	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434
SON, SOMALY 68-36042	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
STENCIL, JOSHUA P 68-11471	B	LAST FRONTIER LA CENTER WA 98629-0000
TANG, HANG T 68-35774	B	RIVERSIDE CASINO TUKWILA WA 98168
THONG, SOCHEATA 68-34539	B	SILVER DOLLAR CASINO/RENTON RENTON WA 98057

PERSON'S NAME
 LICENSE NUMBER

EMPLOYER'S NAME
 PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

THORP, SHELBY R 68-33372	B	HAWKS PRAIRIE CASINO LACEY WA 98516
TONG, KEOMANYVANH 68-25291	B	MACAU CASINO LAKEWOOD WA 98499-4457
TRAD, GEORGE I 68-03549	B	LAST FRONTIER LA CENTER WA 98629-0000
TRAN, THI THUY T 68-35989	B	RIVERSIDE CASINO TUKWILA WA 98168
TRAN, VAN H 68-35983	B	WIZARDS CASINO BURIEN WA 98166-2524
TRUONG, KIEU N 68-35991	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
TRUONG, NOUANSAVAN 68-25687	B	FORTUNE POKER RENTON WA 98057
TRUONG, PHUNG T 68-35981	B	WIZARDS CASINO BURIEN WA 98166-2524
WHITE, WAYNE C 68-35536	B	BUZZ INN STEAKHOUSE/EAST WENATCHEE EAST WENATCHEE WA 98802
WYLAND-VIKTORA, JAYME L 68-13420	B	SILVER DOLLAR CASINO/SEATAC SEATAC WA 98188
YIN, WEI L 68-32738	B	ROXY'S BAR & GRILL SEATTLE WA 98126

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

CHEHALIS CONFEDERATED TRIBES

BARNES, AIMEE M
69-49898

CHARLES-DUNSTAN, KRISTEN L
69-47989

DOCHERTY, DAKOTA E
69-47366

DUPUIS, CURTIS L II
69-08487

EICHELBERGER, ANTHONY C
69-49909

HALSTEAD, DAKOTA C
69-49936

HAYS, ERIC G
69-49993

KRAUSS, AMY M
69-50030

MARSYLA, SHAYLYN K
69-39361

MARTIN, JOSH A
69-40714

PICKERNELL, NATALIE E
69-31509

RUTHERFORD, FRANCINE D
69-37579

SANCHEZ, ALISON K
69-49994

SMITH, SHAWNA M
69-40045

SOPER, ELIJAH J
69-49943

ULLOM, JENNIFER M
69-49995

VANSCHOUWEN, BECKY L
69-02356

COLVILLE CONFEDERATED TRIBES

CUTULI, STEVEN J
69-50014

GALVAN MEJIA, JOSE S
69-24883

GARCIA-TEJADA, KIANNA M
69-50069

MOSQUEDA, ESMERALDA
69-50100

WILLIAMS, BRADEN J
69-50068

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

COWLITZ INDIAN TRIBE

ABDULMAJID, JORDAN A
69-49966

ALDOUS, RYAN J
69-49965

ANDERSON, ERYN K
69-49958

APLEY, JESSE L
69-49693

ATES, ULLAMAY B
69-49961

BALBUENA MENDOZA, SOLEDAD J
69-50024

CANOY, DARCI E K
69-49842

CERVANTES, LOLA M
69-50000

CHAMPION, SAMANTHA M
69-20442

CHUN, JOHN D
69-50047

COLLINSWORTH, AMANDA M
69-49747

CROW, KELLY L
69-49927

CZUPKA, OUINTEN T
69-50004

DO, HIEU T
69-50007

DUNCOMB, ANDREW J
69-49923

FLORES, JORDAN A
69-50045

GERTSCH, ALLIE E
69-49758

GRAHAM, KRISTEN K
69-50010

HARGETT, TIFFANY R
69-49960

HOLLINGSWORTH, ASHLEY M
69-49785

HOOPER, DEREK R
69-49662

LANGE, CARI L
69-41212

LEWIS, MALCOLM W
69-50008

LIEBELT, FORREST G
69-49730

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

COWLITZ INDIAN TRIBE

MAIER, STIMSON A
69-49999

MOULTON, DONALD J
69-50046

OBER, MATTHEW J
69-49924

OCHOA, DOMINIC H
69-49963

ORDEN, CHARLEMAGNE R
69-50041

OTERO, RUBEN D
69-50002

PHAN, DAT T
69-49692

PRATER, JOSEPH N
69-49764

RAMON, COREEN JERMAINE T
69-49959

RAMOS, JERELL D
69-50003

RENNER, ERIC J
69-41494

SAEPHANH, KOY F
69-49926

SAVELLA, RUSSELL A
69-49613

SHERRATT, KELEN D
69-49964

SILVA, ALEJANDRO M
69-49520

SMITH, JORDAN D
69-50006

SPEDDEN, AUSTIN D
69-50023

STAPLETON, MAGDALENE S
69-49664

SUMMERS, ARTHUR J
69-41653

TOMLINSON, TRACY L
69-50005

TUCHSCHMIDT, THOMAS C III
69-50042

VILLAGOMEZ, LEAHNEE M
69-50040

WALKER, GRANT K
69-50044

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

KALISPEL TRIBE

ABRAHAMSON, ROGER M
69-49928

BEYMER, ZACHARY R
69-50053

CHITTY, CHRISTOPHER W
69-49989

DANIELS, COSETTE L
69-49956

GARCIA, TANYA A
69-14876

GOSS, AMBER L
69-49907

HANWAY, KAYCI D
69-49987

HART, RYAN C
69-49931

HEILBRUN, STEFFANY A
69-49930

IM, JOHN C
69-35809

JIRAVICHAIRITH, KUMCHOK
69-44118

JOHNSON, CHRISTINE A
69-50028

LISCANO, ANGELICA P
69-49929

MIKLO, KATALIN
69-50089

MILLER, EDNA S
69-35791

MONDRAGON, RICARDO B
69-49932

NELSON, TAMMY M
69-49968

NIELSEN, ERIC G
69-48142

OMLOR, NICHOLAS P
69-49954

OTIS, ELIZABETH A
69-50029

PICKETT, WILLIAM T
69-50027

RYTHER, DAWNELLE L
69-50037

SPARKS, JAIME E
69-26905

VALLON, MICHAEL E
69-32094

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

KALISPEL TRIBE

WATT, LAURIE L
69-49955

WOLFE, THOMAS C
69-50036

YOSHIKAWA, JEFFERY
69-49939

LUMMI NATION

SCHANER, BRENT W
69-45169

MUCKLESHOOT INDIAN TRIBE

COURVILLE, MYCKENZI
69-45393

CURTIS, TREVOR A
69-46251

HERNANDEZ, CRISTIAN
69-50111

IM, RINA
69-26940

LOUIE, WAYNE T
69-17870

MALONZO, FEDERICO L
69-26414

MARSDEN, ANKE
69-05303

MERRIFIELD, PEGGY L
69-49981

MITCHELL, BRIAN E
69-50070

MUNSON, SAMANTHA A
69-46491

PO CHING, FAITH T
69-17602

PURCELL, ALICE O
69-49945

RIVERA, JUAN J
69-49980

TABISULA, MENCHI O
69-50013

WILLIAMS, JOSEPH P
69-49982

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

NISQUALLY INDIAN TRIBE

DOUGHTY, STEVEN C
69-50021

IKEBE, LEONARD K III
69-50052

MOOMAW, RICHARD C
69-36488

REMINGTON, CASANDRA S
69-50022

THOMAS, AULANI E
69-49970

NOOKSACK INDIAN TRIBE

CADE, CHAYCE L
69-49908

ELWOOD, TYLER L
69-47003

MOORE, LANCE R
69-46519

PORT GAMBLE S'KLALLAM TRIBE

ELICKSON, BRANDON M
69-49969

HARVEY, RAVEN N
69-49941

TODD, NATANA K
69-46794

PUYALLUP TRIBE OF INDIANS

AKEY, TYLER M
69-49933

ARNSBERG, MARK A
69-47775

BERNARDO, CARMELITA M
69-50061

BOWMAN, SETH L
69-50033

CALHOUN, ARMOND L
69-49920

CRABTREE, JESSICA L
69-49947

DIAZ, CLAUDIA
69-49919

ETH, RIEM
69-22094

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

PUYALLUP TRIBE OF INDIANS

FENG, SHANG WEN
69-49992

GALLARDO, ELVIRA
69-50060

GRANT, BEVERLY A
69-49934

HAYES, REILLY P
69-19993

HERRERA PRADO, KARINA
69-49946

JOVENAL, SHELLEY M
69-50034

LEYVA, ERNESTO
69-45310

MACE, REBECCA L
69-49979

MARSHALL, RUSSELL L
69-50091

MCWILLIAM, BRANDN L
69-50031

MENDEZ, NICHOLAS E
69-50063

OLIVE, PATU
69-50062

PATRON, MICHAEL R
69-50032

PRINCE, KEITH D
69-50059

SAID, IMAN
69-50092

SANTOS, ROMMEL H
69-14604

SERNA, CHARLES J
69-50101

SHERMAN, LEVI A
69-50102

SIAU, JOSHUA M
69-49948

TANNAGAN, NOEL O
69-49991

TITIALII, KELLY S
69-49918

VERA, KEVIN B
69-50090

SKOKOMISH TRIBE

BOWECHOP, JOHANNA F
69-16583

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SNOQUALMIE TRIBE

BALL, RYAN S
69-49949

CARACOL, RAYFORD A
69-50025

CARMACK, CADEN A
69-49951

CHHOR, SRENG K
69-49977

CHOW, CYNTHIA Y
69-50064

LI, JING JING
69-49976

MORRIS, HUNTER W
69-49952

SMITH, ETHAN D
69-50065

SUMMERS, ASHLEY R
69-49950

WOOD, JANTZEN M
69-49975

SPOKANE TRIBE

ALLEN, LEANNE C
69-44798

BENTZEN, DAVID A
69-50012

RITTER, RYAN P
69-49974

SQUAXIN ISLAND TRIBE

AULIS, NICOLE M
69-49940

BISHOP, JEAN L
69-50039

GALLEGOS, PHYLLIS A
69-49972

HUGGINS, DARRELL K
69-45098

PETHERS, KYLEY R
69-47716

SMITH, JEFFERY W
69-45622

STOGSDILL, PATRICIA A
69-50035

TOMITA, LAUREN M
69-32610

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SQUAXIN ISLAND TRIBE

WHETHAM, DAVID M
69-47156

STILLAGUAMISH TRIBE

BAGTAS, LILIAN D
69-22373

BLAIR, JARED M
69-49998

EVERWOOD, RHIANON L
69-50018

FISH, DANA R
69-50074

FRANKLIN, VALERIE L
69-49957

GABEHART, DREW E
69-45362

HOLIFIELD, DELL S
69-50103

JIPSON, NICHOLAS J
69-21547

KLEIN, TINA M
69-50117

MCFARLEN, MICHAEL M
69-50017

MORITZ, ALEXANDER C
69-50051

NELSON, HOLLY L
69-39140

POITRAS, SHAVON C
69-50016

SCOTT, MATTHEW R
69-50050

WHITE, CHRISTEAN M
69-50116

SUQUAMISH TRIBE

ARELLANO, AUSTIN P
69-49997

BURSON, KEANU D
69-50104

BUTLER, JASMINE Z
69-50056

COLANGELO, LINDA S
69-43788

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SUQUAMISH TRIBE

ENLOW, AMANDA F
69-46474

GENTRY, ELESIAH ANN M
69-50057

JOHNSEN, ALEXANDREA B
69-43766

PIERANI, NICHOLAS A
69-46611

SWINOMISH INDIAN TRIBAL COMMUNITY

ALVARADO, ZACHARY B
69-49983

COLWELL, DAVID N
69-50015

HOMAN, CHRISTIAN A
69-50049

HOOVER, KALINA R
69-49984

THE TULALIP TRIBES

CALIVO, ALFREDO
69-35468

COMBS, BRANDON
69-49938

DEDICH, DAWNETTE M
69-38318

DELGADO, ELMER
69-49973

ENICK, ROMAN S
69-12155

FAULKNER, MATHEW J
69-50085

HANSON, JAMES O
69-49937

HUYNH, SON T
69-40944

KAMIYA, JEDIDIAH W
69-50087

KING, CODY J
69-50009

LIAN, SONNY A
69-49944

PEREZ, VALER D
69-50088

PLACE, JORDON A
69-50086

RONDORF, RAE A
69-43961

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

THE TULALIP TRIBES

SACHS, DANIEL B
69-49967

TUMAMAO, MARITES A
69-46066

WEAVER, DIA Y
69-50011

YOUNG, TRUNG S
69-36738

UPPER SKAGIT INDIAN TRIBE

SAUDE, KATIE R
69-34768

YAKAMA NATION

ADAMS, DENISE L
69-36367

BAILEY, CELIX V
69-50073

HAMILTON, ADREANNE N
69-35242

SAMPSON, KAYLENE L
69-49971

SNOWDER, ELAINE S
69-13141

THOMSON, DELORES M
69-42351

WALLAHEE, BUCHANAN L
69-32163

WONG, JARRETT Y
69-50072



**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

May 13, 2021

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

FROM: Agent in Charge, Gary Drumheller

SUBJECT: Sports Wagering Criminal Case

Tre Shaquille (Tyler) 28, operated a bookmaking operation that provided access to an online gambling platform that his clients used to place bets on sporting events. Special Agents determined that Tyler allowed clients to place bets on credit he extended. On Friday April 23rd, 2021 Tyler was arrested by WSGC Agents for professional gambling, collection of an unlawful debt and money laundering. Tyler was booked into the King County Jail.

Possible criminal charges/penalties and consequences:

RCW [9.46.220](#) Professional Gambling First Degree, **RCW 9A.83.020** Money Laundering, Class B Felonies which are punishable by up to ten years imprisonment and a fine of up to \$20,000 or both.

RCW 9A.82.045 Collection of Unlawful Debt, **RCW 9.46.240** Gambling Information, Transmitting or Receiving, Class C Felonies which are punishable by up to five years imprisonment and a fine of up to \$10,000 or both.

RCW 9.46.217 Gambling Record Make, Possess, Transport, Gross Misdemeanor which is punishable by up to 364 days imprisonment and a fine of up to \$5,000 or both.



Stillaguamish Tribe of Indians

Compact Amendment Hearing

May 13, 2021

Honorable Shawn Yanity, Chair, Stillaguamish Tribal Council

Tina Griffin, WSGC Interim Director

Julie Lies, WSGC Tribal Liaison



Commissioners



Chair Bud Sizemore



Vice Chair Julia Patterson



Alicia Levy



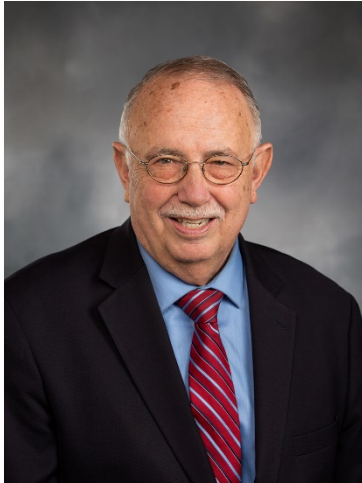
Lauren King



Kristine Reeves

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

Ex Officio Members



Senator
Steve Conway
29th District



Senator
Jeff Holy
6th District



Representative
Shelley Kloba
1st District



Representative
Brandon Vick
18th District

1988: Indian Gaming Regulatory Act

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

Negotiation Topics

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



1988: Indian Gaming Regulatory Act

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

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

Our Mission

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

Public Protection Interests



No criminal involvement

Gaming conducted fairly, honestly

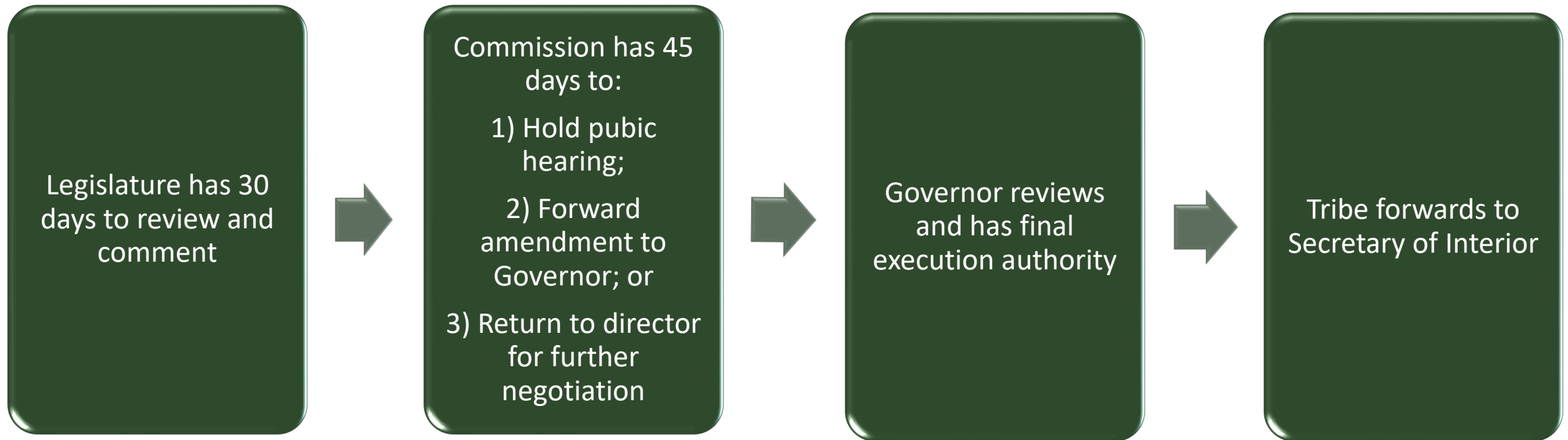
Gaming limited to authorized activities

Minimize negative impacts on local law enforcement, emergency services

Gaming Compact Approval Process



Gaming Compact Approval Process





STILLAGUAMISH TRIBE OF INDIANS

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

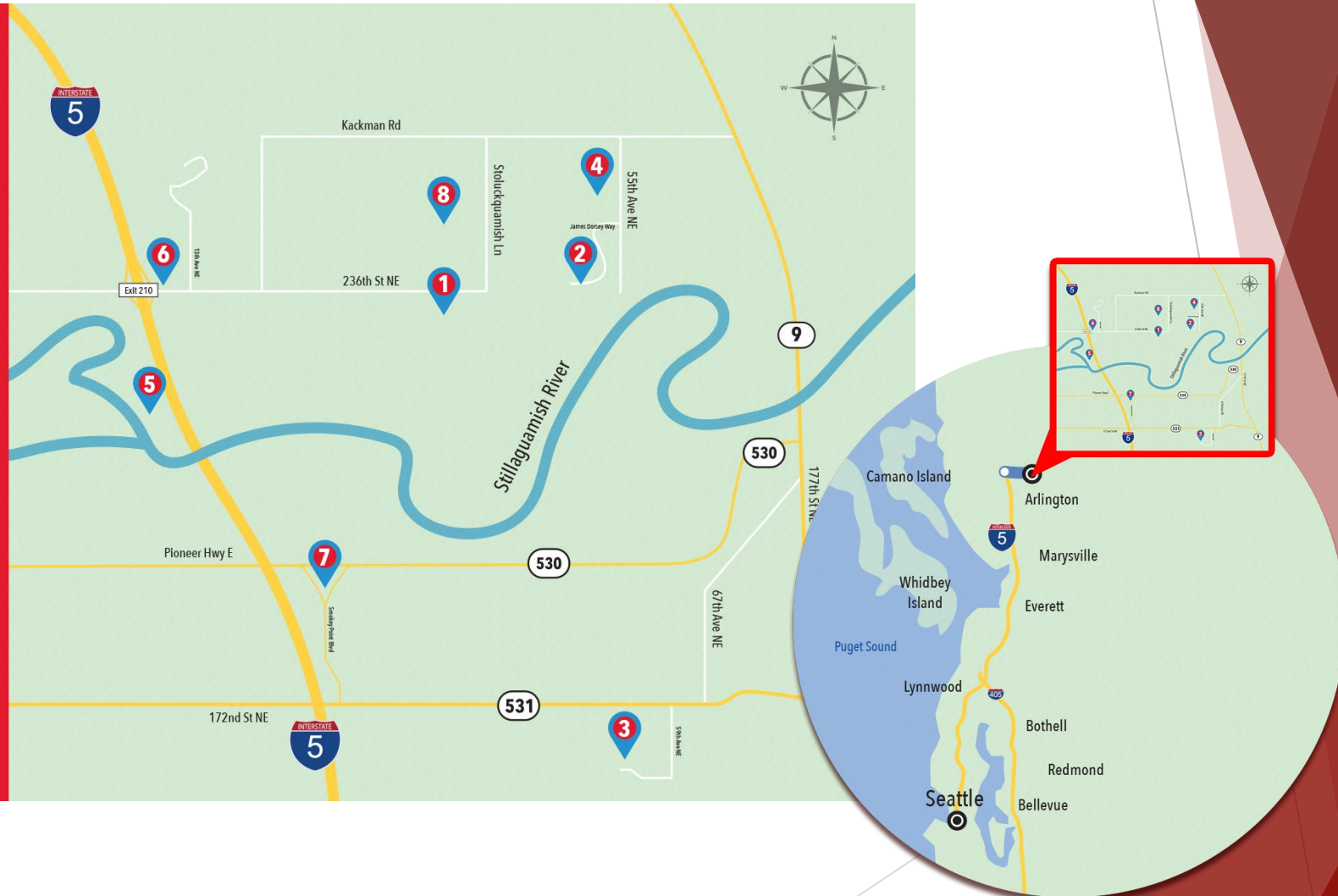
CHAIRMAN, SHAWN YANITY

TRIBAL HISTORY

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

TRIBAL MAP

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



TRIBAL GOVERNMENT



- ▶ Stillaguamish Tribal Council
- ▶ Created in 1953 via the Tribe's constitution
- ▶ Six elected members
 - ▶ Chairman
 - ▶ Vice Chairman
 - ▶ Secretary
 - ▶ Treasurer
 - ▶ Two Members
- ▶ Providing services to assist every Tribal member

ADMINISTRATION BUILDING



- ▶ Tribe employs a total of 950 employees
- ▶ Transportation Department
 - ▶ Provides transit services to the Tribal community
- ▶ Planning Department
 - ▶ Works on land use issues, utility management, road maintenance, grant writing

ADMINISTRATION BUILDING



- ▶ Family Resources Department
 - ▶ Offers services to Tribal families
- ▶ Cultural Resources Department
 - ▶ Plans cultural events, preserves cultural sites, and keeps history
- ▶ Tribal Enrollment Department
- ▶ Police Department
 - ▶ Provides security for those living on Tribal land

ADMINISTRATION BUILDING



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

STILLAGUAMISH HEALTH CLINIC



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

Q^wəLÚT HEALING CENTER



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

COMMUNITY CENTER



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

NATURAL RESOURCES BUILDING



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

RIVER ROCK TOBACCO & FUEL



▶ Two locations:

- ▶ 23704 13th Ave NE, Arlington, WA 98223
- ▶ 21125 Smokey Point Blvd, Arlington, WA 98223

ANGEL OF THE WINDS CASINO RESORT



- ▶ Gaming (Slots, Table Games)
- ▶ 7 food venues
- ▶ Hotel (125 rooms)
- ▶ Keno, Strikerz Bowling, Rivers Run Event Center, All Things Sports
- ▶ Supported neighboring community businesses during the COVID-19 shutdown, such as Playa Bonita

COMMUNITY IMPACT

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



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

Summary of Compact Changes

Updates wager limits

Update Firearm Prohibition Provisions

Adds Registration of Gaming Employees

Updates forms of payment for wagers

Adds responsible gambling program & problem gambling funding

Updates funding for community impact and charitable contributions

Updates tribal forums and adds relevant criminal laws

Allows for extension of credit to qualified customers



Public Comments



Next Steps

Forward to governor for review & final execution

OR

Return to WSGC director for further negotiation



Stillaguamish Tribe of Indians

Compact Amendment Hearing

May 13, 2021

Honorable Shawn Yanity, Chair, Stillaguamish Tribal Council

Tina Griffin, WSGC Interim Director

Julie Lies, WSGC Tribal Liaison





**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

May 3, 2021

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

FROM: Brian Considine, Legal and Legislative Manager
Legal and Records Division

**SUBJECT: Loyal Order of Moose (LOOM) – Case No. 2019-00229
Petition for Review
May 13, 2021 Commission Meeting**

Licensee LOOM Chapter 01925, through their attorney, filed their Petition for Review of an Administrative Law Judge’s Initial Order upholding Director Trujillo’s Administrative Charges and the penalty to revoke the organization’s gambling licenses.

