



STATE OF WASHINGTON
GAMBLING COMMISSION

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

October Gambling Commission Meeting Minutes

Hampton Inn & Suites 4301 Martin Way E.
Olympia, WA 98516

Public Meeting
October 12, 2017

Commissioners Present:

Bud Sizemore, Chair
Kelsey Gray, PhD.
Chris Stearns
Ed Troyer

Ex Officios Present:

Senator Steve Conway

Staff Present:

David Trujillo, Director; Amy Hunter, Deputy Director; Tina Griffin, Assistant Director; John Meader, Assistant Attorney General; Brian Considine, Legal and Legislative Manager; Julie Lies, Tribal Liaison; Heather Songer, Public Information Officer; Julie Anderson, Executive Assistant.

Executive Session Call to Order

Chair Sizemore called the October Gambling Commission Meeting to order at 11:10 a.m. and immediately went into Executive Session to discuss Tribal Negotiations, Pending Investigations and Litigation.

Public Session Call to Order

Chair Sizemore called the Gambling Commission to order at 1:05 p.m. and welcomed everyone to the Hampton Inn & Suites and introductions were made.

There were 30 people in attendance.

Tab 1

Consent Agenda:

September Commission Meeting Minutes/ New Licensees

Commissioner Gray moved to approve the Consent Agenda as presented.

Commissioner Stearns seconded the motion.

The motion passed. 4:0

Snoqualmie Class III Gaming Employees Licensees

Commissioner Gray moved to approve Snoqualmie Class III Gaming Employees as presented.

Commissioner Troyer seconded the motion.

The motion passed. 3:0

Commissioner Stearns abstained.

Director's Update:

Director Trujillo reported on a recent visit he and Julie Lies had with the Yakama tribal leaders and their staff. The meeting was coordinated by the Governor's Office of Indian Affairs and included many other state agencies. He introduced Tommy Oakes, Special Agent Supervisor for the Law Enforcement Unit to the Commissioners and mentioned Chair Sizemore was able to attend the Swearing in Ceremony that was held at the Gambling Commission Headquarters October 11, 2017. Director Trujillo updated the Commissioners on the 2017 Centennial Accord Ceremony that was held October 10, 2017 at Swinomish Casino. He, along with Julie Lies and Commissioner Stearns attended the celebration. Commissioner Stearns shared some of the topics that were covered at Centennial Accord. Commissioner Stearns was pleased to announce that the Accord was very well attended. Director Trujillo gave an update on the agency's upcoming Re-Accreditation process that will occur in early 2018. He directed the Commissioners to the House bank card room activity report that was in their Commission packet. Director Trujillo announced that Commissioner Gray would be retiring from the Commission and that this meeting would be her last meeting. The Gambling Commission presented Commissioner Gray with a token of appreciation for her term on the Commission and Chair Sizemore read the letter of appreciation from the Governor.

Commissioner Stearns spoke briefly about World Mental Health Awareness day. He reminded everyone that the national council on problem gambling estimates that 1 in 5 gambling addicts attempts suicide.

**Tab 2
Defaults**

Staff Attorney, Haylee Mills presented the materials for Tab 2.

*Commissioner Troyer moved to revoke the Class III Certification for James D. Garner.
Commissioner Gray Seconded the Motion.
The Motion passed. 4:0*

*Commissioner Troyer moved to revoke the Card Room License for Anthony Ward.
Commissioner Stearns seconded the Motion.
The Motion passed. 4:0*

*Commissioner Stearns moved to revoke the Card Room License for Justin O. Madison.
Commissioner Gray seconded the Motion.
The Motion passed 4:0*

Commissioner Troyer asked if the information regarding Wesley L. Johnson was forwarded to the prosecutor's office or if there are plans to send it forward based on this specific dollar amount. Ms. Mills explained based on the information that was found during the investigation, it was not referred to the prosecuting authority. Commissioner Stearns asked for clarification on whether Wesley L. Johnson received warning for failing to make the said transfer. Haylee explained that he had received prior warning for prior conduct. Director Trujillo interjected that Wesley L. Johnson did not take the said funds, they just weren't transferred to his account but the money was preset. Ms. Mills confirmed Director Trujillo's statement.

*Commissioner Troyer moved to revoke the Card Room License for Wesley L. Johnson.
Commissioner Gray seconded the Motion.
The Motion passed. 4:0*

*Commissioner Troyer moved to revoke the Card Room License for Nouviris Real.
Commissioner Gray seconded the Motion.
The Motion passed. 4:0*

Tab 3

Staff Request for Rule Changes/Fee Simplification (Package #2)

Assistant Director, Tina Griffin, and Legal and Legislative Manager, Brian Considine presented the materials for Tab 3. This Rule Changes/Fee Simplification packet is the second of at least packets to be brought before the Commission for the Fee Simplification. Senator Conway asked if all changes have been distributed to the licensees. AD Griffin confirmed that these changes have been posted on the website. She also mentioned that the website has all the updated information including a fee calculator.

Chair Sizemore asked for public comment after each chapter in Tab 3 individually.

Chapter 6, Rules for all Licensees. No comment.

Chapter 7, Charitable and nonprofit rules. No comment.

Chapter 9, Fund-raising event rules. No comment.

Chapter 10, Bingo rules. No comment.