Copies of the Administrative Law Judge’s Initial Order, the Licensee’s Petition for Review, and Commission Staff’s Response to Licensee’s Petition for Review are in your Commission meeting packet. For reference, the administrative case record, including any audio recordings, was provided to you electronically on March 29, 2021 for your review and consideration of the record prior to our April 8, 2021 public meeting.

The Licensee requested a continuance of their Petition for Review hearing until our May public meeting. The Chair granted that request and the hearing was continued until our May 13, 2021 public meeting. Chair Sizemore’s order is included with this memo.

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BEFORE THE WASHINGTON STATE GAMBLING COMMISSION

In the Matter of:

LOOM 1925
License Nos. 02-01636 & 05-03056

Licensee.

AGENCY NO. 2019-00229
OAH DOCKET NO.
12-2019-GMB-00144

ORDER GRANTING EXTENSION
OF TIME

On February 22, 2021, Licensee Loyal Order of Moose Chapter 01925 (LOOM) petitioned for review of the Initial Order pursuant to RCW 34.05.464 and WAC 230-17-090. The matter was originally set to be heard on the Commission’s April 8, 2021 regular meeting. On March 30, 2021, LOOM submitted an informal motion to continue this matter until the May 13, 2021 regular meeting as counsel for LOOM is not available in April due to family medical matters. To date, Commission staff has not submitted any objection to a continuance.

After receipt of a Petition for Review, the Commission must review the petition at a regularly scheduled meeting within 120 days. WAC 230-17-090(7). The presiding officer may grant a continuance for “good cause.” WAC 230-17-135. The Commission’s May 13, 2021 regular meeting is within 120 days of receipt of LOOM’s petition. Further, the unavailability of counsel for LOOM is good cause to continue the matter to the Commission’s next regularly scheduled meeting on May 13, 2021.

**WASHINGTON STATE
OFFICE OF ADMINISTRATIVE HEARINGS**

In the matter of:

Loyal Order of Moose (LOOM)
Chapter 01925,

Appellant/Licensee.

License Nos. 02-01636 & 05-03056

Docket No. 12-2019-GMB-00144

INITIAL ORDER

Agency: WA State Gambling Commission
Agency No. 2019-00229

1. ISSUES:

- 1.1. Based on the Washington State Gambling Commission 'Notice of Administrative Charges No. 2019-00229', dated December 4, 2019, whether the alleged conduct occurred? If so, did the conduct violate statutes and/or regulation, as asserted?
- 1.2. If so, what penalty should be imposed?

2. ORDER SUMMARY:

- 2.1. Based on the Washington State Gambling Commission 'Notice of Administrative Charges No. 2019-00229', dated December 4, 2019:
 - A. The Appellant operated of two sports boards at the same time in the violation of Revised Code of Washington (RCW) 9.46.0335(7). **AFFIRMED**;
 - B. The Appellant failed to protect its assets, in violation of Washington Administrative Code (WAC) 230-07-060(2)(c). **AFFIRMED**;
 - C. The Appellant's failed to properly supervise Gambling personnel, in violation of WAC 230-07-110. **AFFIRMED**;
 - D. The Appellant failed to assist in the Gambling Commission Staff's investigation, in violation of RCW 9.46.153(4). **AFFIRMED**;
 - E. The Appellant did not host an illegal Super Bowl numbers selection party in violation of RCW 9.46.0335(1). **DISMISSED**;
 - F. The Appellant failed to conduct gambling activities properly, in violation of WAC 230-07-060(1). **AFFIRMED**;
 - G. The Appellant did not aid and abet illegal gambling activities in violation of RCW 9.46.180. **DISMISSED**;
 - H. The Appellant's actions pose a threat to the effective regulation of gambling, per WAC 230-03-085(9)(c)&(e). **AFFIRMED**;
 - I. The Appellant has failed to establish, by 'clear and convincing evidence', qualification for licensure, in accordance with RCW 9.46.153. **AFFIRMED**.
- 2.2. The Revocation of the Appellant's License is **APPROPRIATE**.

3. EVIDENTIARY HEARING:

- 3.1. Evidentiary Hearing: December 3, 2020 and December 4, 2020
- 3.2. Admin. Law Judge: TJ Martin
- 3.3. Appellant: Loyal Order of Moose Chapter 01925
(LOOM/Appellant/Licensee)
- 3.3.1. Representative: Ryan Smolinky, Attorney
- 3.3.2. Witnesses: Egon Dezihan, Gambling Commission Special Agent
Mario Arizmendi, Former LOOM 01925 President
Robbi Rubio, LOOM 01925 Gambling Manager
Brandon Schaapman, Current LOOM 01925 President
- 3.4. Agency: Gambling Commission Staff (Commission Staff)
- 3.4.1. Representative: Doug Van de Brake, Assistant Attorney General (AAG)
- 3.4.2. Witnesses: Egon Dezihan, Gambling Commission Special Agent
Brian Lane, Gambling Commission Special Agent
Mario Arizmendi, Former LOOM 01925 President
Bob Isom, Former LOOM Territorial Manager
Robbi Rubio, LOOM 01925 Gambling Manager
Timothy Harper, LOOM 01925 Member
- 3.5. Exhibits: Gambling Commission Staff Exhibits 1 through 32 were admitted.
Loom 01925 did not submit any exhibits for admission into the record.

4. FINDINGS OF FACT:

The following facts are established by a 'preponderance of the evidence':

Jurisdiction-

- 4.1. On December 4, 2019, the Washington State Gambling Commission Staff filed a 'Notice of Administrative Charges CR 2019-00229' against LOOM.
- 4.2. On December 16, 2019, LOOM, represented by Ryan Smolinsky, Attorney, filed a 'Request for Administrative Hearing'.

[Continued]

LOOM Chapter 01925 Background Information-

- 4.3. The Loyal Order of Moose Chapter 01925 (LOOM) is a private, non-profit, social organization, consisting of over 500 members, operating in Quincy, Washington. *Exhibit (Ex.) 1; Page (Pg.) 5.*
- 4.4. LOOM operates two gambling licenses: License No. 05-03056 authorizing Punchboard/Pull-Tab Activity; and License No. 02-01636 authorizing Raffle Activity. LOOM possessed active licenses for both during the course of the Gambling Commission Staff's investigation. *Testimony of Brian Lane (Testimony of Lane).*
- 4.5. Prior to the Gambling Commission Staff's 2019 investigation, LOOM received several verbal and written warnings and fines due to record-keeping issues, but no previous 'Notice of Administrative Charges'. *Testimony of Lane and Exhibit (Ex.) 28.*

LOOM Chain of Command-

- 4.6. During the Gambling Commission Staff's investigation, Robbi Rubio (Rubio), Gambling & Facility Manager, reported to Ricardo Garces (Garces), Administrator. Garces reported to the LOOM Board of Officers. Mario Arizmendi (Arimendi) served as Governor. *Testimony of Bob Isom (Testimony of Isom) and Testimony of Brandon Schaapman (Testimony of Schaapman).*
- 4.7. As of December 3, 2020, the date of the hearing, Bill Weber, Don Smith, Mike Jones and Brandon Schaapman, serve as LOOM's Board of Officers, with Schaapman serving as President/Governor. Garces is no longer LOOM's Administrator. *Testimony of Isom and Testimony of Schaapman.*

Gambling Commission Staff Investigation-

- 4.8. In January 2019, Kyle Williamson (Williamson) provided the Gambling Commission Staff with information about Ricardo "Ric" Garces (Garces) operating an illegal \$200 per square Super Bowl board in the Quincy, Washington area. *Testimony of Egon Dezihan (Testimony of Dezihan) and Exhibit 1; Pg. 5 and Ex. 21; Pg. 1.*
- 4.9. At a cost of \$200 per square with 100 spaces available, the Super Bowl board was valued at \$20,000. *Testimony of Dezihan.*
- 4.10. At the time, Garces served as LOOM's Administrator and did not have a gambling license. *Testimony of Dezihan.*
- 4.11. Williamson stated to Gambling Commission Staff Specials Agent (Specials Agents) he had purchased three spots from Garces on a \$200 Super Bowl board in 2017 with the activities occurring at the LOOM lodge in Quincy. *Testimony of Dezihan and Ex. 21; Pg. 1.*

- 4.12. Williamson provided the telephone number of the person operating the Super Bowl board. Special Agents determined the telephone number belonged to Garces. *Testimony of Dezihan and Ex. 21.*
- 4.13. On January 22, 2019, Xayasith Maytrychit (Maytrychit) confirmed Garces was operating the \$200 per square Super Bowl board and provided telephone 'screenshots' of the 2019 Super Bowl board. *Testimony of Dezihan and Ex.21; Pg. 2.*
- 4.14. On January 25, 2019, Special Agents met with Maytrychit, who picked out Graces from several Facebook photos as the person operating the \$200 Super Bowl board. *Testimony of Dezihan and Ex. 13; Pg. 1.*
- 4.15. Maytrichit confirmed he attended a numbers selection party for the Super Bowl board, at the LOOM lodge in 2018. He stated the event occurred in the bar, not the banquet area, located in the back. He won the grand prize that year. *Testimony of Dezihan and Ex. 13; Pg. 2.*
- 4.16. On January 30, 2019, Specials Agents interviewed Tim Harper (Harper), a LOOM member, who's name appeared on the 2019 \$200 Super Bowl board. He admitted to purchasing 13 squares for \$2,600. He denied attending any number drawing party at the LOOM lodge. Instead, LOOM Member, Eli Moreno, gave him his numbers. *Testimony of Harper. Testimony of Dezihan and Exs. 11 & 22.*
- 4.17. On January 30, 2019, based on the information from Williamson, Maytrichit, and Harper, Washington State Gambling Staff began an official investigation regarding possible illegal gambling at LOOM. *Testimony of Dezihan and Ex. 1; Pg. 1.*

Two Sports Boards for the Same Sporting Event-

- 4.18. On January 30, 2019, Gambling Commission Criminal Investigator Egon Dezihan and Administrative Investigator Brian Lane (Special Agents) went to the LOOM lodge, in Quincy, Washington, to investigate the possible illegal gambling. *Testimony of Dezihan, Testimony of Lane and Ex. 1; Pg. 6.*
- 4.19. Upon entry into the lodge, prior to opening at 12:00 p.m. (noon), Special Agents made contact with Robbi Rubio (Rubio), LOOM's Gambling & Facilities Manager. Rubio served as the primary contact for the Gambling Commission Staff. *Testimony of Dezihan, Testimony of Brian Lane (Testimony of Lane) and Testimony of Robbi Rubio (Testimony of Rubio).*
- 4.20. As Gambling & Facility Manager, Rubio manages LOOM's daily operations, with discretion to hire and fire, make purchases, up to a point. She and Garces have access to LOOM checks. *Testimony of Rubio.*
- 4.21. From 2017 to 2019, she reported to Garces. When he was unavailable, she reported to Mario Arizmendi, LOOM President/Governor. *Testimony of Rubio.*

- 4.22. Rubio has served as LOOM's Gambling Manager since 2011. She received gambling training when she first obtained her license. *Testimony of Rubio.*
- 4.23. Rubio is not related to Garces. *Testimony of Rubio.*
- 4.24. On January 30, 2019, Special Agents observed, in plain view, a completed sports board for the upcoming 2019 Super Bowl behind the bar. *Testimony of Dezihan, Testimony of Lane and Ex. 4.*
- 4.25. The completed sports board did not have the teams listed or the monetary amount for each square. *Testimony of Lane and Ex. 1; Pg. 6.*
- 4.26. On the other side of the completed sports board, Specials Agents observed a partially completed board. *Testimony of Dezihan, Ex. 1; Pg. 6 and Ex. 3.*
- 4.27. Rubio didn't know operating more than one sports board violated gambling rules. *Testimony of Dezihan, Testimony of Lane, Testimony of Rubio and Ex. 1; Pg. 6.*
- 4.28. Rubio asserted squares on both side of the sports boards, cost \$1.00 per square. She denied charging \$5.00 per square. *Testimony of Rubio.*
- 4.29. Rubio purchased squares herself, listed as 'Rob'. *Testimony of Lane, Testimony of Rubio, Ex. 3 and Ex. 5; Pg. 1.*
- 4.30. The Specials Agents noticed a \$14.00 discrepancy between the number of names on the second board and the amount of money collected. They requested Rubio return the money collected from the second sports board. She later returned the money. *Testimony of Lane, Testimony of Rubio and Ex. 1; Pg. 8.*
- 4.31. Rubio denied having any knowledge of a \$200 sports board or any numbers selection party occurring at the LOOM lodge. *Testimony of Dezihan, Testimony of Lane and Testimony of Rubio.*
- 4.32. Rubio allowed the Specials Agents to inspect of the premises. No other sports boards were found. *Testimony of Dezihan and Ex. 1; Pg. 7.*
- 4.33. When questioned about a number selection party, Rubio denied Garces had ever made the request for the banquet room. Anyone wishing to rent the banquet room would have to go through her, as the sole scheduler, to make a reservation and pay a deposit, even LOOM officers. *Testimony of Rubio.*
- 4.34. Records of persons renting the banquet room were kept manually on a calendar. However, the calendar was thrown away at the end of the year. *Testimony of Rubio.*
- 4.35. At the time of the Specials Agents' visit to the LOOM lodge, on January 30, 2019, Rubio's gambling license was expired since May 25, 2017. She renewed it on June 3, 2019. *Testimony of Lane and Ex. 17.*
- 4.36. Rubio alleges she never got notice of her license expiration. *Testimony of Rubio.*

Rubio's Failure to Follow GMC Special Agent Directions-

- 4.37. On January 30, 2019, when the Specials Agents concluded their interview with Rubio, they directed her not to discuss their investigation with anyone. *Testimony of Dezihan, Testimony of Lane and Testimony of Rubio.*
- 4.38. Later, the Gambling Commission obtained search warrants for the telephone records of Rubio and Garces. Based on the records, Rubio called Garces immediately after the Specials Agents left the LOOM lodge, at around 12:30 p.m. *Testimony of Dezihan and Ex. 12; Pg. 1 and Ex. 30; Pg. 3.*
- 4.39. On January 30, 2019, Rubio called Garces but no LOOM Board Members. *Testimony of Dezihan.*
- 4.40. On February 4, 2019, when Special Agents met with Garces, he admitted knowledge of their investigation based on a January 30, 2019 telephone call from Rubio. *Testimony of Dezihan, Testimony of Lane and Ex. 23.*
- 4.41. On February 26, 2019, Special Agents interviewed Rubio a second time. Rubio initially denied calling Garces on January 30, 2019, after the agents left. However, when confronted with the telephone records, Rubio admitted contacting Garces immediately afterward. *Testimony of Dezihan, Testimony of Lane and Ex. 5; Pg. 1-2.*

Failure to Timely Provide Requested Information-

- 4.42. During their second interview with Rubio, on February 26, 2019, Special Agent Lane verbally requested Rubio provide the names and contact information for three persons listed on the two sports boards to confirm they had been repaid. Rubio had until the end of the week to provide the names. *Testimony of Lane, Testimony of Rubio and Ex. 5; Pg. 1.*
- 4.43. On March 12, 2019, when Rubio didn't supply the requested names, Special Agent Lane met Mario Arizmendi (Arizmendi) LOOM President/Governor and Garces' nephew. Arizmendi told the Special Agent that Rubio, as Gambling Manager, takes matters to Garces, not the Board. *Testimony of Lane and Ex. 8; Pg. 1.*
- 4.44. Arizmendi did not turn over the membership list out of fear for violating a LOOM policy. He took the matter to the Board of Officers then went to Bob Isom (Isom), LOOM's Territorial Manager at the time. *Testimony of Arizmendi.*
- 4.45. Arizmendi admitted Rubio had notified him of the Gambling Commission's request for member contact information. However, Arizmendi was waiting for a response back from Isom, as to whether the confidential names could be turned over. After being given the applicable regulations regarding assisting with Gambling Commission investigations, Arizmendi acknowledged he would turn over the names. *Testimony of Lane and Ex. 8; Pg. 1.*

- 4.46. Arizmendi denied knowledge of a second sports board in the bar or any cash shortage. *Testimony of Lane and Ex. 8; Pg. 1.*
- 4.47. Arizmendi denied knowledge of a \$200 Super Bowl board, the Board discussing a \$200 Super Bowl board or the banquet room being used for a Super Bowl numbers selection party. *Testimony of Lane and Ex. 8; Pg. 1.*
- 4.48. Concluding the March 12, 2019 interview, Special Agents requested Arizmendi provide the member names on the sports boards, by the end of the week. He failed to timely provide the names. *Testimony of Lane and Ex. 8; Pg. 2.*
- 4.49. On March 15, 2019, after not hearing back from Arizmendi, Special Agent Lane contacted Bob Isom, LOOM's Territorial Manager. Isom confirmed receiving a call from Garces and another unknown member about turning over the LOOM member numbers. Isom initially requested a subpoena for the names. However, after a discussion regarding assisting the Gambling Commission investigation, Isom agreed to turn over the member names and numbers. *Testimony of Lane and Ex. 9; Pg. 1.*
- 4.50. On March 19, 2019, Isom provided the membership list, after talking to LOOM's Legal Department. *Testimony of Lane, Testimony of Isom, Ex. 9; Pg. 1 and Ex. 10.*

LOOM Lodge Blank Checks at Garces' Residence-

- 4.51. On March 25, 2019, Gambling Commission Special Agent obtained a warrant to search Ricardo "Ric" Garces' residence. Specials Agents discovered two blank checks from LOOM, signed by Rubio. However, the blank checks were not made out to any party and did not include an amount. *Testimony of Dezihan and Ex. 20.*
- 4.52. Further examination of bank-keeping records revealed Garces used LOOM money for his own purposes. *Testimony of Dezihan and Ex. 19.*
- 4.53. Don Smith, former LOOM Administrator prior to Garces and current Administrator, acknowledged that an Administrator could only take blank checks home, if he/she was heading to an official LOOM function and instructed to donate the club funds to purchase an item for the club. *Testimony of Ex. 26.*
- 4.54. No evidence showed Garces planned to attend any upcoming LOOM function.
- 4.55. Brandon Schaapman, LOOM's current Governor and Junior Governor at the time of the Gambling Commission Staff's investigation, was not aware of the blank checks uncovered Garces' residence. *Testimony of Schaapman.*

[Continued]

Exceeding Gross Receipts for License-

- 4.56. The LOOM Board meets twice monthly, which includes looking over gambling proceeds and revenue. *Testimony of Schaapman.*
- 4.57. On May 6, 2019, during the third interview of Rubio, Specials Agents verbally requested gambling-related, income records. Rubio only provided some of the requested records. *Testimony of Dezihan, Testimony of Lane and Ex. 27; Pg. 2.*
- 4.58. On May 19, 2019, after reviewing LOOM records, the Gambling Commission notified LOOM it had exceeded gross receipts for its Class C Gambling License. *Testimony of Lane and Ex. 16.*
- 4.59. Now, due to a change in gambling regulations, charges on receipts are adjusted automatically and no longer based on any 'class of licenses'. *Testimony of Lane.*
- 4.60. During their investigation, Specials Agents also observed incorrect or inaccurate reporting in LOOM's pull-tab account. *Testimony of Lane and Ex. 18.*

Illegal \$200 Super Bowl Board-

- 4.61. During the Specials Agents' second interview with Rubio, on February 26, 2019, she again denied any knowledge of any \$200 Super Bowl board or reserving the banquet room for a Super Bowl numbers selection party. *Testimony of Lane and Ex. 5; Pg. 1.*
- 4.62. On that same day, Specials Agents interviewed LOOM Bartenders, Megan Benedict and Emmalee Lindberg. Both were not aware operating two sports boards for the same event was illegal. Neither had gambling licenses. Both denied knowledge of any \$200 Super Bowl board. *Testimony of Lane and Ex. 5; Pg. 2 (same as Ex. 6).*
- 4.63. Lindberg admitted to overhearing Ric Garces, Baldamar Garces, Bill Weber and Russ Lytle, LOOM members, discussing another sports board, but did not have any further information. *Testimony of Lane and Ex. 5; Pg. 2.*
- 4.64. Lindberg did recall hearing LOOM Member Jeremiah Greggs say he wished he had gotten in on the Super Bowl board. *Ex. 7.*
- 4.65. On March 19, 2019, during the Special Agent's interview of Isom, he had heard about a large Super Bowl board, back in 2017, being run by Garces. At that time, he told members such a board was illegal and could not be inside the lodge. He could not recall the date of the 2017 meeting. *Testimony of Lane and Ex. 9; Pg. 1.*
- 4.66. On March 25, 2019, the Gambling Commission obtained a search warrant for the work cellphone of Ricardo Garces. From Garces' work phone, Special Agents retrieved photographs of two Super Bowl boards. *Testimony of Dezihan and Ex. 11.*

- 4.67. After receiving the LOOM member names from Isom, Specials Agents compared member names with names on the 2018 Super Bowl board. At least half a dozen names belonged to LOOM members. *Testimony of Lane.*
- 4.68. On April 9, 2019, Gambling Commission Special Agents met with Schaapman, LOOM's Junior Governor and now, Governor. Schaapman acknowledged knowing about Garces' \$200 Super Bowl board. When offered a spot on the board, Schaapman declined due to Garces taking a 'cut' of the board. Schaapman was aware Garces held his numbers selection party in January, around his birthday (January 19th) in the banquet room. Schaapman voiced his concern about Garces' activities since he was the Board-appointed LOOM Administrator at that time. *Testimony of Lane, Testimony of Schaapman, Ex. 14; Pg. 1 and Ex. 24.*
- 4.69. Schaapman believed it was common knowledge for club members, including all trustees and officers, to have heard about Garces' Super Bowl board. However, LOOM was not associated or involved with Garces' board. *Testimony of Lane, Ex. 14; Pg. 1 and Ex. 24; Pg. 1.*
- 4.70. Schaapman confirmed around 2016 or 2017, Isom visited the LOOM and warned about no illegal sports board should be operated at the LOOM. *Testimony of Lane, Testimony of Schaapman and Ex. 14; Pg. 1, Ex. 24; Pg. 1.*
- 4.71. Isom met with Garces during his 2017 visit and told him to cease immediately illegal sports boards or else he would be removed as Administrator. *Testimony of Isom.*
- 4.72. Schaapman also believed Garces used LOOM money for personal expenditures, using organization checks. *Testimony of Lane, Ex. 14; Pg. 2 and Ex. 19.*
- 4.73. Schaapman believe Rubio, and her husband, Julian Rubio, were participating on the Super Bowl board and had done so in the past. *Testimony of Lane and Ex. 14; Pg. 2 and Ex. 24; Pg. 2.*
- 4.74. Schaapman also believed Mario Arizmendi, then LOOM Governor, also knew about Garces' Super Bowl board. *Testimony of Lane, Ex. 14; Pg. 2 and Ex. 24.*
- 4.75. Schaapman did not have any direct knowledge of Garces' Super Bowl board, only indirectly from other members. *Testimony of Lane and Ex. 14; Pg. 2 and Ex. 24; Pg. 1.*
- 4.76. Schaapman believed Garces had influenced Rubio and Arizmendi so what they told Gambling Commission investigators was not truthful. *Ex. 24; Pg. 2.*
- 4.77. Based on the present investigation, Garces was asked to resign in lieu of termination. Don Smith returned to serve as the LOOM Administrator. *Testimony of Schaapman.*