Chapter 11, Raffles rules. No comment.

Chapter 13, Amusement game rules. No comment.

Chapter 14, Punchboard and Pull tab rules. No comment.

Chapter 15, Card game rules. No comment.

Chapter 16, Manufacturer, distributor, and gambling service supplier rules. No comment.

Chapter 5, WAC 230-05-102. No comment.

Chair Sizemore asked Mr. Considine to join the table to continue the presentation. Mr. Considine presented the material for Chapter 17, Brief Adjudicative Proceedings (BAP) rules.

Commissioner Stearns asked for clarification on the presiding officer and the discretion they have to convert any BAP to a formal proceeding whenever it appears. Mr. Considine clarified the question and agreed with what Commissioner Stearns heard. Chair Sizemore asked for public comment.

Public Comment: There was no public comment.

*Commissioner Stearns moved to file the Rule Changes/Fee Simplification Package #2 as presented by staff with an effective start date of July 1, 2018.
Commissioner Gray seconded the Motion.
The Motion passed. 4:0*

Tab 4

Petition for Rule Change to Restrict Employee Gambling at their Place of Employment (Great American Gaming)

Assistant Director, Tina Griffin introduced the other presenters for Tab 4. Richard Proctor, Regional General Manager for Great American Gaming Corporation and Stacey Hess Regional Manager of Surveillance and Compliance of Great American Gaming Corporation. AD Griffin said the petitioners are seeking to restrict employees from gambling at the facilities where they work. This petition excludes the game of poker. Poker games or pot games need to allow employees to participate in the games. Mr. Proctor stated that they put forward this rule change and it does not include poker. As an industry, Mr. Proctor believes that they have a responsibility to protect their internal as well as external stakeholders. By facilitating, enabling, encouraging, or requiring employee gambling in the workplace, it is not only disingenuous to our employees but a direct contradiction to the vision statement of the Washington State Gambling Commission, which states providing a workplace that allows employees to excel at their jobs. Senator Conway asked why Great American Gaming Corporation considered poker an exemption from gambling. Mr. Proctor explained that in his opinion poker is a player-banked game verses a house-banked game.

Chair Sizemore asked for public comment. Rich Lemieux, representing Wizard's Casino in Burien, Washington commented that he is originally from Las Vegas, operates Wizards Casino, and is not in favor of this rule. Maureen Greeley, representing Evergreen Council of Problem Gambling said she didn't have any particular feeling, one way or the other, on how the Gambling Commission moves forward on this rule. Except, that there are several things that have happened over the past 5 to 10 years. - and Senator Conway knows this better than anyone in the room - on how we have expanded our understanding of responsible gaming, and problem gambling, and put into place effective measures to deal with it. And yet we still have a long way to go. I have to compliment the industry in our state, as well as the Commission for being proactive in the area of responsible gaming and problem gambling. Ms. Greeley spoke specifically about the August meeting where Special Agent Lisa Saila, Gambling Commission's Problem Gambling Liaison, spoke at length about problem gambling and responsible gaming measures. Ms. Greenly mentioned that Commissioner Patterson, Senator Conway, and Commissioner Stearns came forward with measures that they would like the Gambling Commission staff to work with Evergreen Council on Problem Gambling, and with others in the field. Ian Rawley, representing The Black Pearl in Spokane, Washington, thanked Mr. Proctor for clarifying that he intended not to include poker in his rule petition. Mr. Rawley said they do not encourage gambling. He recognized that a small percentage of their business would be reliant on employee participation. But, he is not in favor of this rule. Gary Malcolm, General Manager of Macau Casino in Lakewood, and is also speaking for Caribbean Casino and Macau Casinos said he spoke to Bill Zender regarding this rule quite a bit. Mr. Zender is a game protection expert. Mr. Zender's job is to protect the house and protect the businesses and he will also tell you that this is the most unique gaming environment in the world. Mr. Malcolm is not in favor of this rule.

After hearing the public comment the Commission took a short break. When the Commission reconvened the petitioner decided during the break to withdraw his petition. No Motion Needed.

Tab 5

Staff Request for Rule Changes/Fee Simplification (Package #1)

Assistant Director, Tina Griffin presented the materials in Tab 5. This packet is the first of at least three fee simplification packets to be brought before the Commission. This packet was first heard at the September Meeting and will be up for Final Action at the January Commission Meeting. The Commissioners had no comments on this packet.

Public Comment: There was no public comment.

Tab 6

Staff Request for New Rule – Gambling Equipment

Assistant Director, Tina Griffin presented the materials for Tab 6. Staff is requesting a new rule to require a manufacturer or its designee to submit electronic or mechanical gambling equipment for evaluation during rule-making. This petition was up for further discussion.

Public Comment: There was no public comment.

Tab 7

Petition for Rule Change – Ducks Unlimited

Assistant Director, Tina Griffin presented the materials for Tab 7. This rule was up for further discussion and Final Action will be at the November meeting. There were no questions from the Commissioners.

Public Comment: There was no public comment.

Other Business/General Discussion/Public Comment

Deputy Director, Amy Hunter introduced the new Lab Administrator, Melissa Velencia. Melissa has worked for the agency for 17 years and was acting Lab Administrator while the recruitment process took place. Congratulations Melissa.

Commission meeting adjourned at 4:42 pm.