- 4.78. On April 23, 2019, Special Agents interviewed Mike Jones (Jones), a LOOM Board of Trustee for the past 10-12 years. Jones did not have any firsthand knowledge about Garces' \$200 Super Bowl board. *Ex. 25; Pg. 1-2.*
- 4.79. Jones admitted to requesting Rubio provide the banquet reservation record to confirm if Garces had rented the room for a numbers selection party. However, Rubio said any reservation is put on a calendar, but thrown away. *Ex. 25; Pg. 2.*
- 4.80. On April 23, 2019, Specials Agents also met with Don Smith (Smith), former Administrator until 2015 and now current Administrator. Smith denied knowledge of any illegal sports board operating at LOOM. *Ex. 26.*
- 4.81. Smith acknowledged the Gambling Manager is responsible for rental or reservations at the LOOM facility, which would have been Rubio. *Ex. 26.*
- 4.82. On May 6, 2019, Specials Agents met with Bill Weber (Weber), who has been a LOOM member for 50 years and Board of Trustee Member for 25 years. Weber admitted he was not aware it was illegal to operate two sports boards. Weber denied any knowledge of a \$200 Super Bowl board. *Ex. 15.*
- 4.83. On May 6, 2019, Special Agents interviewed Rubio a third time. Rubio denied she or any of her family members had ever participated in a \$200 Super Bowl board or knowing anyone who did. *Testimony of Dezihan, Testimony of Lane and Ex. 27; Pg. 1-2.*
- 4.84. However, at that time, Special Agent Dezihan provided Rubio with a copy of the 2018 \$20,000 Super Bowl board. Rubio denied recognizing any of the names or initials on the board, including 'Robbi' on Spot #23. Rubio admitted it was 'unusual' someone was on the board had the same exact name spelling as hers. *Testimony of Lane and Ex. 27; Pg. 1.*
- 4.85. On July 15, 2019, Specials Agents again met with Rubio as a part of obtaining membership records and applications to match member signatures on Garces' 2018 Super Bowl board. Rubio told the officers once member names are placed in the computer system, their applications are discarded. *Ex. 32.*
- 4.86. On July 15, 2019, Gambling Commission Special Agent Brian Lane sent a request to LOOM requesting the information regarding certain LOOM members of interest, as a part of Gambling Commission's investigation. *Ex. 29.*
- 4.87. Tim Harper (Harper), a member who's name appeared on the 2019 Super Bowl board, met with Special Agents. Harper held a Cardroom Gambling License, but was not working in the industry. *Testimony of Harper.*
- 4.88. Harper did not know Garces. Harper confirmed the numbers selection party usually occurred the Saturday before the Super Bowl. Harper never saw the board. *Testimony of Harper.*

- 4.89. In 2016, the selection party had occurred at a local Quincy farm. At least one number selection party occurred at the LOOM, but he did not attend. *Testimony of Harper, Testimony of Dezihan and Ex. 22; Pg. 2.*
- 4.90. The \$200 Super Bowl board was operated from 2016-2019. *Testimony of Harper.*
- 4.91. Harper acknowledged participating the \$200 Super Bowl sport board for the previous several years, but denied knowledge who operated the board. *Testimony of Dezihan and Ex. 22; Pg. 1.*
- 4.92. Harper acknowledge only \$19,000, out of a possible \$20,000, was paid out. He speculated the sports board operator likely pocketed \$1,000 for expenses. *Testimony of Dezihan and Ex. 22; Pg. 2.*
- 4.93. Garces was assisted by Eli Moreno and Rudy Varcissi (sp), who solicited people in January 2019 to participate in the \$200 Super Bowl board. *Testimony of Dezihan.*
- 4.94. Specials Agents believed many LOOM members were not being straightforward or truthful during its investigation, with the exception of Schaapman. *Testimony of Dezihan and Testimony of Lane.*
- 4.95. "Our investigation did not find specific evidence the Garces' illegal sport board was operated or authorized by the Quincy Moose Club." *Ex. 1; Pg. 5, Paragraph 4.*
- 4.96. The investigation regarding Garces' \$200 Super Bowl board was turned over to Douglas and Grant County Prosecutors. Rubio's matter was turned over for Gambling License revocation. *Testimony of Dezihan.*
- 4.97. Richard Garces did not testify at the evidentiary hearing.
- 4.98. At the hearing, Gambling Commission Staff called Eli Moreno (Moreno) as a witness. Moreno refused to testify without an attorney, but had not retained one.

Gambling Commission Staff Recommends Administrative Charges-

- 4.99. Based on their investigation, Gambling Commission Staff Special Agents recommended administrative charges against LOOM. *Testimony of Lane and Ex. 1.*
- 4.100. On December 4, 2019, the Washington State Gambling Commission Staff filed a 'Notice of Administrative Charges' against LOOM, alleging eight violations and requested revocation of its Punchboard/Pull-Tab License No. 05-03056 and Raffle Activity License No. 02-01636.

[Continued]

5. CONCLUSIONS OF LAW:

Based upon the above 'Findings of Fact', the following 'Conclusions of Law' are made:

Jurisdiction-

5.1. The Office of Administrative Hearings (OAH) has jurisdiction over the persons and subject matter of this case under RCW 9.46.140(2)&(4), WAC 230-17-025 and Chapters 34.05 and 34.12 RCW.

Gambling Commission's Enforcement of Gaming Rules & Regulations-

5.2. RCW 9.46.010 establishes:

The public policy of the State of Washington on gambling is to keep the criminal element out of gambling and to promote the social welfare of the people by limiting the nature and scope of gambling activities and by strict regulation and control.

RCW 9.46.010.

5.3. RCW 9.46.040 authorizes the Washington State Gambling Commission to enforce the rules and regulations relating to gambling activities in the State of Washington.

Burden of Proof-

5.4. The burden of proof is on the Gambling Commission Staff to prove the administrative charges by a 'preponderance of the evidence'. However, this burden shifts to the Appellant/Licensee when required to establish by 'clear and convincing evidence', it is qualified for licensure, consistent with RCW 9.46.153(1).

5.5. A 'preponderance of the evidence' is evidence which, when fairly considered, produces the stronger impression, has the greater weight, and is more convincing as to its truth when weighed against the evidence in opposition thereto. *Yamamoto v. Puget Sound Lbr. Co.*, 84 Wash. 411, 146 Pac. 861 (1915).

Refusal of Eli Moreno to Testify-

5.6. At the hearing, the Gambling Commission Staff called Eli Moreno as a witness. Moreno appeared, but refused to answer questions without legal counsel. He had not retained an attorney for the hearing.

5.7. While the Commission Staff issued a subpoena to Moreno, he is not compelled to testify without a Superior Court order, in accordance RCW 9.46.140(3)

5.8. Under the Administrative Procedures Act (A.P.A.), subpoenas require enforceability through Superior Court. RCW 34.05.446(5) and RCW 34.05.588.

5.9. This administrative tribunal offered to keep the record open to allow Commission Staff to obtain a Court order to compel Moreno. The Commission Staff declined.

GMB Allegations of Eight Violations-

In the Washington State Gambling Commission 'Notice of Administrative Charges No. 2019-00229', dated December 4, 2019, the Gambling Commission Staff alleged LOOM committed eight violations of Gambling laws and regulations including:

- A. Operation of Multiple Sports Boards in Violation of RCW 9.46.0335(7);
- B. Failure to protect assets, as required by WAC 230-07-060(2)(c);
- C. Failure to Properly Supervise Gambling Personnel, as required by WAC 230-07-110;
- D. Failure to Assist in a Gambling Commission Investigation in violation of RCW 9.46.153(4);
- E. Hosting a Selection Party for a \$200 per square Super Bowl Board in violation of RCW 9.46.0335(1);
- F. Failure to conduct Gambling Activities properly, in accordance with WAC 230-07-060(1);
- G. Aiding and Abetting Illegal Gambling in violation of RCW 9.46.180; and
- H. Posing a threat to Effective Regulation of Gambling, in accordance with WAC 230-03-085(9)(c)&(e).

Based on the eight, alleged violations, the Gambling Commission Staff contends LOOM cannot provide by 'clear and convincing evidence', it is qualified for licensure, as required by RCW 9.46.153(1). As a result, LOOM's Punchboard/Pull-Tab License and Raffle License are subject to revocation, based on RCW 9.46.075(1),(2),(5),(7)&(8) and WAC 230-03-085(1),(3),(8) & (9).

A. Operation of Multiple Sports Board for the Same Event-

5.10. The Gambling Commission Staff contends LOOM operated more than one Super Bowl board at the same time, in violation of RCW 9.46.0335(7).

5.11. Washington State gambling laws and regulations require:

Charitable or nonprofit organizations and their officers or board of directors have an affirmative responsibility to conduct gambling activities according to the legislative intent in chapter 9.46 RCW.

WAC 230-07-060.

5.11. RCW 9.46.0335(7) prohibits conducting more than one sports pool on the same athletic event.

5.12. In the present case, the Gambling Commission Staff has established on January 30, 2019, Specials Agents Dezihan and Lane observed, in plain view, two Super Bowl boards inside the LOOM lodge in Quincy, Washington. The Appellant does not dispute the two boards violated RCW 9.46.0335(7).

- 5.13. When the presence of the two sports boards was brought to the attention of the Appellant's licensed Gambling Manager, Robbi Rubio, she was unaware the two boards violated any Gambling regulations.
- 5.14. However, as RCW 9.46.153(1) provides, it is the responsibility of any gambling licensee to know the laws and regulations as it relates to gaming activities at a licensed premise.
- 5.15. Further, WAC 230-07-115(1) requires nonprofit gambling managers to be knowledgeable of the laws and rules relating to the gambling activities.
- 5.16. Here, Rubio has held a Gambling License since 2011, failure to be familiar with Gambling laws and regulations is not a plausible defense from the violation.
- 5.17. Therefore, the Appellant's operation of two Super Bowl boards at the same time resulted in the violation of RCW 9.46.0335(7) being **AFFIRMED**.

B. Failure to Protect Assets-

5.18. The Gambling Commission Staff contends the Appellant failed to protect assets from misuse and/or embezzlement in violation of WAC 230-07-060(2)(c).

5.19. WAC 230-07-060(1) establishes:

Charitable or nonprofit organizations and their officers or board of directors have an affirmative responsibility to conduct gambling activities according to the legislative intent in chapter 9.46 RCW.

WAC 230-07-060(1).

5.20. Further, WAC 230-07-060(2)(c) requires:

(2) Organizations must develop and maintain an independent management control system that ensures they:

(c) Protect all assets of the organization from misuse or embezzlement;

WAC 230-07-060(2)(c).

5.21. In the present case, the Gambling Commission Staff has established the LOOM Administrator, Ricardo "Ric" Garces, possessed blank checks at his residence belonging to the Appellant and made purchases using LOOM funds for his personal use. The Appellant was unaware of Garces' actions, including possession of LOOM blank checks.

5.22. The lack of awareness by the Appellant, in particular, its Board of Officers, and their failure to be aware of its Administrator, Ricardo "Ric" Garces' action placed the Appellant in the precarious position of being unable to protect its assets from misuse and embezzlement.

5.23. As a result, the Appellant's failure to be aware of Ricardo "Ric" Garces' actions including possession of LOOM blank checks and using LOOM funds for personal use, the Appellant failed to protect its assets from misuse and/or embezzlement. Therefore, the Appellant's violation of WAC 230-07-060(2)(c) is **AFFIRMED**.

C. Failure to Properly Supervise Gambling Personnel-

5.24. The Gambling Commission Staff contends the Appellant failed to properly supervise Gambling personnel, including its Administrator, Ricardo "Ric" Garces, and its Gambling Manager, Robbi Rubio, in violation of WAC 230-07-110.

5.25. WAC 230-07-110 requires:

Charitable or nonprofit organizations must closely supervise all persons involved with the conduct of gambling activities to ensure that they follow all gambling laws and rules.

WAC 230-07-110.

5.26. In the present case, the Gambling Commission Staff has established, which the Appellant did not refute: (A) Appellant's Gambling Manager, Robbi Rubio served as the Appellant's Gambling Manger for two years, from 2017 to 2019, with an expired Gambling License; (B) Operation of two sports board for the same event; and (C) Exceeding Pull-tab License limits.

(A) Rubio's Expired Gambling License- The Appellant did not dispute its Gambling Manager, Robbi Rubio, worked for the Appellant for two years, from 2017 to 2019, with an expired Gambling License. Rubio contends she never received notice of her license expiration from the Gambling Commission. However, the burden falls on a licensee to ensure he/she maintains the qualifications for license, including maintaining an active Gambling license, as required by RCW 9.46.153(1). Ms. Rubio failed to do so nor appraise the Board of the situation;

(B) Operation of Two Sports Boards for the Same Event- As discussed in the previous section, the Appellant did not dispute it operated two sports board for the same event, in violation of RCW 9.46.0335(7); and

(C) Exceeding Pull-tab License Limits- The Gambling Commission Staff has established, which the Appellant did not refute, that based on the Appellant's records, reviewed on May 19, 2019, the Appellant exceeded its gross receipts for its Class C Gambling License. At the hearing, the Appellant, including several its Board of Officers, was not aware of the situation.

[Continued]

5.27. While the Appellant's Board of Officers met twice monthly, it failed to be briefed by its Board-appointed Administrator and made aware of Rubio's Gambling license expiration, operation of two sports boards for the same event and exceeding its Pull-Tab License Limits. While these problems may have been attributable to the Gambling Manager and/or Administrator, such lack of information does not negate the Appellant's responsibilities. Therefore, the Appellant's failure to properly supervise Gambling personnel, in violation of WAC 230-07-110, is **AFFIRMED**.

D. Failure to Assist in a Gambling Commission Investigation-

5.28. The Gambling Commission Staff alleged the Appellant failed to assist in its investigation, in violation of RCW 9.46.153(4).

5.29. In particular, the Gambling Commission Staff contends the Appellant's Gambling Manager, Robbi Rubio, disregarded an order from Specials Agents. In addition, the Appellant unduly delayed turning over requested member contact information.

5.30. RCW 9.46.153(4) mandates:

All applicants, licensees, persons who are operators or directors thereof and persons who otherwise have a substantial interest therein shall have the continuing duty to provide any assistance or information required by the commission and to investigations conducted by the commission. If, upon issuance of a formal request to answer or produce information, evidence or testimony, any applicant, licensee or officer or director thereof or person with a substantial interest therein, refuses to comply, the applicant or licensee may be denied or revoked by the commission;

RCW 9.46.153(4).

5.31. At the hearing, the Gambling Commission Staff established that on January 30, 2019, upon conclusion of the Specials Agent's interview with the Appellant's Gambling Manager, Robbi Rubio, they directed her not to speak with anyone regarding their on-going investigation.

5.32. However, on January 30, 2019, Rubio called Garces within minutes of the Specials Agents leaving the LOOM lodge, in direct violation of the Gambling Commission Special Agents' order. Rubio's disregard of the Special Agents' directive then tipped off the investigator's primary suspect, Ricard "Ric" Garces.

5.33. On February 4, 2019, when Specials Agents met with Garces, he admitted he knew of the investigation based on Rubio's January 30, 2019 telephone call to him.

[Continued]

- 5.34. On February 26, 2019, with telephone records in hand, the Special Agents confronted Rubio about calling Garces immediately after the agents left on January 30, 2019. Rubio initially denied the allegation, but when showed the telephone records, she admitted to violating the Specials Agents' specific directive.
- 5.35. In addition, as a part of the Gambling Commission Staff's investigation, on February 26, 2019, Specials Agents verbally requested Rubio to supply member names and contact information by the end of the week.
- 5.36. When Rubio did not supply the requested member information, Specials Agents went to Mario Arizmendi, then Governor at the time. Arizmendi did not turn over the requested information, providing he would need to speak with Bob Isom.
- 5.37. Only after contacting Bob Isom, LOOM's Territorial Manager, on March 19, 2019, 22 days after originally requested, the Specials Agents obtained the requested member contact information.
- 5.38. The Appellant contends it was just following its protocol, by ensuring it went through its legal department, before turning over the requested information. The Appellant argues any delay was purely unintentional.
- 5.39. Based on the evidence and testimonies of the parties, the undersigned administrative law judge does not find the Appellant intentionally refused to comply with the Specials Agents' verbal request for information. Rather, a lack of communication appears to have occurred between the Appellant's Gambling Manager, Administrator and the Board of Officers regarding the urgency of the Gambling Commission Staff's request and the resulting delay. In addition, the Appellant's failure to keep the Specials Agents apprised of the reason for the delay, in seeking advice from its legal department, also perpetuated the delay.
- 5.40. However, while the Gambling Commission Staff has not established the Appellant refused to comply, due to its 22-day delay, providing the requested for member contact information, it has established the Appellant's Gambling Manger, Robbi Rubio, intently violated Gambling Commission Staff Special Agents' directive not to speak with anyone regarding their investigation. Not only did Rubio violate the order on January 30, 2019, by calling Garces, she then attempted to be untruthful with Special Agents when confronted with the telephone records demonstrating she did exactly what they told her not to.
- 5.41. As a result, the Gambling Commission Staff has established, which the Appellant did not refute, its Gambling Manager, Robbi Rubio, defied a direct order from Specials Agents and then attempted to be untruthful about her actions afterward.

5.42. Therefore, the Gambling Commission Staff has established the Appellant, through Rubio's actions of violating a Gambling Commission Staff directive and then attempting to be untruthful about it, failed to assist in its investigation, in violation of RCW 9.46.153(4). The Gambling Commission Staff's violation is **AFFIRMED**.

E. Hosting an Illegal Super Bowl Selection Party-

5.43. The Gambling Commission Staff contends the Appellant hosted a Super Bowl Selection party, wherein members were able to purchase \$200 squares for a chance to win up to \$20,000, in violation of RCW 9.46.0335(1).

5.44. RCW 9.46.0335(1) allows sports pools, provided such a 'pool', consists of 100 equal squares and each square is offered for one dollar or less.

5.45. At the hearing, numerous witnesses testified that a \$200 per square Super Bowl numbers selection party occurred at the LOOM lodge sometime between 2016-2019. Yet, when Specials Agents, on January 30, 2019 inspected the lodge, no such Super Bowl board was uncovered.

5.46. Based on the evidence, the Gambling Commission Staff has established, by a 'preponderance of the evidence' (more likely than not), that between 2016 to 2019, Ricardo "Ric" Garces held at least one Super Bowl numbers selection party at the LOOM lodge.

5.47. However, the Gambling Commission Staff has failed to establish the Appellant, LOOM, was responsible for hosting the party, rather than by Garces on his own, outside of his Administrator authority. No evidence was presented establishing the party was authorized by the Appellant.

5.48. Notably, Gambling Commission Special Agent Brian Lane, in his 'Case Report', acknowledged, "Our investigation did not find specific evidence the Garces' illegal sport board was operated or authorized by the Quincy Moose Club." *Ex. 1; Pg. 5, Paragraph 4.*

5.49. As a result, the Gambling Commission Staff has not established the Appellant hosted an illegal Super Bowl numbers selection party in violation of RCW 9.46.0335(1). Therefore, the Gambling Commission Staff's allegation is **DISMISSED**.

F. Failure to conduct Gambling Activities properly-

5.50. The Gambling Commission Staff contends the Appellant failed to uphold its responsibility to conduct gambling activities properly by allowing Garces to hold an illegal Super Bowl numbers selection party at its licensed location, in violation of WAC 230-07-060(1).

[Continued]

5.51. WAC 230-07-060(1) establishes: Charitable or nonprofit organizations and their officers or board of directors have an affirmative responsibility to conduct gambling activities according to the legislative intent in chapter 9.46 RCW.

WAC 230-07-060(1).

5.52. Based on the evidence and testimony, the Gambling Commission Staff has established, by a 'preponderance of the evidence', that between 2016-2019, Garces, on his own, held at least one Super Bowl numbers selection party at the Appellant's licensed facility.

5.53. The Appellant did not necessarily refute Garces held such a party, only that he did so outside the scope of his work as the Appellant's Administrator.

5.54. However, despite Garces holding the party, outside the scope of his work as the Appellant's Administrator, such activities does not absolve the Appellant from policing such activities in its licensed facility and prevent such illegal activities from occurring on the premise.

5.55. Therefore, the Gambling Commission Staff has established the Appellant failed to uphold its responsibility to conduct gambling activities properly by allowing Garces to hold an illegal Super Bowl number selection party at its licensed location, in violation of WAC 230-07-060(1). The Gambling Commission Staff violation is **AFFIRMED**.

G. Aiding and Abetting Illegal Gambling-

5.56. The Gambling Commission Staff contends the Appellant aided and abetted an illegal gambling operation. Namely, the members of the Appellant's organization untruthfully denied knowledge of Garces' \$200 Super Bowl sports board in violation of RCW 9.46.180.

5.57. RCW 9.46.180 provides:

Any person who knowingly causes, aids, abets, or conspires with another to cause any person to violate any provision of this chapter shall be guilty of a class B felony subject to the penalty in RCW 9A.20.021.

RCW 9.46.180.

5.58. In the present case, according to current President/Governor, Brandon Schaapman, it was 'common knowledge' among members regarding Garces operating an illegal Super Bowl board. In fact, numerous members participated in the annual event, despite LOOM's Territorial Manager, Bob Isom, in 2016 or 2017, notifying the Board of Officers and members about the illegality of such a board.

[Continued]

- 5.59. Despite Isom's warning, members continued to place money on Garces' board. Upon reviewing the 2018 Super Bowl board, Specials Agents were able to determine at least half a dozen names on the board belonged to LOOM members.
- 5.60. Further, LOOM Gambling Manager, Robbi Rubio, when questioned about 'Robbi' appearing on the 2018 board, at 'spot #23, acknowledged it was 'unusual' that someone spelled her name the same exact way as hers' on Garces' sport board.
- 5.61. Based on the Gambling Commission Staff's investigation, Specials Agents believed most of the members interviewed were not truthful or straightforward regarding their lack of knowledge about Garces' Super Bowl board.
- 5.62. However, Gambling Commission Staff Specials Agents were unable to provide direct evidence of such untruthfulness among the Appellant's members.
- 5.63. Therefore, the Gambling Commission Staff has failed to establish, by a 'preponderance of the evidence', the Appellant aided and abetted illegal gambling activities in violation of RCW 9.46.180. The Gambling Commission Staff's violation is **DISMISSED**.

H. Posed a threat to Effective Regulation of Gambling-

- 5.64. The Gambling Commission Staff contends the Appellant has the reputation and habits which pose a threat to the effective regulation of gambling, identified by WAC 230-03-085(9)(c)&(e).
- 5.65. WAC 230-03-085 authorizes the Gambling Commission Staff to revoke a license if such a licensee 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 reputation or associations.
- 5.66. In the present case, the Gambling Commission Staff has established, by a 'preponderance of the evidence', the Appellant allowed Garces to hold at least one illegal Super Bowl numbers selection party at its facility, allowed Garces to continue to serve as its Administrator, despite it being 'common knowledge' he operated an illegal sports board, as well as employed a Gambling Manager, who violated Special Agents' orders then attempted to be untruthful about it later.
- 5.67. Further, numerous Appellant members knew of the illegal sports board, but when questioned by Gambling Commission Staff Special Agents, either denied knowing about it or denied such illegal activities occurred at the Appellant's facility. A similar denial by members well-aware of the Gambling Commission's investigation.
- 5.68. In addition, when Specials Agents conducted their investigation, records and information were either not kept, such a banquet reservation documents, or delayed in arriving, such as member contact information.

5.69. Based on the above-cited 'Findings of Fact' and 'Conclusions of Law', the Gambling Commission Staff has established, by a 'preponderance of the evidence', the Appellant's actions pose 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 in violation of WAC 230-03-085(9)(c)&(e). The Gambling Commission Staff's violation is **AFFIRMED**.

I. Failure to Prove 'Clear and Convincing Evidence' of Licensure-

5.70. The Gambling Commission Staff contends the Appellant cannot prove by 'clear and convincing evidence' that it is qualified for licensure, as required by RCW 9.46.153(1).

5.71. RCW 9.46.153 establishes:

It shall be the affirmative responsibility of each applicant and licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted;

RCW 9.46.153.

5.72. In the present case, the Gambling Commission Staff has established that prior to the present 'Notice of Administrative Charges', the Appellant received several verbal and written warnings and fines due to record-keeping issues.

5.73. Based on the evidence regarding the 'Notice of Administrative Charges', the Gambling Commission has established the Appellant: (1) Operated multiple sports board in violation of RCW 9.46.0335(7); (2) Failed to protect its assets from misuse and/or embezzlement, as required by WAC 230-07-060(2)(c); (3) Failed to properly supervise gambling personnel, as required by WAC 230-07-100; (4) Failed to assist in the Gambling Commission Staff's investigation in violation of RCW 9.46.153(4); (5) Failed to conduct gambling activities in accordance with WAC 230-007-060(1); and (5) Posed a threat to the effective regulation of gambling, in accordance with WAC 230-03-085(9)(c)&(e).

5.74. As a result, the Appellant has failed to establish, by 'clear and convincing evidence', qualification for licensure, in accordance with RCW 9.46.153. As a result, the Gambling Commission Staff's violation is **AFFIRMED**.

[Continued]

Revocation of Licensure-

- 5.75. The Gambling Commission Staff argues license revocation is the appropriate sanction, based on the above-cited violations.
- 5.76. RCW 9.46.075(1), (2),(5),(7)&(8) authorizes the revocation of licensure for violations of Chapter 9.46 rules, knowingly causes, aids or abets a violation of gambling laws, fails to produce requested documents, makes a misrepresentation of fact or fails to disclose a material fact and/or fails to prove by 'clear and convincing evidence' qualification for licensure.
- 5.77. Further, WAC 230-03-085 authorizes revocation based on, in relevant part:
- (1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075; 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
 - (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 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.
- 5.78. In the present case, based on the above-cited 'Findings of Fact' and 'Conclusions of Law', the Gambling Commission Staff's recommendation for license revocation is **APPROPRIATE**.

6. INITIAL ORDER:

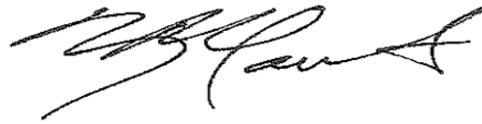
THIS ADMINISTRATIVE TRIBUNAL ORDERS;

- 6.1. Based on the Washington State Gambling Commission 'Notice of Administrative Charges No. 2019-00229', dated December 4, 2019:
- A. The Appellant operated of two sports boards at the same time in the violation of RCW 9.46.0335(7). **AFFIRMED**;
 - B. The Appellant failed to protect its assets from misuse and/or embezzlement, in violation of WAC 230-07-060(2)(c). **AFFIRMED**;
 - C. The Appellant's failed to properly supervise Gambling personnel, in violation of WAC 230-07-110. **AFFIRMED**;
 - D. The Appellant failed to assist in the Gambling Commission Staff's investigation, in violation of RCW 9.46.153(4). **AFFIRMED**;
 - E. The Appellant did not host an illegal Super Bowl numbers selection party in violation of RCW 9.46.0335(1). **DISMISSED**;

- F. The Appellant failed to conduct gambling activities properly, in violation of WAC 230-07-060(1). **AFFIRMED**;
- G. The Appellant did not aid and abet illegal gambling activities in violation of RCW 9.46.180. **DISMISSED**;
- H. The Appellant's actions pose a threat to the effective regulation of gambling, as per WAC 230-03-085(9)(c)&(e). **AFFIRMED**;
- I. The Appellant has failed to establish, by 'clear and convincing evidence', qualification for licensure, in accordance with RCW 9.46.153. **AFFIRMED**.

6.2. Revocation of the Appellant's License is **APPROPRIATE**.

Issued from Tacoma, Washington on the date of mailing.



TJ Martin
Administrative Law Judge
Office of Administrative Hearings

CERTIFICATE OF SERVICE ATTACHED

PETITION FOR REVIEW

Any party to this proceeding may file a Petition for Review of this initial order. The written petition for review must be mailed to the Washington State Gambling Commission at:

Washington State Gambling Commission
PO Box 42400
Olympia, WA 98504

The petition for review must be received by the Commission **within twenty (20) days from the date this initial order was mailed to the parties**. A copy of the petition for review must be sent to all parties of record. The petition for review must specify the portions of the initial order with which the party disagrees, and must refer to the evidence in the record which supports the party's position. The other party's reply must be received at the address above, and served on all parties of record, within thirty (30) days from the date the petition for review was mailed. **(Emphasis Added)**.

Any party may file a cross appeal. Parties must file cross appeals with the Washington State Gambling Commission within ten days of the date the petition for review was filed with the Washington State Gambling Commission. Copies of the petition or cross appeal must be served on all other parties or their representatives at the time the petition or appeal is filed.

CERTIFICATE OF SERVICE FOR OAH DOCKET NO. 12-2019-GMB-00144

I certify that true copies of this document were served from Tacoma, Washington via Consolidated Mail Services upon the following as indicated:

LOOM 01925 c/o Ryan Smolinky, Overcast Law Offices, PS 23 S Wenatchee Ave, Suite 320 Wenatchee, WA 98801 <i>Appellant</i>	<input checked="" type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail
Ryan Smolinky Overcast Law Offices, PS 23 S Wenatchee Ave, Suite 320 Wenatchee, WA 98801 <i>Appellant Representative</i>	<input checked="" type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail:
Doug Van de Brake, AAG Office of the Attorney General MS: 40100 PO Box 40100 Olympia, WA 98504 <i>Agency Representative</i>	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> E-mail: Doug.VandeBrake@atg.wa.gov jordan.nimon@atg.wa.gov gceef@atg.wa.gov
Ashlie Laydon Washington State Gambling Commission MS: 42400 PO Box 42400 Olympia, WA 98504 <i>Agency Contact</i>	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input checked="" type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail

Date: Wednesday, February 03, 2021

OFFICE OF ADMINISTRATIVE HEARINGS

Amber Guarnacci

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 Legal Assistant 3

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WASHINGTON STATE OFFICE OF ADMINISTRATIVE HEARINGS

In the matter of:

LOOM 01925

License Nos. 02-01636 & 05-03056

Docket No. 12-2019-GMB-00144

PETITION FOR REVIEW OF INITIAL ORDER

Agency: WA State Gambling Commission

Agency No. 2019-00229

Licensee Loyal Order of Moose Chapter 01925 (“LOOM”), by and through its attorneys of record, Ryan Smolinsky and Overcast Law Offices – NCW, PLLC, respectfully submit this Petition for Review of Initial Order.

I. INTRODUCTION / ISSUE FOR REVIEW

An evidentiary hearing was held December 3rd and 4th, 2020. Licensee LOOM does not request review of the entire Initial Order. LOOM specifically requests that the findings of facts and the evidence from the record is reviewed as applied to the following issues:

1. Whether LOOM can prove by “clear and convincing evidence” it remains qualified to continue to hold a license;¹ and
2. Whether license revocation is the appropriate sanction.²

¹ See Initial Order, pg. 21, ¶5.70-5.74.

² See Initial Order, pg. 22, ¶5.75-5.78.

1 **II. LEGAL ARGUMENT**

- 2 1. LOOM remains qualified to remained licensed under a clear and convincing
3 standard.

4 The initial investigation into the LOOM began as an investigation into whether an
5 individual named Ricardo “Ric” Garces was operated an illegal \$200 per square sports board out
6 of the LOOM’s premise in Quincy, Washington.³ The very crux of this investigation was
7 correctly dismissed in the Initial Order as it was found LOOM was not responsible for hosting
8 such event.⁴

9
10
11 Garces did hold a position of leadership in LOOM as he was the organization’s
12 administrator.⁵ This was before anyone on the Board of Officer’s knew of any of his
13 misfeasance in operating an illegal board. Upon learning this information, he was removed from
14 his position.⁶

15
16 Many of the administrative charges flow directly from Mr. Garces being the
17 administrator of the LOOM when the Board of Officer’s had no knowledge of his illegal
18 activities. Individually, he did the following: (1) misused and/or embezzled LOOM assets; (2)
19 hosted an illegal \$200 per square sports board; and (3) likely committed a felony in organizing
20 an illegal gambling enterprise.⁷

21
22 What is left against the LOOM were charges that were proved by a preponderance of
23 evidence, nonetheless, de minimis in their seriousness compared to the charges created by
24

25 _____
26 ³ Initial Order, ¶4.8.

27 ⁴ Initial Order, ¶5.43-5.49.

28 ⁵ Initial Order, ¶4.6.

29 ⁶ Initial Order, ¶4.7.

30 ⁷ See Testimony of Dezihan. Criminal charges have not been filed against Garces, however, the special agent believed they would be.

1 Garces in his illegal conduct. It was found that LOOM did operate two \$1 sports boards on the
2 same board (it was two sided poster board). It was found that LOOM's gambling manager was
3 not properly educated or supervised by the administrator (Garces) and ultimately the Board of
4 Officers. It was found that LOOM did not assist in the investigation (however, there evidence to
5 the contrary).⁸ It was found that LOOM did exceed its class license in gambling receipts,
6 however that tiered class system is no longer used as the Gambling Commission has changed its
7 own licensing to automatically reflect gross receipts.⁹
8

10 LOOM remains qualified to hold a license even under a clear and convincing standard.
11 Mr. Garces was promptly removed from LOOM leadership as the administrator upon learning of
12 his illegal activities. Ms. Rubio has a current license with the gambling commission.¹⁰ LOOM's
13 gambling receipts are now tied to an automatic system to appropriately reflect receipts. The
14 current president of the Board of Officer's is Brandon Schaaapman, who the investigating officers
15 believe was being truthful and straight forward in its investigation.¹¹
16

18 Given these above circumstances, mainly the removal of Mr. Garces from any leadership
19 role, LOOM does remain qualified to hold a license even with the heightened standard and
20 revocation is not the appropriate penalty to the citations found committed by this court.
21

22 2. Revocation of LOOM's gambling licenses is not the appropriate sanction for the
23 citations found committed.

24
25 ⁸ See Testimony of *Mario Arizmendi* and Testimony of *Brandon Schaaapman*. Testimony provided by these
26 witnesses detail that the Board of Officer's believed they need to ask territorial managers prior to disclosing private
27 membership information. The delay was over a one-week period in March of 2019. Further, the Initial Order finds
28 the delay was unintentional. See ¶5.39.

29 ⁹ Initial Order, ¶4.59; Testimony of *Brian Lane*.

30 ¹⁰ Testimony of *Robbi Rubio*.

¹¹ Initial Order, ¶4.94

1 During testimony, Special Agent Brian Lane (“SA Lane”) did testify that given the
2 totality of the circumstances, he did believe that revocation was the appropriate sanction.¹²
3
4 Importantly, here, that conclusion by SA Lane was based on his assumption that LOOM did
5 commit all offenses including knowingly hosted an illegal Super Bowl selection party and aided
6 and abetting illegal gambling.¹³ Both these allegations were dismissed.¹⁴
7

8 While LOOM had previously received verbal warnings and small monetary fines, LOOM
9 had never received any notice of administrative charges prior to this incident.¹⁵ There were not
10 past problems with LOOM supplying SA Lane with records and LOOM was cooperative in past
11 investigations.¹⁶
12

13 SA Lane testified that while he does not remember exactly what he said to Board
14 Officers, he did likely state that the Gambling Commission was not looking to penalize the
15 LOOM.¹⁷
16

17 SA Lane appeared to be hesitant in his testimony in opining that revocation was the
18 appropriate penalty for these administrative charges against the LOOM.¹⁸ He made no
19 recommendation in his report.¹⁹ A reasonable inference can be made that affirmed charges by
20
21
22

23 ¹² See Testimony of *Brian Lane*.

24 ¹³ *Id.*

25 ¹⁴ Initial Order, ¶5.49, 5.63

26 ¹⁵ Testimony of *Brian Lane*.

27 ¹⁶ Testimony of *Brian Lane*.

28 ¹⁷ Testimony of *Brian Lane* at 4:45 (Recording on December 3, 2020).

29 ¹⁸ Testimony of *Brian Lane* at 4:47 – 4:49 (Recording on December 3, 2020).

30 ¹⁹ See Exhibit 1.

1 this court were not violations that would lead to revocation by themselves; they were violation
2 that would have led to verbal warnings, monetary penalties, and perhaps suspensions.²⁰
3

4 Further, RCW 9.46.075 states that revocation is not an exclusively penalty. The
5 commission may also “suspend” a licensee. The court found that LOOM did not “knowingly
6 causes, aids, or abets.” The findings of this court and the testimony of SA Lane also provided
7 evidence that members of the LOOM did participate in a cooperative manner and did disclose
8 facts that were material to the investigation.²¹
9

10 Additionally, discretion is granted to the Gambling Commission in that the commission
11 “may deny, *suspend*, or revoke and application ... or permit.” WAC 230-03-085 (emphasis
12 added). It was argued by the Commission that revocation of the license was the only appropriate
13 remedy. With the courts findings that LOOM had no part in Ricardo Garces illegal activities, it
14 follows that other penalties are more appropriate for the affirmed findings.
15

16 There was minimal evidence presented that the LOOM posed a threat to the effective
17 regulation of gambling. WAC 230-03-085(9). Robbi Rubio had an expired gambling license but
18 it has been since reinstated.²² LOOM slightly exceeded the threshold class of gambling receipts
19 it was licensed for based on an outdated gambling regulation.²³ Additionally, testimony from SA
20 Lane suggested that the LOOM’s gambling receipts from the pull tabs were more accurate than
21 most.²⁴
22
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27 ²⁰ See Testimony of *Brian Lane*.

28 ²¹ See Testimony of *Brian Lane*; see also Initial Order ¶4.49.

29 ²² Initial Order ¶4.35.

30 ²³ Initial Order ¶4.58, 4.59.

²⁴ Testimony of *Brian Lane*.

1 The Commission is left with the following conclusions from the Initial Order: (1) there
2 were two one-dollar (\$1) per square sport boards being operated on the same two-sided poster
3 board; (2) Mr. Garces wrongfully had in his possession two checks belonging to LOOM but it
4 was before LOOM knew of his misfeasance; (3) Ms. Rubio did let her license lapse when she
5 was an employee of LOOM, but from the testimony provided it was likely accidental and it has
6 since been reinstated; (4) LOOM did exceed it tiered license class but that regulation has since
7 been amended to automatically adjust based on the receipts; and (5) the Board of Officers did not
8 respond as promptly as the Commission requested, but did ultimately cooperate in the
9 investigation.
10
11

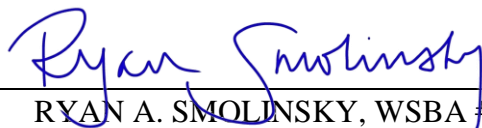
12 Sanctions may be appropriate for the above conduct, but revocation of the LOOM's
13 licenses is not proper.
14

15 **III. CONCLUSION**
16

17 For the above stated reasons, Licensee Loyal Order of Moose Chapter 01925 respectfully
18 requests that Initial Order is reviewed, and finding are made that LOOM remains qualified for
19 remain licensed and the ordered revocation of its licenses is overturned.
20
21
22

23 DATED this 22th day of February 2021.
24

25 OVERCAST LAW OFFICES – NCW, PLLC

26
27 By: 
28 RYAN A. SMOLINSKY, WSBA #46521
29 Attorney for Licensee LOOM 01925
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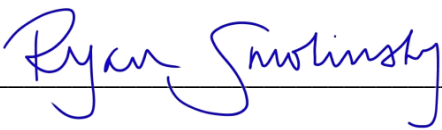
1 **Declaration of Service**

2 I certify that true copies of this document were served upon the following as indicated:

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13 14 Ashlie Laydon 15 Washington State Gambling Commission 16 MS: 42400 17 PO Box 42400 18 Olympia, WA 98054	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: ashlie.laydon@wsgc.wa.gov
19 20 Tacoma Office of Administrative Hearings 21 949 Market Street, Suite 500 22 Tacoma, WA 98402	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: tacoma@oah.wa.gov

23 Date: Monday February 22, 2021

24 Overcast Law Offices – NCW, PLLC

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BEFORE THE WASHINGTON STATE GAMBLING COMMISSION

In the Matter of:
LOOM 01925,
License Nos. 02-01636 & 05-03056.

GMB No. CR 2019-00229
OAH No, 12-2019-GMB-00144
**RESPONSE TO LICENSEE’S
PETITION FOR REVIEW**

I. INTRODUCTION AND RELIEF REQUESTED

“Nonprofit organizations must closely supervise all persons involved with the conduct of gambling activities to ensure that they follow all gambling laws and rules.” WAC 230-07-110. This case is an example of numerous violations of gambling laws and rules committed by The Loyal Order of Moose lodge (LOOM) in Quincy, Washington when its leadership completely abdicated from any responsibility to supervise its administrators, governors, and managers in charge of the organization’s gambling activities.

LOOM operated two sports boards at the same time. It failed to protect its assets. It failed to properly supervise gambling personnel. It delayed and failed to assist in Commission Staff’s investigation. It failed to conduct gambling activities properly. Following a two-day evidentiary hearing, an Administrative Law Judge (ALJ) agreed that LOOM committed these violations and affirmed the Notice of Administrative Charges as to those violations. The ALJ properly concluded that LOOM’s actions and inactions pose a threat to the effective regulation of gambling, that LOOM failed in its burden to establish by clear and convincing evidence that it remains qualified for licensure, and that revocation of LOOM’s gambling licenses is appropriate.

1 Remarkably, LOOM's petition for review shows that it continues to disown any
2 responsibility for the violations, characterizes the violations as trivial, ignores undesirable facts,
3 and instead places the blame for its failures on a former administrator and the current gambling
4 manager. Further, LOOM asserts that it should remain qualified for licensure, but the cursory
5 reasons it provides fall far short of clear and convincing evidence. For the same sound reasons
6 articulated in the Initial Order, so too the Commission should find that the violations occurred,
7 adopt the findings and conclusions of the ALJ, and order revocation of LOOM's licenses.

8 II. FACTUAL BACKGROUND

9 LOOM currently has two gambling licenses: License No. 05-03056, authorizing
10 punchboard/pull-tab activity, and License No. 02-01636, authorizing raffle activity, at its
11 premises in Quincy, Washington. These licenses were issued by the Washington State Gambling
12 Commission (WSGC) subject to LOOM's compliance with all state gambling statutes and
13 Commission administrative rules at all times after being licensed.

14 Sports boards (a 10 x 10 grid where numbers representing the final score of a sporting
15 event are drawn) are authorized by RCW 9.46.0335, but cannot be for more than \$1 per square,
16 with all funds paid by participants to be returned as winnings. In addition to the \$1 per square
17 restriction, organizations are allowed to have only one sports board per athletic event.
18 Commission Staff received information alleging that an illegal sports board was being operated
19 in the Quincy area by a LOOM administrator, Ricardo Garces. The information alleged that the
20 sports board was for an upcoming Super Bowl game, with a cost of \$200 per square, and that the
21 \$200 per square sports board had reportedly been held for the last three or four years.

22 Commission Staff thus began an investigation into potential illegal gambling activity.
23 In the course of the investigation, in January 2019 WSGC Special Agents discovered two sports
24 boards for an upcoming Super Bowl game located in the bar area at LOOM. LOOM's gambling
25 manager, Robbi Rubio, acknowledged that both sports boards were for the upcoming Super

26 ///

1 Bowl. LOOM employed Ms. Rubio as its gambling manager even though Ms. Rubio's gambling
2 license had expired in 2017.

3 LOOM also failed to protect the organization's assets. During execution of a search
4 warrant at Mr. Garces' residence, agents found two LOOM blank checks pre-signed by
5 Ms. Rubio. Further investigation discovered that Mr. Garces had previously used LOOM's
6 checking account to purchase personal items.

7 Agents interviewed LOOM employees, trustees, and governors. Almost all of them
8 denied knowledge of an illegal sports board being operated out of LOOM. However,
9 Brandon Schaapman, LOOM's then Junior Governor, and now President, disclosed to the agents
10 that he was aware that Mr. Garces was running a \$200 sports board, that he was asked to
11 participate in the board, but did not participate because Mr. Garces was taking a cut of the
12 payments.

13 In a final comparison of the names on Mr. Garces' sports board and LOOM's
14 membership list, at least half a dozen LOOM members were listed as participants in the illegal
15 sports board. All the members interviewed either denied knowledge of the sports board, or
16 refused to participate in the investigation.

17 The agents' investigation, and the testimony at trial, established that in 2017, LOOM's
18 then Territorial Manager, Bob Isom, heard about a large dollar Super Bowl board being run by
19 Mr. Garces. And, in 2017, Mr. Isom visited LOOM and told Mr. Garces and others that such a
20 board was illegal and that no illegal sports board should be operated at LOOM. At trial, LOOM
21 presented no evidence that its leadership ever enacted or implemented any sort of internal
22 controls or supervisory control to ensure that illegal sports boards would not continue to be
23 operated at or by LOOM.

24 III. LEGAL AUTHORITY

25 The legislative intent for the chapter 9.46 RCW Gambling 1973 Act (Gambling Act), is
26 to "keep the criminal element out of gambling and to promote social welfare of the people by

1 limiting the nature and scope of gambling activities and **by strict regulation and control.**”

2 *See* RCW 9.46.010 (emphasis added). The Gambling Commission is authorized by the
3 Legislature to enforce the Gambling Act and to adopt rules and regulations to carry out its
4 purposes and provisions. *See* RCW 9.46.070 and RCW 9.46.070(14).

5 The Gambling Commission may revoke any license for any reason or reasons it deems
6 to be in the public interest. Those reasons shall include, but not be limited to, cases wherein the
7 licensee:

8 1. Fails or refuses to comply with the provisions, requirements, conditions,
9 limitations, or duties imposed by chapter 9.46 RCW or any rules adopted by the Gambling
10 Commission. *See* RCW 9.46.075(1).

11 2. Knowingly causes, aids, abets, or conspires with another cause, any person to
12 violate any of the laws of this state or the rules of the commission. *See* RCW 9.46.075(2).

13 3. Fails promptly to produce for inspection ... any book, record, document or item
14 required by law or commission rule. *See* RCW 9.46.075(5).

15 4. Makes a misrepresentation of, or fails to disclose, a material fact to the
16 commission. *See* RCW 9.46.075(7).

17 5. Fails to prove by clear and convincing evidence that they are qualified to hold a
18 gambling license in accordance with the laws and regulations governing gambling in the State
19 of Washington. *See* RCW 9.46.075(8) and RCW 9.46.153(1).

20 In addition, WAC 230-03-085 states that the Commission may revoke any license when
21 the licensee:

22 1. Commits any act that constitutes grounds for denying a license under
23 RCW 9.46.075. *See* WAC 230-03-085(1).

24 2. Demonstrates willful disregard for complying with ordinances, statutes, [or]
25 administrative rules. *See* WAC 230-03-085(3).

26 ///

1 3. Fails to provide the commission with any information required under commission
2 rules within the time required. *See* WAC 230-03-085(8).

3 4. Poses a threat to the effective regulation of gambling, or creates or increases the
4 likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling
5 activities, as demonstrated by prior activities, associations, reputation, habits, or criminal record.
6 *See* WAC 230-03-085(8)(a).

7 IV. ARGUMENT

8 A. The Commission Should Affirm the Initial Order Because the Multiple Violations, 9 and LOOM's Failure to Acknowledge Any Responsibility for the Violations, Show 10 that Allowing LOOM to Continue Engaging In Gambling Activities Would Pose a 11 Threat to the Effective Regulation of Gambling

12 1. LOOM failed in its obligation to assist in Commission Staff's investigation

13 Gambling licensees have certain statutory responsibilities and duties, including a:

14 [C]ontinuing duty to provide any assistance or information
15 required by the commission and to investigations conducted by the
16 commission. If, upon issuance of a formal request to answer or
17 produce information, evidence or testimony, any applicant,
18 licensee or officer or director thereof or person with a substantial
19 interest therein, refuses to comply, the applicant or licensee may
20 be denied or revoked by the commission.

21 RCW 9.46.153(4).

22 The ALJ affirmed this violation. LOOM's gambling manager defied a direct order from
23 the Special Agents conducting the investigation, then lied about it. The manager's disregard of
24 the agents' directive tipped off the primary suspect in a criminal investigation. At every turn, the
25 agents encountered roadblocks and delays in obtaining basic information from LOOM, such as
26 a list of LOOM members and contact information.

2. LOOM operated two separate sports boards for the same athletic event in violation of RCW 9.46.0335(7) and (8)

Operating multiple sports boards for the same athletic event is a violation of
RCW 9.46.0335(7). LOOM does not dispute this. The violation is established. *See* Initial Order
at 13, Conclusion of Law 5.12.

1 **3. LOOM failed to uphold its responsibility to conduct gambling activities**
2 **properly**

3 “Charitable or nonprofit organizations and their officers or board of directors have an
4 affirmative responsibility to conduct gambling activities according to the legislative intent in
5 [the Gambling Act].” WAC 230-07-060(1). Here, LOOM failed to uphold its responsibility
6 because the evidence at the hearing established, by a preponderance of the evidence, that
7 LOOM’s administrator at the time held at least one of his Super Bowl number selection parties
8 at LOOM’s licensed facility. Initial Order at 19, Conclusion of Law 5.52. Further, LOOM “did
9 not necessarily refute Garces held such a party, only that he did so outside the scope of his work
10 as the Appellant’s Administrator.” *Id.*, Conclusion of Law 5.53. The evidence established that
11 Mr. Garces ran an illegal sports board for several years and held at least one numbers selection
12 party at LOOM. This shows that LOOM, the organization, failed to uphold its responsibility to
13 conduct gambling activities in accord with the requirements and provisions of gambling laws
14 and rules. In affirming this violation, the ALJ concluded:

15 Therefore, the Gambling Commission Staff has established the
16 Appellant failed to uphold its responsibility to conduct gambling
17 activities properly by allowing Garces to hold an illegal Super
18 Bowl number selection party at its licensed location, in violation
19 of WAC 230-07-060(1). The Gambling Commission Staff
20 violation is AFFIRMED.

21 Initial Order at 19, Conclusion of Law 5.55.

22 **4. LOOM failed to protects its assets from misuse or embezzlement**

23 An organization with a gambling license is required to “develop and maintain an
24 independent management control system that ensures they: . . . protect all assets of the
25 organization from misuse or embezzlement[.]” WAC 230-07-060(2)(c). Based on the evidence,
26 the ALJ affirmed this violation, concluding:

 In the present case, the Gambling Commission Staff has
 established the LOOM Administrator, Ricardo “Ric” Garces,
 possessed blank checks at his residence belonging to the Appellant
 and made purchases using LOOM funds for his personal use. The
 Appellant was unaware of Garces’ actions, including possession
 of LOOM blank checks.

1 . . .
2 The lack of awareness by the Appellant, in particular, its Board of
3 Officers, . . . placed the Appellant in the precarious position of
4 being unable to protect its assets from misuse and embezzlement.

5 . . .
6 As a result, the Appellant's failure to be aware of Ricardo
7 "Ric" Garces' actions including possession of LOOM blank
8 checks and using LOOM funds for personal use, the Appellant
9 failed to protect its assets from misuse and/or embezzlement.
10 Therefore, the Appellant's violation of WAC 230-07-060(2)(c) is
11 AFFIRMED.

12 Initial Order at 14-15, Conclusions of Law 5.21, 5.22, and 5.23.

13 **5. LOOM's actions and inactions show its failure and inability to supervise**
14 **personnel involved with gambling activity**

15 The relevant gambling rule is plain: "Charitable or nonprofit organizations must closely
16 supervise all persons involved with the conduct of gambling activities to ensure that they follow
17 all gambling laws and rules." WAC 230-07-110. LOOM's Gambling Manager, Ms. Rubio, was
18 found to be running two separate sports boards at LOOM for the 2019 Super Bowl, was found
19 to be managing LOOM's gambling activity without a gambling license for two years, and
20 allowed LOOM to exceed its pull-tab license class without upgrading it as required. Each of the
21 three examples above demonstrate LOOM's inability to supervise personnel involved with
22 gambling activity. LOOM does not dispute these violations, but also does not accept
23 responsibility for them. As the ALJ concluded regarding this violation:

24 While the Appellant's Board of Officers met twice monthly, it
25 failed to be briefed by its Board-appointed Administrator and
26 made aware of Rubio's Gambling license expiration, operation of
 two sports boards for the same event and exceeding Pull-Tab
 License Limits. While these problems may have been attributable
 to the Gambling Manager and/or Administrator, such lack of
 information does not negate the Appellant's responsibilities.
 Therefore, the Appellant's failure to properly supervise Gambling
 personnel, in violation of WAC 230-07-110, is AFFIRMED.

Initial Order at 16, Conclusion of Law 5.27.

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1 **B. LOOM Fails to Establish by Clear and Convincing Evidence that It Remains**
2 **Qualified for Licensure**

3 All Commission licensees bear a mandatory—and ongoing—burden to establish by clear
4 and convincing evidence that they are qualified for licensure under RCW 9.46.
5 *See* RCW 9.46.153(1). The Commission is legally authorized to revoke licensees’ gambling
6 licenses if they fail to meet that mandatory burden. *See* RCW 9.46.075(8). In this case, the ALJ
7 correctly found that LOOM failed to meet the required burden under RCW 9.46.153(1) to prove
8 by clear and convincing evidence that it remains qualified for licensure:

9 Based on the evidence regarding the ‘Notice of Administrative Charges’,
10 the Gambling Commission has established the Appellant: (1) Operated
11 multiple sports boards in violation of RCW 9.46.0335(7); (2) Failed to
12 protect its assets from misuse and/or embezzlement, as required by WAC
13 230-07-060(2)(c); (3) Failed to properly supervise gambling personnel, as
14 required by WAC 230-07-100; (4) Failed to assist in the Gambling
15 Commission Staff’s investigation in violation of RCW 9.46.153(4); (5)
16 Failed to conduct gambling activities in accordance with WAC 230-07-
17 060(1); and (5) Posed a threat to the effective regulation of gambling, in
18 accordance with WAC 230-03-085(9)(c) & (e).

19 ...
20 As a result, the Appellant has failed to establish, by ‘clear and convincing
21 evidence’, qualification for licensure, in accordance with RCW 9.46.153.
22 As a result, the Gambling Commission Staff’s violation is AFFIRMED.

23 Initial Order at 21, Conclusions of Law 5.73 and 5.74.

24 Being a Commission licensee is a privilege, not a right. Commission licensees are held
25 to a high standard of behavior. LOOM, still disowning responsibility for the violations that
26 occurred, has not demonstrated that it can be entrusted to fulfill the responsibilities of an
organization with a gambling license. Nothing in its petition establishes otherwise. Indeed,
LOOM’s petition characterizes the violations as trivial or minor violations. They are not.

The ALJ correctly applied the laws and rules to the evidence adduced at trial in
concluding that revocation is proper. The Commission should adopt the same sound reasoning
of the ALJ. In light of the numerous violations, and the nature of those violations, coupled with
its failure to meet its burden under RCW 9.46.153(1), the Initial Order’s revocation of LOOM’s
license is entirely appropriate.

1 **V. CONCLUSION**

2 Commission Staff request that the Commission affirm the ALJ's Initial Order and revoke
3 LOOM's License No. 05-03056, authorizing punchboard/pull-tab activity, and License
4 No. 02-01636, authorizing raffle activity.

5 DATED this 24th day of March 2021.

6
7 ROBERT W. FERGUSON
Attorney General

8 

9 DOUG VAN DE BRAKE, WSBA #33644
10 Assistant Attorney General
11 Attorney for Washington State
12 Gambling Commission Staff
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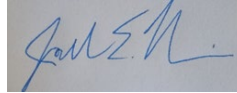
I certify that I served a true and correct copy of this document on all parties or their counsel of record on the date below as follows:

RYAN SMOLINSKY
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ryan@overcastlaw.com
 ABC/Legal Messenger

I declare under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct.

DATED this 24th day of March, 2021, at Olympia, Washington.



JORDAN NIMON
Legal Assistant



**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

May 13, 2021

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

FROM: Adam Teal, Staff Attorney
Legal and Records Division

**SUBJECT: Thomas Lescher, CR 2020-01597
Final Order – May 13, 2021 Commission Meeting**

Thomas Lescher has a gambling certification authorizing Class III Employee activity for the Lummi Indian Tribe. His certification expires on November 19, 2021.

On December 2, 2020, a WSGC Special Agent was assigned to conduct a post certification review of Class III Certification holder Thomas Lescher. That investigation revealed that on October 16, 2008, Lescher entered a guilty plea for violating California Penal Code 647.6(a), outlining that he annoyed or molested a child under 18 years of age. As part of his sentence, Lescher was sentenced to 180 days in jail, given three years of probation, and was required to register as a sex offender. In his WSGC application, Lescher answered that he had not been convicted of a crime, jailed, or placed on probation.

Director Trujillo issued Lescher a Notice of Administrative Charges on February 3, 2021, by regular and certified mail to his last known address on file. Pursuant to WAC 230-17-010, a response was required to be received by the Commission by March 1, 2021. To date, the Commission has received no communication from Lescher.

Thomas Lescher's failure to respond to the charges or timely request a hearing is a waiver of Lescher's right to a hearing in Case No. CR 2020-01597. You may take final action against his gambling certification. Lescher pleaded guilty to a crime involving physical harm to another, and failed to disclose that fact in his application, thus showing that he attempted to obtain his certification by fraud, misrepresentation, concealment, or through inadvertence. In doing so, Lescher is in violation of RCW 9.46.075(3), WAC 230-03-085(3), and Section V.C. (2) of the Lummi Tribal-State Compact. Based on his conduct, Lescher cannot show by clear and convincing evidence that he is qualified to keep his gambling certification. Therefore, staff recommends that the Commission sign the proposed final order and revoke Thomas Lescher's Class III Employee certification, Number 69-49378.

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**STATE OF WASHINGTON
GAMBLING COMMISSION**

In the Matter of:

NO. CR 2020-01597

THOMAS M LESCHER,
License No. 69-49378,

FINAL ORDER OF THE
GAMBLING COMMISSION

Class III Employee.

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

I. FINDINGS OF FACT

1. The Washington State Gambling Commission issued Thomas Lescher gambling certification No. 69-49378 authorizing Class III Employee activity for the Lummi Indian Tribe.

2. This certification, which expires on November 19, 2021, was issued subject to Lescher’s compliance with state gambling laws, Commission rules, and the Lummi Tribal-State Gaming Compact.

3. Lescher has held this certification since 2020.

4. On November 20, 2020 the WSGC received an application for Class III Certification that was submitted by Thomas M. Lescher. As part of the application process, Lescher was required to answer a series of questions related to his criminal history.

5. In response to both of the questions “Have you ever (as a juvenile or an adult)... Been convicted or jailed?” and “Have you ever (as a juvenile or an adult) Been placed on

1 | probation or community service?” Lescher marked the “no” box.¹ Within the application,
2 | Lescher signed the Oath of Applicant, which states, “I declare under penalty of perjury, under
3 | the laws of the state of Washington, that all answers and statements are true, correct and
4 | complete. I understand that untruthful or misleading answers are cause for denial of my
5 | application and/or revocation of any certification granted.”

6 | 6. On December 2, 2020, a WSGC Special Agent was assigned to conduct a post
7 | certification review of Lescher’s application. As part of the review, the Agent found that Lescher
8 | had been convicted of a crime in 2008 in Napa County, California which required him to register
9 | as a sex offender. The Agent requested certified copies of the pleadings in the case.

10 | 7. Upon receiving the case pleadings, the Agent was able to confirm that on October
11 | 16, 2008, Lescher pleaded guilty of violating PC 647.6(a), to “annoy or molest a child under
12 | 18”, a misdemeanor. The Criminal Complaint alleges Lescher did, “willfully, unlawfully, and
13 | lewdly commit a lewd and lascivious act upon and with the body and certain parts and members
14 | therefor of JANE DOE, a child under the age of fourteen years, with the intent of arousing,
15 | appealing to, and gratifying the lust, passions, and sexual desires of the said defendant”.

16 | 8. On November 14, 2008, Lescher was sentenced for violating California Penal
17 | Code 647.6(a), which states, “Every person who annoys or molests any child under 18 years of
18 | age shall be punished by a fine not exceeding five thousand dollars, by imprisonment in a county
19 | jail not exceeding one year, or by both the fine and imprisonment.”

20 | 9. Lescher was sentenced to 180 days in jail, given three years probation, and was
21 | required to register as a sex offender. The Special Agent was able to confirm that Lescher is
22 | currently registered in Whatcom County.

23 |
24 |
25 | ¹ Included within the Criminal History portion of the application is the disclaimer, “You must answer
26 | ‘YES’ if any of the above have occurred, even if charges were dismissed, deferred, or changed. Explain each
charge fully below and attach additional sheets as needed. False or incomplete information may result in
denial/revocation/administrative closure of your application.”

1 **III. ORDER**

2 This matter having come before the Commission at its May 13, 2021, 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 It is hereby **ORDERED** that Thomas Lescher’s gambling certification, Number 69-
6 49378, is **REVOKED**.

7
8 DATED this 13th day of May, 2021.

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10 _____
BUD SIZEMORE, Chair

_____ JULIA PATTERSON, Vice Chair

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12 _____
ALICIA LEVY

_____ LAUREN KING

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KRISTINE REEVES

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NOTICE

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

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

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

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

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

Washington State Gambling Commission
Legal and Records Division
4565 7th Avenue S.E., Lacey, WA
P.O. Box 42400
Olympia, WA 98504-2400

Doug Van de Brake
Attorney General's Office
1135 Washington St. SE
P.O. Box 40100
Olympia, WA 98504-0100

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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 and/or their counsel by United States Postal Service regular mail to the following:

THOMAS LESCHER
1990 FRAZIER ST APT 303
BELLINGHAM WA 98229-3789

EXECUTED this ___ day of May, 2021, at Lacey, Washington.

Ashlie Laydon
Rules Coordinator



**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

May 13, 2021

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

FROM: Adam Teal, Staff Attorney
Legal and Records Division

**SUBJECT: Makoto Childs, CR 2020-01430
Final Order – May 13, 2021 Commission Meeting**

Makoto Childs has a gambling license authorizing Public Card Room Employee activity at Club Hollywood Casino in Shoreline, Washington. His license expires on July 20, 2021.

On November 14, 2020, a WSGC Special Agent began an investigation into licensee Makoto Childs after receiving notice that his employer, Club Hollywood Casino, was investigating Childs for manipulating their player tracking system. The Agent reviewed video surveillance and compared it to a printout of the average wagers entered by Childs into the player tracking system. That review showed that over the course of two separate evenings, Childs entered either severely inflated average wagers or entered average wagers when no wagers were being placed for two separate players. Based on the information available, the Special Agent was able to determine the data entered resulted in the two players receiving \$2,834.36 of unearned points and Free Play coupons at the expense of Club Hollywood.

Director Trujillo issued Childs a Notice of Administrative Charges on February 12, 2021, by regular and certified mail to his last known address on file. Pursuant to WAC 230-17-010, a response was required to be received by the Commission by March 8, 2021. To date, the Commission has received no communication from Childs.

Makoto Childs's failure to respond to the charges or timely request a hearing is a waiver of Childs's right to a hearing in Case No. CR 2020-01430. You may take final action against his gambling license. Childs purposefully and wrongfully entered fraudulent gambling ratings into Club Hollywood's internal player tracking system, resulting in a loss of at least \$2,834.36. In doing so, he violated both RCW 9.46.1961(1)(b)(2), Cheating in the First Degree, and RCW 9A.56.040, Theft in the Second Degree. Based on his conduct, Childs cannot show by clear and convincing evidence that he is qualified to keep his gambling license. Therefore, staff recommends that the Commission sign the proposed final order and revoke Makoto Childs's Public Card Room Employee license, Number 68-34371.

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**STATE OF WASHINGTON
GAMBLING COMMISSION**

In the Matter of:

NO. CR 2020-01430

MAKOTO CHILDS,
License No. 68-34371,

FINAL ORDER OF THE
GAMBLING COMMISSION

Licensee.

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

I. FINDINGS OF FACT

1. The Washington State Gambling Commission issued Makoto Childs License No. 68-34371 authorizing Public Card Room Employee activity at Club Hollywood Casino in Shoreline, Washington.

2. This license, which expires on July 20, 2021, was issued subject to Child’s compliance with state gambling laws and Commission rules.

3. Childs has been licensed since 2017.

4. On November 14, 2020 a WSGC Special Agent received an email from Phyllis Ermey, the Regulatory Compliance Director for Club Hollywood Casino, regarding an investigation they were conducting on one of their employees. According to Ermey, Shift

1 Manager Makoto Childs was discovered to have been overrating a player, Steven Chan, through
2 Hollywood's player tracking system, Sonoma¹.

3 5. Attached to Ermeys email was a copy of Chan's Sonoma History as well as a
4 report furnished by Surveillance Manager Gregg Owens. Owen's report compared the betting
5 data entered into Sonoma by Childs to surveillance footage of Chan from the same time.

6 6. Owens broke his report into five separate time periods, beginning at 18:20 on
7 November 11, 2020, and ending when Chan stopped gambling at 03:44 on November 12, 2020.
8 Owen's report noted:

9 a. From 18:20-18:42, Chan's Sonoma History showed an average bet of \$20; the
10 surveillance showed during this time, Chan did not place any wagers.

11 b. From 18:42-18:59, Chan's Sonoma History showed an average bet of \$200; the
12 surveillance showed during this time, Chan did not place any wagers.

13 c. From 18:59-20:24, Chan's Sonoma History showed an average bet of \$200; the
14 surveillance showed Chan's wagers ranged from \$10 to \$75.

15 d. From 20:24- 00:21, Chan's Sonoma History showed an average bet of \$600; the
16 surveillance showed during this time, Chan placed numerous wagers ranging
17 from \$50 to \$200 a hand; towards the end of this time frame, Chan made about
18 seven wagers from \$200-300, four wagers of \$300, three wagers of \$600 total,
19 and one \$900 hand.

20 e. From 00:26 to 03:44, Chan's Sonoma History showed an average bet of \$600;
21 the surveillance showed during this time, Chan's wagers varied from \$15 to \$150;
22 at 02:38, Chan played a \$200 hand, a \$300 hand, and then a hand using a free
23 play coupon. Chan then ran out of money and stopped gambling at 02:45.

24 ¹ The Sonoma player tracking system allows casino management to enter information regarding the time
25 that a player spends while gambling. Managers may document metrics such as the time that player begins and
26 ends playing, the type of games that they play, and the amounts that they wager and win. Players earn points
based on this information, which they may redeem for "comps" such as free food and beverages as well as "Free
Play" coupons.

1 7. During the time that Chan was playing, he used eight free play coupons. A review
2 of Chan's Sonoma History showed that only five coupons were printed from his account. This
3 indicates that Chan was playing free play coupons that were not his.

4 8. On November 19, 2020, the Special Agent met with Owens at Club Hollywood.
5 Owens explained to the Agent the process he used to generate his report. Owens explained that
6 when he was unable to clearly see the total wager that Chan made (how many like chips were
7 stacked), he recorded the wager as a higher amount to give the benefit of the doubt that the
8 wagers were higher for a given hand.

9 9. On November 25, 2020 the Agent reviewed the remainder of the footage in
10 question. The Agent noted a few small discrepancies in Owens' report, but confirmed the
11 majority of Owens' conclusions. Using the data he collected from the review, the Agent was
12 able to determine that Chan's average bet during his time gambling was closer to \$150. The
13 Agent also noted that Chan had only gambled for a total of three hours and 38 minutes during
14 the roughly eight hours that Childs was rating him.

15 10. On November 25, 2020, the Special Agent returned to Club Hollywood to meet
16 with additional members of their management team. While there, Shift Manager Lyle
17 Westendorf told the Agent that Chan frequently came into the casino with a woman named Marie
18 Cho. Westendorf suggested the Agent look into similar ratings being entered by Child for Cho.

19 11. Richard Rivera, the Assistant General Manager, informed the Agent that he had
20 met with Childs the prior day. Childs said that he was rating Chan because, "I was trying to take
21 care of a good player." Rivera terminated Childs after their meeting. Shortly after being
22 terminated, Childs sent Rivera a text message that read, "thank you for everything I'm sorry I let
23 you down."

24 12. The Special Agent received an email from Regional Surveillance Manager Chris
25 Oberg, who prepared a similar report to the one that Owens had drafted, this time comparing the
26

1 Sonoma History of Marie Cho to surveillance footage of her gambling. Oberg's report outlined
2 the following:

3 a. On November 10, 2020, Westendorf logged Cho into Sonoma at 18:30, and then
4 he left the pit at the end of his shift 11 minutes later, being replaced by Childs².
5 During her time, Cho was rated with an average bet of \$200 from 20:49-00:52,
6 but was not at a table. Cho had the same \$200 rating during the entire evening,
7 but never reached that average bet.

8 b. On November 11, 2020, Cho was rated at \$177 a hand from 18:59-00:59, but had
9 only bought in for \$105, and seemed to average between \$5 and \$20 per hand
10 actually wagered. Childs handed Cho multiple Free Play coupons during this
11 time, which she wagered with. Cho was rated with an average bet between \$100
12 and \$200 that evening, with surveillance showing she again never reached that
13 average.

14 c. On November 12, 2020, Childs recorded Cho with an average bet between \$100
15 and \$150 per hand from 18:45-00:18; surveillance showed that during this time
16 Cho only made wagers between \$7 and \$60 per hand.

17 13. The Agent independently reviewed the surveillance footage of Cho, comparing it
18 with Cho's Sonoma History. Again, the Agent found small discrepancies in Club Hollywood's
19 report, but was able to confirm that Cho's numbers had been grossly inflated.

20 14. On January 7, 2021, the Agent spoke with Kevin Crum, the Managing Partner for
21 ABS Business Data, the company that owns Sonoma. Crum walked the Agent through how
22 Sonoma determines the "points" that it awards players, as well as how Free Play coupons are
23 awarded.

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25
26 ² All subsequent data for Cho during this time was logged in to Sonoma as Westendorf, but surveillance shows that he was not present, and that Childs was working and had access to Sonoma.

1 15. Based on the information provided by Crum, the Agent created a spreadsheet to
2 outline how many additional points and Free Play coupons Chan and Cho had received as a result
3 of Childs' inflation of their average bet numbers. Based on the information that he collected,
4 the Agent was able to conclude that Childs' actions resulted in a total of \$2,834.36 of unearned
5 points and Free Play coupons that Club Hollywood lost.

6 16. On January 7, 2021, Childs met with the Special Agent at Red Dragon Casino in
7 Mountlake Terrance for an interview. Childs acknowledged that he was "more lenient" with
8 average bet ratings than he was supposed to be, and that he didn't think it "was that serious." He
9 also noted that he had been over-rating players, "for a while."

10 17. Childs told the Agent that he accepted food gifts from both Chan and Cho one or
11 two times a week. He explained that the additional Free Play coupons that he was observed
12 issuing to the players were likely printed out for other players and left on the pit podium. Childs
13 also acknowledged that he had falsely rated Cho for a period of over eight hours, and that it was
14 not okay.

15 18. In a written statement that Childs provided to the Agent, Childs noted that, "I
16 know what I did was wrong," and that he was doing it to "take care" of the customers. Childs
17 stressed that his intention was to help the company by satisfying customers, not hurt it.

18 19. Director David Trujillo issued administrative charges on February 12, 2021
19 alleging that Childs's actions constituted a violation of RCW 9.46.1961(1)(b)(2), RCW
20 9A.56.040(1)(a)(2), and WAC 230-15-425(2). Further, that Childs could not show by clear and
21 convincing evidence that he was qualified for licensure as required by RCW 9.46.153(1), and
22 that his actions warranted revocation of his license pursuant to RCW 9.46.075(1), (2), and (8),
23 and WAC 230-03-085(1), (3), and (9)(a).

24 20. Childs was sent the charges by regular and certified mail on February 12, 2021 to
25 the last address the Gambling Commission had on file.
26

1 21. Pursuant to WAC 230-17-010, a response was required to be received by the
2 Commission by March 8, 2021. To date, the Commission has received no communication from
3 Childs.

4 II. CONCLUSIONS OF LAW

5 1. Makoto Childs received proper notice of the charges within three days of
6 February 12, 2021 via regular and certified mail, pursuant to RCW 34.05.413 RCW 34.05.434,
7 WAC 230-17-005, WAC 230-17-010, and WAC 10-08-130.

8 2. The Commission can take final action against Makoto Childs's gambling license
9 under Case Number CR 2020-01430 pursuant to RCW 9.46.075, RCW 34.05.440(1), RCW
10 34.05.461, and WAC 230-03-085.

11 3. Makoto Childs's license should be revoked under Case Number CR 2020-01430
12 pursuant to RCW 9.46.075, RCW 9.46.153(1), RCW 34.05.440(1), RCW 34.05.461, and WAC
13 230-03-085.

14 III. ORDER

15 This matter having come before the Commission at its May 13, 2021, Commission
16 meeting, the Commissioners having heard arguments, been given the chance to review the
17 administrative record, and being fully advised in this matter, now therefore:

18 It is hereby **ORDERED** that Makoto Childs's gambling license, Number 68-34371, is
19 **REVOKED**.

20 DATED this 13th day of May, 2021.

21
22 _____
BUD SIZEMORE, Chair

_____ JULIA PATTERSON, Vice Chair

23
24 _____
ALICIA LEVY

_____ LAUREN KING

25
26 _____
KRISTINE REEVES

1 **NOTICE**

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

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

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

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

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

18 Washington State Gambling Commission
19 Legal and Records Division
20 4565 7th Avenue S.E., Lacey, WA
21 P.O. Box 42400
Olympia, WA 98504-2400

Doug Van de Brake
Attorney General's Office
1135 Washington St. SE
P.O. Box 40100
Olympia, WA 98504-0100

CERTIFICATE OF SERVICE

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

MAKOTO CHILDS
20220 60TH W APT 7
LYNNWOOD WA 98036

EXECUTED this ____ day of May, 2021, at Lacey, Washington.

Ashlie Laydon
Rules Coordinator



Staff Proposed Rule-Making

Chapter 230-15 WAC- Updated Rules Regarding Card Games

May 2021 – Final Action
 March 2021 – Discussion & Possible Filing
 July 2020 – Initiate Rule-Making

Tab 5: MAY 2021 Commission Meeting Agenda. **Statutory Authority 9.46.070**

Who Proposed the Rule Change?

Washington State Gambling Commission Staff

Background

BOLD = Changes made after March 2021 Commission meeting.

At the July 2020 meeting, Commissioners initiated rule-making to update rules related to card games for reasons described below. **At the March 2021 meeting, Commissioners chose to file draft language for further discussion. Today, this language is before you for final action.**

The language looks to amend:

- WAC 230-15-030- Authorized nonhouse-banked card games, to outline requirements for approval for a nonhouse-banked card game other than those listed in the rule,
- WAC 230-15-035- Authorizing new games or changing game rules, to specify the process for authorizing new games or changing existing game rules,
- WAC 230-15-040- Requirements for authorized card games, to:
 - Specify that this rule applies to house-banked card games,
 - Specify requirements for authorized house-banked card games to include limiting and defining “wagering areas,” removes the limit on the number of separate games within a single hand of cards, identifies house jackpots as a “separate game”, and amends rule to allow features that were previously authorized,
- WAC 230-15-055- Limit on number of players at each table, to clarify that only one player can place a wager in a wagering area,
- WAC 230-15-060- Posting rules for play, to clarify requirements for posting rules of play,
- WAC 230-15-065- Enforcement of card game rules of play, to clarify (2) “Second Priority” rules,
- WAC 230-15-140- Wagering limits for house-banked card games, to clarify where wagers are placed and wagers already allowed, such as tip wagers, and as approved in the game rules,
- WAC 230-15-141- Additional merchandise or cash prizes for card games, to clarify our current processes and simplify language,
- WAC 230-15-455- Keeping funds to pay prizes, to make language more concise and to move language to WAC 230-15-720, Deposit and reconciliation requirements for progressive jackpot prizes, where it is more applicable,

- WAC 230-15-490- Aggregate payout limits for odds-based prizes, to define “aggregate payout limits” and describe how aggregate payouts are calculated,
- WAC 230-15-491- Limiting payouts to dealers for tip or “toke” wagers for odds-based payouts, to be consistent with amendments made to WAC 230-15-490,
- WAC 230-15-680- Operating progressive jackpot prizes, to clarify how to operate progressive jackpot prizes,
- WAC 230-15-685- Restrictions on progressive jackpots, to clarify restrictions when operating “connected” progressive jackpots,
- WAC 230-15-695- Adjusting progressive jackpot amounts, to clarify responsibilities of licensees when adjusting progressive jackpot amounts,
- WAC 230-15-700- Merchandise prizes for progressive jackpots, to clarify when and how licensees may offer merchandise prizes on progressive jackpot card games,
- WAC 230-15-710- Permanently removing a progressive jackpot or a portion of a progressive jackpot from play, to detail the process for removing a progressive jackpot from play,
- WAC 230-15-715- Tax authorities seizing all, or a portion, of a progressive jackpot, to add clarifying language,
- WAC 230-15-720- Deposit and reconciliation requirements for progressive jackpot prizes, to clarify deposit and reconciliation requirements for responsibilities of licensees operating progressive jackpot prizes.

Repeal:

- WAC 230-15-105- Only authorized cards or chips may be used, because it contradicts other rules (WAC 230-15-100 & WAC 230-15-110), and
- WAC 230-15-705- Temporarily removing a progressive jackpot from play, because guidance for permanently removing a progressive jackpot is provided in WAC 230-15-710,

And adopt:

- WAC 230-15-671- Jackpot prizes, to provide clarity and requirements for types of authorized jackpots.

House-banked card game licensees may offer and operate “jackpot” prizes with approved house-banked card games. However, rules are needed to define “jackpot” prizes and outline operational requirements for jackpot prizes, including rules related to: 1) progressive jackpots, and 2) house jackpots.

Current rules will need to be amended and possibly new rules added to clarify the different jackpot prizes authorized, how they are to be operated; including restrictions, enforcement, minimum cash on hand and payments, adjustments, and removal of jackpot prizes offered.

Along with updating our rules regarding jackpot prizes, we would like to update other rules related to card games, such as authorizing new and changes to existing card game rules, requirements for card games, wagering, adding merchandise and cash to card games, minimum cash on hand requirements, paying out prizes for card games, and maintaining funds to pay jackpot prizes and odds-based games.

Stakeholder Outreach and Feedback

Staff will reach out to house-banked card game licensees and card game owners during rule-making to seek their input in updating our rules. Draft language was sent out to all house-banked card room licensees and to manufacturers and distributors of card games and/or equipment on December 24, 2020. A stakeholder meeting was convened on January 13, 2021. Additional edits were made to language based on stakeholder feedback received during and following this meeting. The current proposed language was recirculated to interested stakeholders on February 2, 2021 and no further suggested edits or comments have been received.

Stakeholders in favor of the language before you today:

- David Mathews, Gaming Operations, Last Frontier Casino
- Victor Mena
- Erika DiNapoli, Senior Product Compliance Engineer, Scientific Games

No additional comments were received since our March public meeting and no stakeholders have voiced opposition to staff's proposed rule changes.

Staff Recommendation

31 days after filing with the Office of the Code Reviser – expected on or about June 14, 2021.

AMENDATORY SECTION (Amending WSR 14-17-053, filed 8/15/14, effective 9/15/14)

WAC 230-15-030 Authorized nonhouse-banked card games. (1) The following nonhouse-banked card games are authorized:

- (a) Poker;
- (b) Hearts;
- (c) Pinochle;
- (d) Cribbage;
- (e) Rummy;
- (f) Panguingue (Pan);
- (g) Pitch; and
- (h) Bid Whist (~~;~~ and

~~(i) Other games approved by the director or the director's designee).~~

(2) Card (~~(game)~~) room licensees must operate these games in the manner explained in the most current version of *The New Complete Hoyle, Revised* or *Hoyle's Modern Encyclopedia of Card Games*, or similar authoritative book on card games we have approved, or when operated as described in the commission approved game rules on our website. Card (~~(game)~~) room licensees may make immaterial modifications to the games.

(3) Authorization of a nonhouse-banked card game other than those listed in subsection (1) of this section requires approval from the director or director's designee. In order for a nonhouse-banked card game to be authorized, it must:

(a) Be played with standard playing cards. Authorized card games may:

- (i) Use more than one deck of cards; and
- (ii) Remove cards to comply with rules of a specific game.
- (b) Not allow side bets between players; and
- (c) Describe player requirements. Players must:

(i) Compete solely as a player in the card game; and
(ii) Compete against all other players on an equal basis; and
(iii) Receive their own hand of cards and be responsible for decisions regarding such hand, such as whether to fold, discard, draw additional cards, or raise the wager.

(d) Require the player's win or loss to be determined during the course of play of a single deal of cards.

(4) Approved game rules under subsection (3) of this section will be posted on the commission's website. Licensee's must operate these games as described in the commission approved game rules on our website.

AMENDATORY SECTION (Amending WSR 08-21-086, filed 10/14/08, effective 1/1/09)

WAC 230-15-035 Authorizing new games or changing game rules.

~~((Card game licensees must operate only the card games the director or the director's designee has specifically authorized.))~~ All new card games and changes to existing card games must be approved by the director or director's designee prior to implementation at a card room licensee. The director or the director's designee authorizes each new

card game or changes to existing card games on an individual basis. A list of all authorized games and the rules of play are available ~~((at all commission offices and))~~ on the commission website.

(1) ~~((Card game))~~ Licensees approved to market, sell, rent, or otherwise supply card games to card room licensees must submit, in the format we require, requests for:

(a) ~~((Requests for))~~ Authorizing new card games ~~((in the format we require)); and~~

(b) Changes to ~~((an))~~ existing card games in writing.

(2) The director or the director's designee will notify the licensee in writing if the request is approved or denied. The notification for denial will include reasons for the denial and provide the licensee all information necessary to file a petition to the commission for rule making.

(3) Card room licensees must operate only the card games the director or the director's designee has specifically authorized.

AMENDATORY SECTION (Amending WSR 14-05-056, filed 2/14/14, effective 3/17/14)

WAC 230-15-040 Requirements for authorized house-banked card games. ~~((+))~~ In order for a house-banked card game to be authorized, it must be approved by the director or the director's designee and must:

~~((+))~~ (1) Be played with standard playing cards or with electronic card facsimiles approved by the director or the director's designee ~~((; and~~

~~((b))~~ Offer no more than four "separate games" with a single hand of cards and no more than three of the "separate games" may offer a wager that exceeds five dollars each).

~~((i))~~ Authorized house-banked card games may:

(a) Use more than one deck of cards; and

(b) Remove cards to comply with rules of a specific game; and

(2) Limit the number of wagering areas to nine or less.

(a) "Wagering area" means identified areas on the layout to place wagers;

(b) All wagering areas must be identical to each other; and

(3) Identify all separate games in the card game:

(a) "Separate game" means each individual objective to be achieved within a card game that requires a separate wager and results in a distinct and separate pay out based upon the outcome ~~((; and~~

~~((ii))~~ Progressive jackpots are considered "separate games."

(b) Separate games may incorporate bonus features; and

(c) Progressive jackpots and house jackpots are considered separate games; and

(4) Describe player requirements. Players must:

(a) Compete solely as a player in the card game, except as authorized in the approved card game rules for variations of Pai Gow poker where a player may bank the game every other hand; and

(b) Receive their own hand of cards and be responsible for decisions regarding such hand, such as whether to fold, discard, draw additional cards, or raise the wager except for separate games that:

(i) Use cards shared by all players (i.e., community cards); or

(ii) Allow players to wager on the outcome of the dealer's hand;
or
(iii) Allow players to win a prize if any players' hand, including the dealer's hand, achieves a predetermined outcome at the same table; and
(5) Identify (")bonus features(") to be allowed in each (eard) separate game:
((i)) (a) "Bonus feature" means an (added prize and/or variation based on achieving the predetermined specific hand required to win the prize and does not require a separate wager. More than one "bonus feature" may be offered per card game. A "bonus feature" must not be combined with a progressive jackpot. Examples include, but are not limited to, "envy" and "share the wealth" "bonus features" when) opportunity within a separate game whereby a player may win additional prizes. Bonus features must be operated as described below((-)):
((ii) A ") (i) A bonus feature(") is not considered a separate game((-))
(d) Operate "envy" and "share the wealth" "bonus features" as follows:
(i) If a player makes a wager that qualifies for an "envy" "bonus feature" pay out, they are entitled to); and
(ii) Players must not place wagers on bonus features. However, players may be required to place a minimum wager on a separate game to qualify for a bonus feature; and
(iii) Players may receive a prize if their hand or another player's hand at the same table achieves ((the)) a predetermined specific hand. If a player is playing more than one wagering area ((or if a hand they are playing is split into two or more hands)) and any one of their hands achieves the predetermined specific hand, their other hand with a qualifying wager is entitled to receive a prize also((-))
(ii) If a player makes a wager that qualifies for a "share the wealth" pay out, they are entitled to receive a prize if their hand(s) or another player's hand(s) achieves the predetermined specific hand. (e)); and
(iv) A bonus feature cannot be a progressive jackpot; and
(6) Not allow side bets between players((-))
(2) Card game licensees may use more than one deck of cards for a specific game. They also may remove cards to comply with rules of a specific game, such as Pinochle or Spanish 21.
(3) Players must:
(a) Compete against all other players on an equal basis for non-house-banked games or against the house for house-banked games. All players must compete solely as a player in the card game, except as authorized in approved card game rules for variations of the game of Pai Gow poker where a player may bank the game every other hand; and
(b) Receive their own hand of cards and be responsible for decisions regarding such hand, such as whether to fold, discard, draw additional cards, or raise the wager; and
(c) Not place wagers on any other player's or the house's hand or make side wagers with other players, except for:
(i) An insurance wager placed in the game of Blackjack; or
(ii) "Envy" or "share the wealth" "bonus features"; or
(iii) A tip wager made on behalf of a dealer.
(4) Mini-Baccarat is authorized when operated as described in the commission approved game rules on our web site. However:
(a) Card game licensees may make immaterial modifications to the game; and

~~(b) Subsection (3) of this section does not apply; and
(c) The number of players is limited under WAC 230-15-055.
(5-); and~~

(7) Use only authorized gambling equipment; and

(8) A player's win or loss must be determined during the course of ((play of)) a single ((card game,)) deal of cards except for:

(a) A carryover pot game. A carryover pot is an optional pot that accumulates as a dealer and participating players contribute to the pot. The winner of the pot is not necessarily determined after one game and the pot can be carried over to more than one game. Carryover pots must not carryover more than ten games. Participants must include at least one player and the dealer competing for the highest qualifying winning hand. Game rules must state how the pot is distributed. If the carryover pot has not been won by the tenth game, the dealer will divide it equally between the remaining players still participating in the pot and the house or, if allowed by game rules, only the players still participating in the pot; and

(b) In the game of Mini-Baccarat, a player may make an optional wager on the player hand winning the next three consecutive games, or the banker hand winning the next three consecutive games.

AMENDATORY SECTION (Amending WSR 15-15-065, filed 7/10/15, effective 8/9/15)

WAC 230-15-055 Limit on number of players at each table. Card ((game)) room licensees must only allow:

(1) Up to nine players ((or areas for wagering)) at any table in house-banked card games.

(a) Only one player can place a wager in a wagering area.

(b) This section does not apply to Mini-Baccarat when the game is operated without any modification according to the nonpatented approved game rules posted on the agency's website ((and without any modifications as allowed in WAC 230-15-040)).

(2) Up to ten players at any table in nonhouse-banked card games.

AMENDATORY SECTION (Amending WSR 07-09-033, filed 4/10/07, effective 1/1/08)

WAC 230-15-060 Posting rules for play. Card ((game)) room licensees must:

(1) Prominently post:

(a) Wagering limits for each type of game, including ((the ante)) all fees to play; and

(b) ((Prize pay outs)) Jackpot prize amounts and any prize-related restrictions; and

(c) All ((fees to play)) odds-based and fixed prizes; and

(d) Policies on employees being allowed to play; and

(e) Procedures for resolving player disputes; and

(2) Prominently post any general rules, or a sign stating that these rules are available immediately on request. These rules must include, at least:

- (a) Rules of play; and
- (b) ~~((Methods of making wagers; and~~
- ~~(c) Procedures for misdeals; and~~
- ~~(d) Procedures for betting irregularities; and~~
- ~~(e) Procedures for splitting pots; and~~
- ~~(f))~~ Internal controls related to the operation of card games;

and

(c) Any rules that may restrict a player's right to win a hand, pot, or jackpot prize; and

(3) Post at the gambling table any aggregate payout limits, procedures, or restrictions that differ from the general rules of play that have been posted.

AMENDATORY SECTION (Amending WSR 07-10-034, filed 4/24/07, effective 1/1/08)

WAC 230-15-065 Enforcement of card game rules of play. Card ~~((game))~~ room licensees must conduct card games according to the approved rules of play. We enforce rules of play in the following order:

(1) **First priority:** Rules explained in Title 230 WAC; and

(2) **Second priority:** ~~((Rules explained by a licensed manufacturer of a patented game))~~ Proprietary and nonproprietary game rules explained on the commission website that we have approved; and

(3) **Third priority:** House rules card ~~((game))~~ room licensees have developed and we have approved; and

(4) **Fourth priority:** Rules explained in the most current version of *The New Complete Hoyle, Revised* or *Hoyle's Modern Encyclopedia of Card Games*, or a similar authoritative book on card games which we have approved.

AMENDATORY SECTION (Amending WSR 08-20-025, filed 9/19/08, effective 1/1/09)

WAC 230-15-140 Wagering limits for house-banked card games. (1) A single wager ~~((or a bonus wager for an odds-based pay-out))~~ must not exceed three hundred dollars.

(2) A player may make a single wager for each decision before the dealer deals or reveals additional cards. ~~((For Blackjack, the player may place an additional wager for doubling down or splitting pairs.~~

~~(3) Bonus wagers for progressive jackpots must not exceed manufacturer's rules or limits listed in subsection (1) of this section.))~~ Wagers must be placed on the table layout on an approved betting spot, except for:

(a) In Blackjack games, players may place an additional wager next to their original wager when doubling down or splitting pairs; or

(b) Tip wagers made on behalf of a dealer; or

(c) As authorized in approved card games rules.

AMENDATORY SECTION (Amending WSR 08-17-066, filed 8/18/08, effective 9/18/08)

WAC 230-15-141 Additional merchandise or cash prizes for card games.

Nonproprietary games.

(1) Card room licensees may add additional merchandise or cash prizes to nonproprietary games like Blackjack or Pai Gow. We consider these additional prizes a gambling promotion and they must meet all requirements of WAC 230-06-030.

Proprietary games.

(2) Card room licensees must not add additional merchandise or cash prizes to proprietary games without the approval of the company that owns the rights to the games. ~~((3) To indicate their approval, the owner of the rights to a proprietary game must:~~

~~(a) Submit an alternative pay-table that includes the additional or revised prize payout to us for review and approval; or~~

~~(b) Send an authorization letter to us allowing the addition of gambling promotions to their game.~~

~~(4) Once we approve the changes, the revised pay-tables are available to all card game licensees. The prizes become a part of the game rules and we consider them prize payouts on the game. Because of this, we do not consider the prizes a gambling promotion.)~~ Any additional prizes approved by the company that owns the rights to the game will be considered a gambling promotion and they must meet all requirements of WAC 230-06-030.

AMENDATORY SECTION (Amending WSR 09-15-070, filed 7/13/09, effective 1/1/10)

WAC 230-15-455 Keeping funds to pay prizes ~~((, progressive jackpot prizes, and odds-based wager prizes)).~~ ~~((1))~~

~~((game))~~ room licensees must ensure that they have sufficient funds available to redeem all chips and pay out all prizes ~~((,))~~ including, but not limited to, progressive jackpot prizes, house jackpot prizes, and odds-based ((wager)) prizes. ~~((An "odds-based wager" means a wager where the player wins an amount over and above the amount he or she wagered if a fixed pattern or combination of cards occurs, for example, a royal flush, four aces, or a pair.~~

~~(2) Licensees must not offer card games until they have met all of these requirements:~~

~~(a) Progressive jackpot prizes.~~

~~(i) Keep a separate bank account for progressive jackpot prizes. The account must be kept in a bank, mutual savings bank, or credit union located in Washington state;~~

~~(ii) Deposit all funds accrued for progressive jackpot prizes at least weekly; and~~

~~(iii) If the prize bank account is reduced below the level required, licensees must immediately stop operating games until they are in compliance.~~

~~(b) Odds-based wager prizes.~~

~~(i) Licensees offering more than one individual odds-based wager prize greater than twenty-five thousand dollars must keep an amount equal to the second highest odds-based wager prize offered in a bank, mutual savings bank, or a credit union located in Washington state; or possess a verifiable line of credit from a Washington state financial institution for at least the amount required; and~~

~~(ii) Use the highest wager they allow to calculate the individual odds-based wager prize amount to determine the amount for this requirement.~~

~~(3) Licensees may limit pay outs by using table and/or individual player aggregates.~~

~~(4) A licensee's failure to keep funds as required in this rule is prima facie evidence of defrauding the public and a)) Failure to keep funds to cash in chips, pay prizes, or redeem gambling related checks is prima facie evidence of fraud and in violation of RCW 9.46.190.~~

AMENDATORY SECTION (Amending WSR 07-09-033, filed 4/10/07, effective 1/1/08)

WAC 230-15-490 ((Limiting pay outs for odds-based wagers.)) Aggregate payout limits for odds-based prizes. ~~((1) House-banked card game licensees may create pay out limits for odds-based wagers made in card games.~~

~~(2) Licensees may limit the pay out for odds-based wagers if we approve all pay out limits and their procedures for computing limits.~~

~~(3) Individual players' winnings must not be less than the higher of:~~

~~(a) The maximum wager allowed for the game times the highest odds offered up to fifty to one (50 to 1). For example: If the maximum wager is one hundred dollars (\$100) and the odds are fifty to one (50 to 1); then the per player limit is five thousand dollars (\$100 x 50 = \$5,000); or~~

~~(b) The house minimum required wager for the game times the highest odds offered for any wager in the game. The "minimum required wager" means the least amount a player must wager in order to win. For example: If the minimum required wager is ten dollars (\$10) and the maximum odds are one thousand to one (1,000 to 1); then the per player limit is ten thousand dollars (\$10 x 1,000 = \$10,000).~~

~~(4) Table limits (aggregate pay out) must not be less than two times the individual player limit, as computed in subsection (3) of this section; and~~

~~(5) Licensees must clearly disclose all procedures for computing any per player or table limit (aggregate pay outs). This explanation must be available to players in a brochure or other printed material.) (1) House-banked card room licensees may impose aggregate payout limits if we approve for odds-based prizes.~~

~~(2) "Aggregate payout limit" means the maximum payout by a licensee to one or more players as the result of winning wagers from a single deal of cards.~~

~~(3) Aggregate payout limits must not be:~~

~~(a) Combined with different types of odds-based prizes; and~~

~~(b) Less than the maximum wager allowed for the game times the highest odds offered up to fifty to one. For example, if the maximum~~

wager is three hundred dollars and the highest odds offered are five thousand to one, the aggregate payout limit cannot be less than fifteen thousand dollars (three hundred dollars times fifty); and

(c) Imposed upon any odds-based prize where the highest payoff odds on a winning wager are less than fifty to one; and

(4) All aggregate payout limits must be prominently displayed on the table layout or a sign placed on the table.

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

WAC 230-15-491 Limiting payouts to dealers for tip or "toke" wagers for odds-based payouts. (1) A "toke" is a wager made by a player as a tip for the dealer and it is treated as a separate bet.

(2) House-banked card (~~(game)~~) room licensees may:

(a) Establish a separate, individual limit on the amount of the payout on a toke for odds-based payouts within the requirements of WAC 230-15-490; and

(b) Restrict the types of wagers tokens are allowed on and the amounts of tokens.

(3) Tokens are not included in the calculation of the (~~(player or table)~~) aggregate payout limits.

AMENDATORY SECTION (Amending WSR 07-09-033, filed 4/10/07, effective 1/1/08)

WAC 230-15-680 Operating progressive jackpot prizes. House-banked card (~~(game)~~) room licensees may operate progressive jackpot prizes with certain approved house-banked card games.

(1) To participate in a progressive jackpot, a player places a separate wager, part of which accrues to the progressively increasing prize.

(2) (~~(Manufacturer's)~~) The company that owns the rights to the approved game rules must determine or establish the:

(a) Winning patterns or combinations of cards to win the progressive jackpot prize(s); and

(b) Pay tables to include a description of any fixed payouts, odds-based payouts, or percentage-based payouts of the total prize amount displayed.

(3) Licensees must offer a primary jackpot prize and may (~~(have a)~~) also offer secondary (~~(or reserve)~~) jackpot prizes.

(4) Licensees must (~~(adequately disclose to players the)~~) conspicuously and prominently disclose at the gaming table all prizes available and how they are won.

(5) Licensees must ensure that they closely control progressive jackpot games and account for all the funds collected.

(6) Licensees may take a portion of each progressive bet to be retained in the progressive account for the purposes of reseeding primary and secondary jackpot prizes after they are won.

AMENDATORY SECTION (Amending WSR 15-21-005, filed 10/8/15, effective 11/8/15)

WAC 230-15-685 Restrictions on progressive jackpots. House-banked card ~~((game))~~ room licensees operating progressive jackpots must follow these restrictions and procedures:

(1) Progressive jackpot funds must accrue according to the rules of the game ~~((; and))~~.

(2) At each gambling table, licensees must prominently post the amount of the progressive jackpot that players can win ~~((; and))~~ along with any associated pay tables.

~~(3) ((Licensees must record the beginning amount of each progressive jackpot offered, including explanations for any increases or decreases in the prize amount offered. Licensees must keep this documentation with the progressive jackpot records; and~~

~~(4))~~ Licensees may establish a maximum limit on a progressive jackpot prize. If licensees establish a limit, they must make the amount equal to, or greater than, the amount of the jackpot when they imposed the limit. They must prominently post a notice of the limit at or near the game ~~((; and))~~.

~~((5))~~ (4) Licensees may connect progressive jackpots. Progressive jackpots are considered "connected" when jackpot prize displays at gaming tables incrementally increase at the same time after players place jackpot wagers. Connected progressive jackpot displays must show the same prize amounts. Licensees may only connect progressive jackpots:

(a) When offered on the same card game on multiple tables within the same licensed location ~~((-~~

~~(6) Licensees may connect progressive jackpots))~~; or

(b) When offered on different card games on multiple tables within the same licensed location when the following requirements are met. Only one progressive jackpot may be operated on a card game at a time and the card games must have:

~~((a))~~ (i) The same probability of winning the jackpot prize; and

~~((b))~~ (ii) The same winning hand ~~((; and~~

~~(c) A progressive meter on each table that increases incrementally each time a wager is made))~~.

~~((7))~~ (5) When gambling equipment will allow a progressive jackpot between different manufacturers, the gambling equipment must be submitted for testing for interoperability in accordance with WAC 230-06-050.

AMENDATORY SECTION (Amending WSR 10-17-089, filed 8/16/10, effective 1/1/11)

WAC 230-15-695 Adjusting progressive jackpot amounts. House-banked card ~~((game))~~ room licensees must not reduce the amount of a progressive jackpot prize accrued or displayed except for the following reasons:

(1) To reduce the primary or secondary jackpot(s) and the ~~((ad-~~ vertised)) displayed amount by the amount won; or

(2) To correct an amount displayed incorrectly because of malfunctioning equipment; or

(3) To correct the display when the amount displayed is greater than the predetermined maximum prize limit; or

(4) To reduce ((a reserve or secondary jackpot)) the progressive account for nondisplayed prizes as long as they record the funds removed as gross receipts and properly documented that in their records; or

(5) To reduce ((a reserve or secondary jackpot)) the progressive account or displayed amount to recover seed money ((that was not taken from gross receipts, if they properly document those funds in their records)); or

(6) ((To reduce the jackpot by the dollar amount they paid for merchandise they award as prizes.

~~(7) To reduce a reserve or secondary jackpot to immediately seed a different progressive jackpot if the licensee properly documents this transfer in their records.))~~ Any adjustment to the progressive account or displayed prizes must be properly documented in card room records.

AMENDATORY SECTION (Amending WSR 07-09-033, filed 4/10/07, effective 1/1/08)

WAC 230-15-700 Merchandise prizes for progressive jackpots.

House-banked card ((game)) room licensees ((offering merchandise prizes for progressive jackpots)) may use only nondisplayed progressive jackpot funds to purchase merchandise prizes to be offered on a progressive jackpot game in lieu of fixed prizes as set out in the approved pay table for the card game as posted on the commission's website. The merchandise purchased must be of equal or greater value to the fixed prizes offered in approved pay tables. Licensees must:

(1) Obtain approval from the company that owns the rights to the progressive jackpot card game to offer merchandise prizes; and

(2) Submit internal controls for review and approval; and

(3) Own the merchandise prizes and pay for them in full, without lien or interest of others, before they award the merchandise as prizes. If the winner has an option to receive a cash prize instead of the merchandise, licensees may enter into a contract to immediately purchase a merchandise prize after the winner chooses their option; and

~~((2) Disclose that they used))~~ (4) Prominently post a notice at the progressive jackpot gaming table describing:

(a) A specific portion of the jackpot funds were used to buy merchandise to be awarded as prizes, as well as the specific merchandise prizes to be awarded; and

~~((3) Disclose))~~ (b) The value of the merchandise they plan to award. This value must be accurate and verifiable; and

~~((4) Award the merchandise on the specific outcome of a game and include the outcome in the game rules))~~ (c) The predetermined designated hand needed to win the merchandise prize; and

(d) Fees or restrictions associated with ownership of the merchandise prize; and

(5) Display merchandise prize or an accurate description or photograph of the merchandise prize for the public to view; and

~~((5))~~ (6) Keep detailed records, including the purchase invoice, on premises and make them available for our review.

AMENDATORY SECTION (Amending WSR 07-09-033, filed 4/10/07, effective 1/1/08)

WAC 230-15-710 Permanently removing a progressive jackpot ~~((or a portion of a progressive jackpot)) game from play.~~ ~~((1))~~ Players have a vested interest in the ~~((posted or advertised))~~ displayed progressive jackpot prize.

~~((2))~~ (1) House-banked card room licensees must not remove a progressive jackpot game from play without written approval. Licensees must:

(a) Submit a detailed distribution plan to us in writing and receive written approval before removing any progressive jackpot prizes from play; and

(b) Prominently post a notice and the approved distribution plan at the progressive jackpot gambling table, including if they plan to close the business, at least ten days before they begin the process of removing the jackpot and distributing the funds; and

(c) ~~((Distribute the funds in one or more of the following ways:~~

~~(i) Offering the prize on a different house-banked game; or~~

~~(ii) Offering the prize in an approved free tournament in which funds must be distributed within sixty days from the date of approval; or~~

~~(iii) Donating the money to the Washington State Council on Problem Gambling.)~~ Not make any changes to the approved distribution plan after it is posted at the progressive jackpot gambling table without written approval from us.

(2) Licensees must distribute the amount of the posted progressive jackpot prizes using one of these authorized methods:

(a) Transfer the progressive jackpot prize to a different house-banked progressive jackpot game; or

(b) Give away the progressive jackpot prize through an approved gambling promotion within sixty days of the effective date of the distribution plan. Licensees must:

(i) Operate the gambling promotion on the same game the funds were collected on; and

(ii) Receive approval from the owner of the game in accordance with WAC 230-15-141; or

(c) Offer the progressive jackpot prize in an approved free tournament on the same progressive jackpot game the funds were collected on within sixty days of the effective date of the distribution plan; or

(d) Donate the money to a nonprofit gambling organization in Washington state.

AMENDATORY SECTION (Amending WSR 07-09-033, filed 4/10/07, effective 1/1/08)

WAC 230-15-715 Tax authorities seizing all, or a portion, of a progressive jackpot. If a taxing authority seizes jackpot funds, the house-banked card (~~(game)~~) room licensee must immediately cease operating the progressive jackpot game and collecting funds for the progressive jackpot until the amount that was posted as the prize has been replaced in the bank account. Licensees may either replace (~~(reserve or secondary funds)~~) nondisplayed prizes retained in the progressive account that were seized or record the funds as gross receipts.

AMENDATORY SECTION (Amending WSR 10-11-087, filed 5/17/10, effective 7/1/10)

WAC 230-15-720 Deposit and reconciliation requirements for progressive jackpot prizes. (1) House-banked card (~~(game)~~) room licensees must deposit all progressive jackpot funds in a separate bank account at least weekly. The account must be kept in a bank, mutual savings bank, or credit union located in Washington state. If the progressive bank account is reduced below the progressive jackpot prize posted at the gambling table, licensees must immediately stop operating the progressive game until they are in compliance.

(2) Licensees must:

(a) Keep a record of all deposits; and

(b) For each progressive jackpot prize, identify the deposits by game name (~~(and number)~~) and dates of collection; and

(c) Maintain validated deposit slips as part of their records or have online access to their progressive jackpot prize bank accounts.

(3) (~~(At the end of the month,)~~) Licensees must:

(a) Reconcile the account balance with the bank statement to the progressive jackpot fund balances. "Reconcile" means the licensee must compare the two balances, resolve any differences, and document the comparison and the differences in writing; and

(b) Complete the reconciliation within seven days following the end of the month; and

(c) Keep the reconciliation as part of their records.

REPEALER

The following sections of the Washington Administrative Code are repealed:

WAC 230-15-105 Only authorized cards or chips may be used.

WAC 230-15-705 Temporarily removing a progressive jackpot from play.

NEW SECTION

WAC 230-15-671 Jackpot prizes. House-banked card room licensees may offer and operate "jackpot" prizes with approved house-banked card games.

(1) "Jackpot" prizes are cash prizes displayed at house-banked card game tables. Jackpot prizes are won by achieving a predetermined specific hand. There are two types of "jackpot" prize schemes:

(a) **Progressive jackpots:** A jackpot prize which increases in real-time based on each wager placed. Licensees must:

(i) Collect players' wagers to allocate towards a separate progressive jackpot prize. Approved game rules determine how a progressive jackpot accrues; and

(ii) Adjust the master games report in the prescribed format to reflect daily accrued prizes; and

(iii) Act only as the custodian of the progressive jackpot funds; and

(iv) Maintain no legal right to funds collected for the posted progressive jackpot prize or reserve funds which have not been recorded as gross receipts; and

(v) Strictly account for all funds collected.

(b) **House jackpots:** A fixed prize amount funded by the licensee that does not accrue or incrementally increase each time a wager is made to any guaranteed player fund or prize. Licensees must:

(i) Follow approved game rules related to house jackpots; and

(ii) Not adjust the master games report for house jackpot prizes; and

(iii) Award the posted house jackpot prize to each player achieving the predetermined winning hand; and

(iv) Conspicuously post the following at the table:

(A) The fixed prize amount; and

(B) A disclosure defining the jackpot prize as a house jackpot which involves no player funded money; and

(C) A disclosure to the players stating that the house jackpot may be removed without prior notice.

(2) Only progressive jackpots may use approved gambling equipment where the jackpot meter shows a real-time incrementally increasing progressive jackpot prize amount.

(3) House jackpots may use approved gambling equipment. Displayed prize amounts may only be adjusted manually by the licensee.

From: [David Mathews](#)
To: [Laydon, Ashlie \(GMB\)](#); Tina.Griffin@wsgc.gov
Cc: [Chris Swindell](#); [Jo England](#)
Subject: Discussion re: Proposed Updates to Chapter 230-15 WAC
Date: Tuesday, January 12, 2021 2:58:09 PM

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Good afternoon Ashlie,

My name is David Mathews and I am the Gaming Operations Manager at the Last Frontier Casino in La Center, Washington. I wanted to reach out today, prior to tomorrow's discussion forum, to let you know that myself, our General Manager Chris Swindell, and our CEO Jo England have all read through and discussed all of the proposed changes that have been put forward. We would like you to know that we have no challenges or concerns with any of the proposed changes. From an operational standpoint, if these changes are implemented, they will be a big help in understanding the WAC's that have been addressed.

We would also like to ask that our appreciation for the effort that your team put into these proposed changes is passed along to all of those who were involved in the process.

Thank you,

David Mathews

From: [Victor Mena](#)
To: [Lohse, Jess \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)
Cc: [Griffin, Tina \(GMB\)](#)
Subject: Some language suggestions
Date: Wednesday, January 13, 2021 11:00:11 AM

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Hi Jess,

Good to hear your voice. I only had a couple of comments with language of the proposed rules.

230-15-455- I understand that it is implied that you could have the funds in a checking account for the progressive jackpot payout, but I think it would be good to clarify the requirements of having that check issued to the player. Otherwise, this WAC could be interpreted to payout the jackpot in cash at the time of the prize being won.

230-15-671 Item #4- I understand that this rule is not changing what has been in practice with progressive funds with regards to reserves. I think that if possible, the language could make it clearer that reserve funds can be recorded as gaming revenue if those funds are not posted to the public with approval at any time. The way the current rule reads can be interpreted to mean that all collected funds on progressive wagers are player only funds. I understand that there are other considerations, but I am thinking of how this rule will read to others in the future.

I am very happy to see that these rules and the others your team has reviewed are being modified to make them clearer going forward such as the aggregate rule.

Ashlie I was on the email list that you blasted out but somehow it did not come through, if you could use this email for me going forward it would help me in the future.

Thanks Victor

From: [DiNapoli, Erika](#)
To: [Lohse, Jess \(GMB\)](#)
Cc: [Laydon, Ashlie \(GMB\)](#)
Subject: RE: [EXTERNAL] WAC 230-15-040
Date: Monday, February 1, 2021 1:39:30 PM
Attachments: [image001.png](#)
[image002.png](#)

External Email

Hi Jess, That is great news! Thank you so much for working with us. I will pass on the good news.

I look forward to working with both of you in the future!

Thanks -Erika D.

From: Lohse, Jess (GMB) <jess.lohse@wsgc.wa.gov>
Sent: Monday, February 1, 2021 12:07 PM
To: DiNapoli, Erika <Erika.Dinapoli@scientificgames.com>
Cc: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Subject: RE: [EXTERNAL] WAC 230-15-040

Hi Erika. I wanted to follow-up with you about the discussion below about the 040 rule (striking the carryover pot concept). I spoke with our Assistant Director last week about some of your concerns. It was decided to leave the section in the rule and not strike it. Any questions, let me know.
Thanks.

Jess Lohse
Special Agent
Washington State Gambling Commission
206-786-3530

From: DiNapoli, Erika <Erika.Dinapoli@scientificgames.com>
Sent: Friday, January 22, 2021 2:01 PM
To: Lohse, Jess (GMB) <jess.lohse@wsgc.wa.gov>
Cc: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Subject: RE: [EXTERNAL] WAC 230-15-040

External Email

Hi Jess, Thank you for the excellent follow up. I received your voicemail as well. I did receive some feedback from our product management group. They basically reiterated my comments below and would like WSGC to leave in the carryover pot game language. However, they did mention that SG currently does not have any plans to place a carryover game in Washington. It's really a matter of leaving room for a variety of technology since the language is already in the regs. Given this, there's

no urgency in our opposition to removing the language. When the drafts are distributed for formal comment, I can reiterate SG's concern as part of the comment process.

Thank you again for providing detailed information and allowing SG to participate in the preliminary process. You have been very helpful.

Ashlie, Thank you for adding me to the distribution list. I appreciate your assistance as well and look forward to working with you and your team in the comment process.

Have a great weekend!

Thanks -Erika DiNapoli

From: Lohse, Jess (GMB) <jess.lohse@wsgc.wa.gov>
Sent: Friday, January 22, 2021 6:42 AM
To: DiNapoli, Erika <Erika.Dinapoli@scientificgames.com>
Cc: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Subject: RE: [EXTERNAL] WAC 230-15-040

Hi Erika. I left you a message yesterday, but wanted to clarify a couple things in email also. We had a stakeholders meeting on 1/13/21 where licensees around the country participated and provided feedback on rules. We take the feedback from the stakeholders into consideration as much as we can as we go forward with the rule amendment process. From what I understand, Ashlie may have inadvertently not sent you an invite to the meeting. She found this out after the meeting occurred though. Your contact information was not on file with the WSGC. However, there were multiple other SG representatives at the stakeholder meeting. Those representatives did not provide any feedback on any of the rules we were looking to amend including WAC 230-15-040.

Prior to the stakeholder meeting back on 1/11/21, I forwarded your email below to Ashley for her awareness (your comments were only concerning WAC 230-15-040). I discussed your comments with the team that amended the rule in question, which I was part of. I provided you with a little background as to why we were looking to strike the section regarding carryover pots. In addition, to the comments below, I'm not sure how the concept would fit in the rule now because the rule is only for house-banked card games where the carryover pot concept is a nonhouse-banked type concept involving players competing against other players.

There will be additional opportunities to provide comment to all the rules I sent to you previously (including 040) at the upcoming commission meetings. The commissioners themselves have to approve the rule amendments. There will be a commission meeting to look at the rules in question in March and April I believe (Ashley can confirm).

You had noted that you were going to discuss the rule recently with your table game experts and let me know what they had to say. I would be interested to hear any information they have. Like I noted previously, Cincinnati 7 Card Stud is not being played in Washington, let alone the carryover pot concept within the game. The rule amendment would not affect any card rooms. Mark Hanna,

sales rep. in Washington, did not seem to be concerned about the game in question. Also, it is probable the carryover concept would be approved in tribal casinos regardless of the rule change (I will find out a definitive answer for this).

Those are the updates I have. Please let me know ASAP if SG is strongly opposed to the change regarding the carryover pot concept. If that is the case, I will need to discuss that in more detail with our Assistant Director. We want to work with licensees as much as possible, but regulatory concerns also sometimes dictate why we amend rules. I would need to confirm where the Assistant Director stands on the issue which would give me more direction as to where we go with it. Also, obviously we would want to know if someone would publicly oppose a change we made at a commission meeting. Feel free to send any additional comments. Thanks.

Jess Lohse
Special Agent
Washington State Gambling Commission
206-786-3530

From: DiNapoli, Erika <Erika.Dinapoli@scientificgames.com>
Sent: Thursday, January 21, 2021 2:14 PM
To: Lohse, Jess (GMB) <jess.lohse@wsgc.wa.gov>
Subject: RE: [EXTERNAL] WAC 230-15-040

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Hi Jess, Sorry we haven't been able to chat. I just wanted to do a quick follow up. How'd the draft meeting go? Do you know if the state is going to release the draft "as is" for formal comment?

I believe Ashley added me to the distribution list for the draft, so I'll keep an eye out for that.

Thanks -Erika D.

From: Lohse, Jess (GMB) <jess.lohse@wsgc.wa.gov>
Sent: Friday, January 15, 2021 9:21 AM
To: DiNapoli, Erika <Erika.Dinapoli@scientificgames.com>
Subject: RE: [EXTERNAL] WAC 230-15-040

Also, if for whatever reason the carryover pot concept was struck from 040, that would mean that the concept would not be authorized for house-banked card rooms. Tribal casinos in Washington would possibly be able to have them though, as they have different parameters for card game approvals. We have another person who reviews "tribal only" card game submissions. So you could possibly have Cincinnati 7 Card Stud without the cincy pot available for house-banked card rooms and then the same game with the cincy pot with tribal casinos. I would need to run this through our tribal card game expert for a definitive answer though, but just wanted to throw that out there.

Jess Lohse
Special Agent
Washington State Gambling Commission
206-786-3530

From: Lohse, Jess (GMB)
Sent: Friday, January 15, 2021 9:16 AM
To: 'DiNapoli, Erika' <Erika.Dinapoli@scientificgames.com>
Subject: RE: [EXTERNAL] WAC 230-15-040

Hi Erika. Attached are all the rules proposed for amendment. A lot of the material changes were related to house-banked card room operations (changes that will not impact SG). As we discussed previously, WAC 230-15-040 will impact SG. Let me know if you have any feedback/questions on any of these rules.

Regarding 040, we have always had a restriction in the rule that a player's win or loss must be determined during the course of a single deal of cards. In Washington State, card game concepts are not authorized unless approved by rule. We can not approve concepts on a case by case basis without some reference in the WAC rule. Over the years, two manufactures sought an exception to the subsection I just referenced to get a game concept approved. One of the manufacture's was SG with the carryover pot concept and the other manufacturer is no longer licensed and their game no longer approved. That leaves SG with the only exception.

From what I understand, no one has utilized the carryover pot concept in Washington. We were looking to get back to the heart of the subsection in question to only approve card games that conclude within a single deal of cards and to condense 040 and make it more concise. Your subsection on carryover jackpots is fairly long and very specific to a certain type of card game concept.

There was some concern as well about having "exceptions" to our rule and the boundaries we would place around those.

I understand your concerns. I will bring your feedback to our team meeting next week to see how we might be able to address them and whether we can amend language in 040. I will need to discuss your feedback with our Assistant Director as well as she ultimately approves all card games in Washington State. If you have anything else you would like to add feel free to email me. I'll touch base by phone next week as well. Have a good weekend!

Jess Lohse
Special Agent
Washington State Gambling Commission
206-786-3530

From: DiNapoli, Erika <Erika.Dinapoli@scientificgames.com>
Sent: Monday, January 11, 2021 2:56 PM

To: Lohse, Jess (GMB) <jess.lohse@wsgc.wa.gov>
Cc: McGowan, Solsiree <Solsiree.McGowan@scientificgames.com>
Subject: FW: [EXTERNAL] WAC 230-15-040

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Hi Jess. Bo Zorn forwarded your email to me. I am in the Product Compliance department and handle regulatory reform for SG. Thank you so much for sending this to SG's attention. As a company we welcome the opportunity to participate in the regulation reform process and value dialogue with our regulatory agencies.

I understand that this draft is preliminary and that a formal draft will be made available. Given that, I did an informal review of the draft and was pleased to see some of the changes. This will allow for some exciting games to be placed into the Washington market.

Regarding Section 7(a), I respectfully urge the Commission to reconsider the removal of this language and carryover pot games. While card rooms in Washington may not currently implement this feature, it is very popular in other jurisdictions. Limiting this type of technology could prohibit some exciting games from use in Washington. Additionally, as technology advances, this may limit the use of new features and games in the jurisdiction. In the alternative to removal, SG recommends evaluating carryover pot games on a case by case basis.

May I ask the intent of the removal of this language? Are there specific concerns that the Commission has regarding carryover pot features? If you like, I'd be more than happy to set up a call to discuss any questions or concerns the Commission may have.

Thank you again for this opportunity and feel free to contact me as needed for any regulatory reform matters.

Kind Regards,



Erika DiNapoli

Sr. Product Compliance Engineer

Scientific Games

O: 702 532 6437

E: erika.dinapoli@scientificgames.com

Visit SGGaming.com



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From: Lohse, Jess (GMB) [<mailto:jess.lohse@wsgc.wa.gov>]

Sent: Tuesday, December 15, 2020 2:41 PM

To: Zarach, Bo <Bo.Zarach@scientificgames.com>

Cc: Lane, Brian (GMB) <brian.lane@wsgc.wa.gov>

Subject: [EXTERNAL] WAC 230-15-040

Hi Bo. I wanted to reach out to you with some information about a possible WAC rule change that will be proposed to our commissioners in the near future. WAC 230-15-040 (current rule attached as PDF) is the main rule we use when reviewing card games in Washington to determine if the game will be approved. The WSGC is looking to amend the rule based on staff and stakeholder feedback. An amended version of the rule is attached as a WORD document. Next month there will be a stakeholder meeting to discuss this rule amongst several other card game rules. You should get something by email soon from our legal department concerning that stakeholder meeting.

The reason I am reaching out to you concerns subsection (7) of the amended rule, specifically (7) (a), Subsection (a) is about carryover pot games. Right now Scientific Games is the only manufacturer that has an approved card game that utilizes the carry over pot concept as found in (a). The game in question is Cincinnati 7 Card Stud, specifically the Cincy Pot. From what I understand, this game is not played at any card rooms in Washington. I don't think it has ever been played at any card room since it was approved to my knowledge.

If 040 is amended as proposed, only the Cincy Pot concept would not be authorized. The card game Cincinnati 7 Card Stud would continue to be authorized. Please let me know if you have any feedback on us striking subsection (a) which would make the Cincy Pot not authorized (if the rule amendment is approved).

Note: Take a look at the rest of the revisions to the rules. There are other changes that would benefit Scientific Games. For example, we would be authorizing players to place bets on the outcome of the dealer's hand, which is currently not authorized. We would also be authorizing players to win a prize if any players' hand, including the dealer's hand, achieves a predetermined outcome at the same table. This is similar to an envy except it would be an actual wager on the table in an approved betting spot. You would be able to submit card games for review and approval that authorizes each of these types of bets if the rule is approved.

Jess Lohse
Special Agent
Washington State Gambling Commission
206-786-3530

From: [DiNapoli, Erika](#)
To: [Laydon, Ashlie \(GMB\)](#); [Lohse, Jess \(GMB\)](#)
Subject: RE: [EXTERNAL] Updated Rule Language
Date: Tuesday, February 9, 2021 1:32:28 PM
Attachments: [image003.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)

External Email

Hi Ashlie and Jess, Just wanted to let you both know that SG has no further comments to this draft. Thank you again for your assistance and in allowing SG to be a part of the regulator reform process for Washington.

Kind Regards,



Erika DiNapoli

Sr. Product Compliance Engineer

Scientific Games

O: 702 532 6437

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[Visit SGGaming.com](http://www.sggaming.com)



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From: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Sent: Tuesday, February 2, 2021 10:56 AM
Cc: Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>; 'ACESCASINO21@YAHOO.COM' <ACESCASINO21@YAHOO.COM>; 'KENOPAS52@GMAIL.COM' <KENOPAS52@GMAIL.COM>; 'ALLSTARCASINO01@AOL.COM' <ALLSTARCASINO01@AOL.COM>; Baker, Dan (GMB) <accounting@blackpearlspokane.com>; 'ACCOUNTING@BP-CASINO.COM' <ACCOUNTING@BP-CASINO.COM>; 'BUZZEASTCASINO@MSN.COM' <BUZZEASTCASINO@MSN.COM>; 'BUZZINNCORP@MSN.COM' <BUZZINNCORP@MSN.COM>; 'TIM.MERRILL@MAVERICKGAMING.COM' <TIM.MERRILL@MAVERICKGAMING.COM>; Guzman, Rose (GMB) <rose.guzman@wsgc.wa.gov>; 'SFCAJSR@YAHOO.COM' <SFCAJSR@YAHOO.COM>; 'MICHELLEP542@GMAIL.COM' <MICHELLEP542@GMAIL.COM>; 'SALOONCASINO838@GMAIL.COM' <SALOONCASINO838@GMAIL.COM>; 'CBKLICENSING@WAGOLDCASINOS.COM' <CBKLICENSING@WAGOLDCASINOS.COM>; 'COYOTEBOBSCASINO@YAHOO.COM' <COYOTEBOBSCASINO@YAHOO.COM>; 'KACORD520@GMAIL.COM' <KACORD520@GMAIL.COM>; 'SEWARDCM@YAHOO.COM' <SEWARDCM@YAHOO.COM>; 'CMMLICENSING@WAGOLDCASINOS.COM' <CMMLICENSING@WAGOLDCASINOS.COM>;

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Subject: [EXTERNAL] Updated Rule Language

Good morning,

Based on stakeholder feedback we received after our meeting on January 13, 2021, we have made some additional changes to the following rules:

- WAC 230-15-040- Requirements for authorized card games.
- WAC 230-15-055- Limit on number of players at each table.
- WAC 230-15-700- Merchandise prizes for progressive jackpots.

I have attached these proposed changes for your review. Please provide feedback to me on these proposed changes by Wednesday, February 10, 2021.

Feel free to contact me via email if you have any questions.

Thank you,

Ashlie Laydon

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

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





Budget Review & Financial Update

May 13, 2021

Christopher Stanley
Chief Financial Officer



FY 2021 continues to improve over time

FY 2021 Revenue by Category/Subsource

Total Revenue by Category	2021 Expected Revenue	2021 Actual Revenue	2021 Projected Remaining	2021 Revenue Variance
Activity Licenses - Commercial	\$ 4,632,920	\$ 2,409,353	\$ 1,583,375	\$ (640,193)
Activity Licenses - Non-Profit	\$ 956,652	\$ 347,117	\$ 323,241	\$ (286,294)
Individual Licenses	\$ 2,692,116	\$ 2,192,672	\$ 673,071	\$ 173,627
Vendor Licenses	\$ 1,450,927	\$ 713,132	\$ 315,005	\$ (422,790)
Tribal Reimbursements	\$ 3,766,508	\$ 3,296,279	\$ 940,460	\$ 470,231
Other Sources	\$ 292,632	\$ 407,979	\$ 15,197	\$ 130,543
Agency Total	\$ 13,791,755	\$ 9,366,531	\$ 3,850,349	\$ (574,875)

**Negative variance reflects a loss of anticipated revenue; a positive variance would indicate a surplus.*

Anticipated revenue losses have declined by ~\$1M since the last report to the Commission in March.

FY 2021 continues to reflect underspend

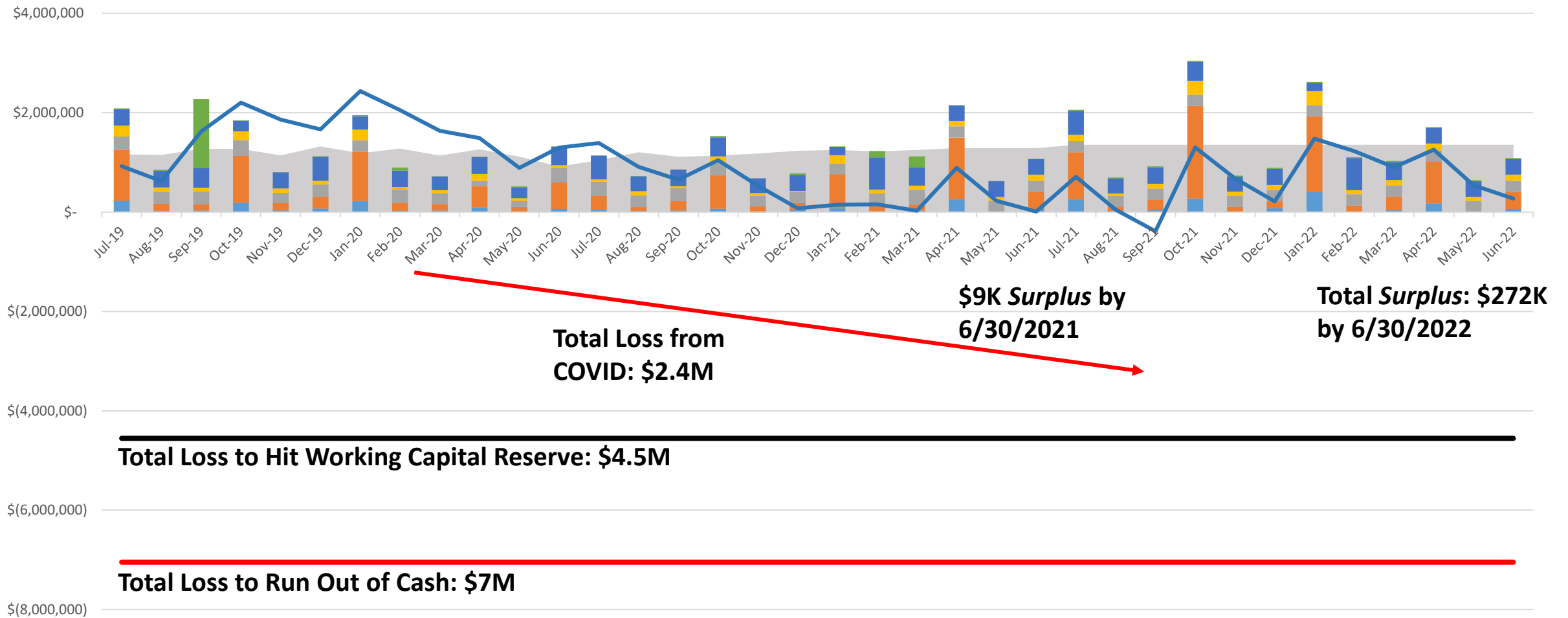
FY 2021 Sub-Program / Program Index-Level View

Agency Total by Object	2021 Total Budgeted	2021 Spent To-Date	2021 Projected Remaining	2021 Variance (Bd-Sp-Pr=Var)
FTEs	119.25	101.62		17.63
Salaries	\$ 9,884,986	\$ 5,958,412	\$ 2,347,684	\$ 1,578,890
Benefits	\$ 3,395,212	\$ 2,213,601	\$ 806,363	\$ 375,248
Contracts	\$ 14,700	\$ -	\$ 3,491	\$ 11,209
Goods & Services	\$ 2,517,992	\$ 2,033,391	\$ 598,023	\$ (113,422)
Travel	\$ 318,360	\$ 13,649	\$ 75,611	\$ 229,101
Capital Expenses	\$ 461,794	\$ 416,834	\$ 109,676	\$ (64,717)
Grants & Benefits	\$ 2,712	\$ 4,482	\$ 644	\$ (2,414)
Agency Total	\$ 16,595,756	\$ 10,640,370	\$ 3,941,492	\$ 2,013,894

**Positive variance reflects an underspend of budgeted levels; a negative variance would indicate an overspend.*

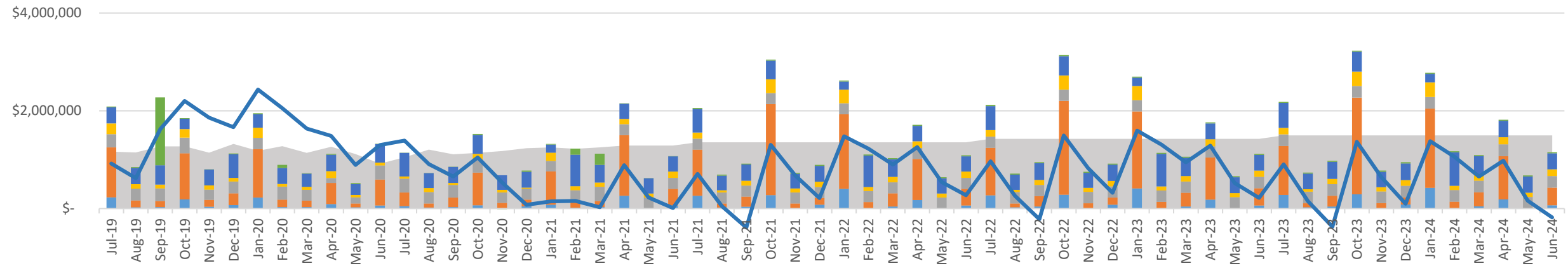
Gambling Revolving Fund Short-Term Forecast

**Based on Estimated Revenue and Expenditure Levels with Inflation*



Gambling Revolving Fund Long-Term Forecast

**This 5-year view is less certain the further out the forecast runs.*



Total Deficit After 5 Years: \$180K

Total Loss to Hit Working Capital Reserve: \$4.5M

Total Loss to Run Out of Cash: \$7M

Adopting the Biennial Budget: 2021-2023

FY 2021-2023 Object-Level Expenditure View

		FY 2022	FY 2023	BI 2021-23
	FTE Total:	119.25	119.25	119.25
	Budgeted Total:	\$16,584,389	\$16,522,711	\$33,107,100
<i>Expenditure Type</i>				
Salaries & Benefits		\$12,984,397	\$12,984,397	\$25,968,794
Contracts		\$41,452	\$41,452	\$82,904
Goods & Services		\$3,083,158	\$3,085,138	\$6,168,275
Travel		\$269,708	\$269,708	\$539,415
Equipment		\$311,964	\$276,064	\$588,028
Grants/Other Benefits		\$2,525	\$2,525	\$5,050
Total Expenditures		\$16,693,183	\$16,659,283	\$33,352,467

*This table does not include the following items:

- IT Modernization
 - Currently estimated at \$5.5M (one-time)
- Ongoing Co-Regulation of Sports Wagering
 - Currently estimated at \$1.3M/year

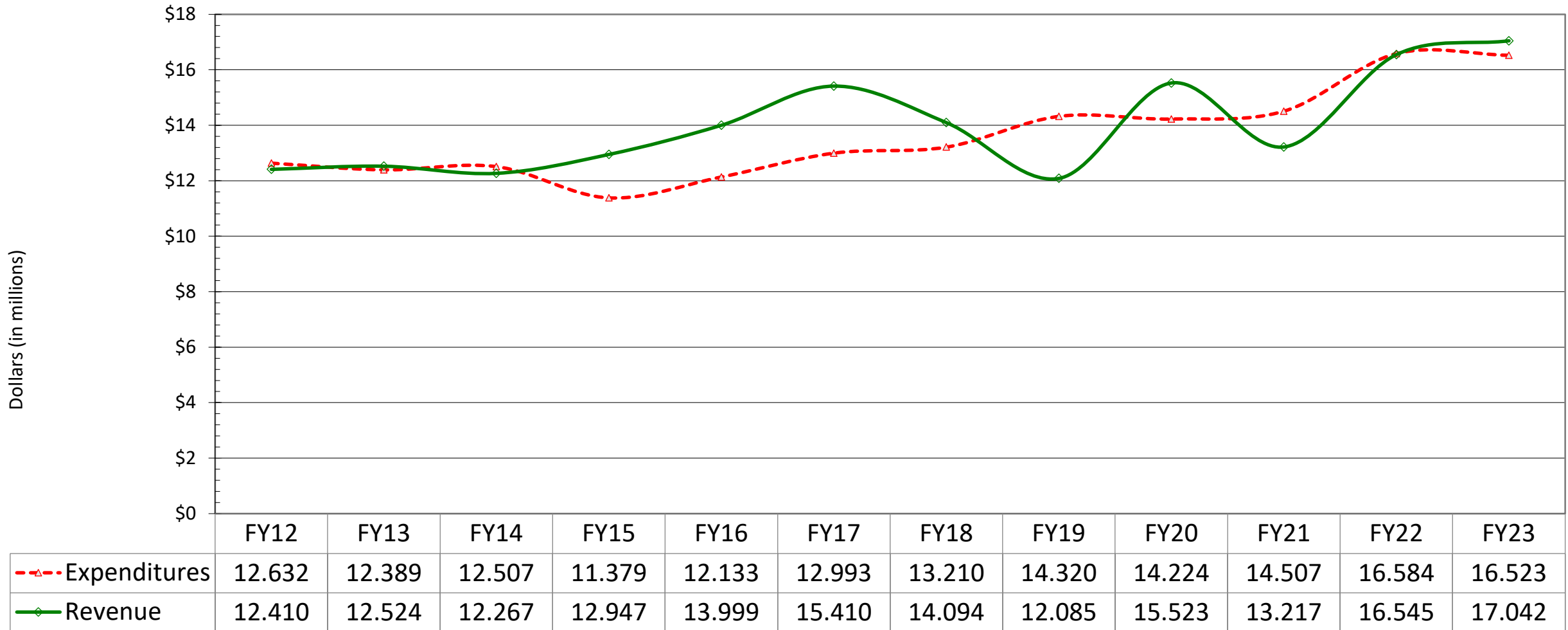
Adopting the Biennial Budget: 2021-2023

FY 2021-2023 Revenue View

Revenue Type	FY 2022	FY 2023	BI 2021-23
Non-Profit Licenses	\$1,356,433	\$1,397,126	\$2,753,559
Commercial Licenses	\$6,450,762	\$6,644,285	\$13,095,048
Individual Licenses	\$2,692,158	\$2,772,923	\$5,465,081
Vendor Licenses	\$1,566,095	\$1,613,078	\$3,179,173
Tribal Reimbursement	\$4,236,739	\$4,363,841	\$8,600,580
Other Revenue	\$243,144	\$250,438	\$493,582
Total	\$16,545,331	\$17,041,691	\$33,587,023

**Revenue associated with sports wagering is not reflected here as rule-making is ongoing.*

How Does This Compare Over Time?





Questions?

Christopher Stanley
Chief Financial Officer



Law Enforcement Bills Impacting the Agency:

5. **ESHB 1054, Establishing requirements for tactics and equipment used by peace officers.**
Representative Johnson's bill prohibits a law enforcement officer from using a list of items or actions and modifies certain Criminal Justice Training Commission training requirements. This bill passed the House by a vote of 54-43 and is currently in Senate Rules.
6. **HB 1088, Impeachment Disclosures**
HB 1088 requires the Criminal Justice Training Commission (CJTC) to provide or contract for the provision of online training for potential impeachment disclosures. It also requires law enforcement agencies, prior to hiring an officer with previous law enforcement experience, to inquire whether the officer has ever been subject to potential impeachment disclosure. Lastly, it establishes limited immunity from civil liability for a public agency, official, or employee, who shares impeachment information about an officer with a prosecuting authority or the officer's employer or potential employer.
7. **HB 1223, Custodial Interrogations**
HB 1223 requires law enforcement officers to electronically record custodial interrogations if the interrogation is a juvenile or related to a felony. It also requires law enforcement officers to electronically record audio and video of qualifying custodial interrogations at a jail, police, or sheriff's station, holding cell, or correctional or detention facility, and to electronically record, at minimum, audio of qualifying custodial interrogations at any other place of detention. Lastly, it requires law enforcement agencies to establish and enforce rules and procedures relating to electronic recordings of custodial interrogations.
8. **2SHB 1310, Concerning permissible uses of force by law enforcement and correctional officers**
Representative Johnson's HB 1310 addresses the civil use of force standard, but the second substitute does not amend the criminal standard. It also addresses training related to use of force.
9. **SB 5051, State oversight and accountability of police and correctional officers**
SB 5051 modifies the priorities and composition of the Criminal Justice Training Commission (CJTC). It also expands the background investigation requirements for persons applying for peace officer, reserve officer, and corrections officer positions, and expands the conduct for which the certification of a peace officer or a corrections officer may be revoked.

The Bill also requires employing agencies to report all separation and disciplinary matters regarding a certified officer to the CJTC, and removes confidentiality of complaints, investigations, and disciplinary actions for certified officers and requires information be maintained on a publicly searchable database.

General State Government Bills:

10. **ESHB 1274, Concerning cloud computing solutions**
HB 1274 allows, but does not require, state agencies to use cloud computing and establishes a task force on cloud computing to provide recommendations to the Legislature by Nov. 30, 2021.
11. **ESSB 5432, Concerning cybersecurity and data sharing in Washington state government**
SB 5432 Creates the Office of Cybersecurity within the Office of the Chief Information Officer and gives this new sub-agency authority over all state agencies. This bill also adds additional reporting and cybersecurity requirements on state agencies.